ACCOR

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2023 Universal Registration Document

Annual Financial Report
Integrated Report

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Annual financial report
Integrated report

This Universal Registration Document was filed on March 29, 2024 with the French securities regulator (*Autorité des Marchés Financiers* – AMF), as competent authority under (EU) Regulation 2017/1129, without prior approval pursuant to article 9 of said regulation. The Universal Registration Document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if completed by a securities note and, if applicable, a summary and any amendments to the Universal Registration Document. The whole is approved by the AMF in accordance with (EU) Regulation 2017/1129.

This is a translation into English of the Universal Registration Document of the Company issued in French and it is available on www.group.accor.com.

All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions expressed therein, the original French language version of the document takes precedence over this translation.

Integrated Report

Ändra Hotel - MGallery - United States

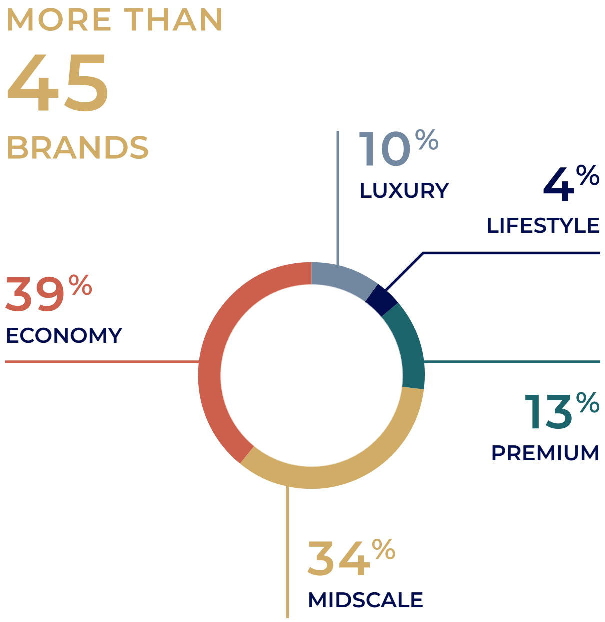
MORE THAN A HOTEL GROUP, ACCOR IS A LARGE ECOSYSTEM OF BRANDS, KNOW-HOW AND SOLUTIONS, DELIVERING UNIQUE EXPERIENCES

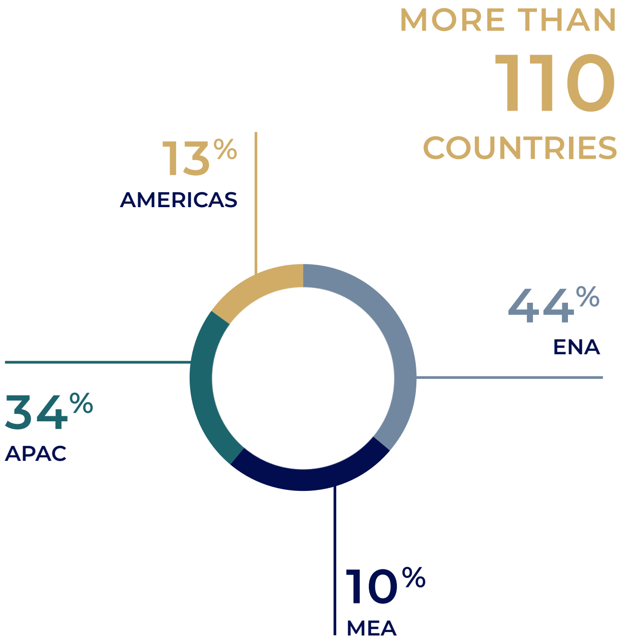
Accor is a world-leading hospitality group offering experiences across more than 110 countries with over 5,500 hotels, 10,000 food & beverage venues, wellness facilities and coworking spaces. The Group has one of the industry's most diverse hospitality ecosystems, encompassing more than 45 hotel brands from luxury to economy, *via* lifestyle with Ennismore. Accor is committed to taking positive action in terms of sustainable development, community outreach, and diversity & inclusion.

Founded in 1967, Accor SA is headquartered in France and publicly listed on the Euronext Paris Stock Exchange (ISIN: FR0000120404) and on the OTC Market (Ticker: ACCYY) in the United States.

Accor has divided its organization structure into two distinct divisions, Premium, Midscale & Economy and Luxury & Lifestyle, each with its own dedicated brands and strategic priorities, with a view to consolidating its leadership positions, focusing its strengths, honing its expertise, accelerating its growth and continuing to boost profitabili y. The two divisions are built around a platform of shared services comprising functions that unlock synergies for both, including in Procurement, Digital & Business Factory and Accor Tech.

PRESENT IN ALL SEGMENTS AND ALL GEOGRAPHIES (AS A % BASED ON NUMBER OF ROOMS)





Discrepancies in sums may occur due to rounding.

Sofitel Villa Borghese, Italy

Network

5,580+
HOTELS

821,000+
ROOMS

1,315
HOTELS IN THE PIPELINE

225,000
ROOMS IN THE PIPELINE

People

330,000+
EMPLOYEES
UNDER THE ACCOR BRAND

300+
TYPES OF JOBS

Commitment

CONTRIBUTION TO PLANETARY CARBON NEUTRALITY BY 2050

Financial performance

€5,056m
REVENUE

€1,003m
EBITDA

FOR MORE INFORMATION,
VISIT WWW.ACCOR.COM
OR FOLLOW US ON X, FACEBOOK,
LINKEDIN, INSTAGRAM AND TIKTOK.

Raffles Udaipur - India

Paving the way for responsible hospitality

Since its creation, Accor has always succeeded in rising to the key challenges in its market. The Group has successfully transformed itself and managed to overcome obstacles, adapting to major global trends. With the ambition of continuing to develop by leveraging its strengths and its heritage, while mobilizing its stakeholders in an ever-more sustainable hospitality project, Accor overcomes the challenges it faces and continues to write its own history.

Shaping the future of hospitality, means providing the resources to create sustainable financial and non-financial value.

Sébastien Bazin
Chairman and Chief Executive Officer

“

*Pioneering the art
of responsible hospitality,
connecting cultures
with heartfelt care.*

”

Message from the Chairman

SÉBASTIEN BAZIN,
CHAIRMAN AND CHIEF EXECUTIVE OFFICER

In 2023, for the first time in its history, Accor crossed the €1 billion mark in Group EBITDA. The record-high results exceeded our guidance and we are all very proud. **There are many reasons for this success, but first and foremost I would like to thank the 330,000 talented women and men who created it and who, every day, in our hotels, bars, restaurants and all the other places that make up the richness of our Group, cultivate know-how, care and creativity and make our brands shine with passion and energy.** Commitment is the key to our success and we also extend this to the partners and owners who place their trust in us and assist us in deploying the hospitality of tomorrow. With innovative technologies, smooth and efficient booking tools, memorable experiences and a generous sense of welcome, more and more travelers around the world are discovering and enjoying the Group's brands and the benefits of our loyalty program ALL.

Our unique brand portfolio is one of the Group's great strengths. In 2023, Accor successfully continued its roll-out across all segments and regions. This is how Handwritten was born for example, a new collection designed to support owners who want to preserve the unique character of their mid-range hotels. 2023 also saw the launch of The Purist, our new Wellness concept, and the opening of the iconic Raffles London at The OWO, synonymous with refinement and legendary service. Our offers have also diversified, with the launch of the Accor One Living platform, which now includes our Residences activities, the launch of the All Inclusive Collection, specialized in all-inclusive stays, and the roll-out of a long-stay offer.

Since January 2023, Accor has supported this development through a new operational organization centered on two divisions: Premium, Midscale & Economy on the one hand, and Luxury & Lifestyle on the other. Bringing us greater agility and attention to the specific needs of our brand owners and guests, it has enabled the Group to further unleash its full potential.

Beyond the performances of the year just ended, we now focus our action on the long term. Because we are convinced that the future of tourism must be sustainable, or there will be none. This is why Accor is at the forefront of the transformation of the hotel industry, so that it can make an active contribution to the environment and society. The Group demonstrated this further in 2023 by joining the Carbon Disclosure Project's A-rated companies for the first time, and by launching an educational white paper on sustainable travel in China, in association with partner companies. A systemic transformation of our industry can only be obtained through collaborative action, and working with our peers enables us to breathe life into a more responsible model. This is why we co-founded the Hospitality Alliance for Responsible Procurement, HARP, which aims to transform procurement in line with our vision of responsible hospitality.

We have also decided to go one step further in asserting this collective and collaborative vision that is always focused on people. In 2023, with the participation of nearly 10,000 employees and partners, we worked on defining the Group's corporate purpose. Everyone was able to express their opinions and share their thoughts during the discussions, and after several months of consultation and debate, we agreed on a shared vision for the Accor purpose: "Pioneering the art of responsible hospitality, connecting cultures with heartfelt care." In 2024, we will work on defining the foundations that will allow each of us to bring this vision to life and apply it to all of our actions. Our philosophy will be put to the test, especially during the Paris 2024 Olympic Games, which we will enthusiastically welcome to the Group's birthplace, but also during the many major international events that should continue to fuel the Group's growth. We begin this new year with confidence. In a complex world, Accor is ideally positioned to expand further and, as a pioneering and bold player, to bring to life its vision of a responsible hotel industry that creates value for all.

ACTING IN A WORLD OF TRANSITION(S)

The success of Accor lies in its ability to take account of major global trends and respond to them appropriately in its field of expertise. Harnessing its strengths, the Group is taking initiatives to rise to the challenges of ever-more sustainable and innovative hospitality.

The ecological and climate transition

The climate and biodiversity are in crisis, impacting citizens, our activities and the viability of our planet. Average temperatures have never been so high, extreme weather events are increasingly frequent, and greenhouse gas emissions continue to increase on a planetary scale. Parallel to this, the deterioration of biodiversity is alarming and numerous species are threatened with extinction owing to land take, overuse of natural resources, intensified agricultural practices, pollution and climate disruption. All these factors combined are radically changing how we live, disrupting natural ecosystems and damaging the biosphere.

KEY ACTIONS

— Definition of a food waste benchmark value in the Group's hotels.
— Establishment of a Water Policy.
— Signing of global-reaching partnerships to encourage hotels to achieve external certification.
— A strategy based on science, built around the Stay, Eat, Explore pillars, to deliver a positive impact on People and Nature.
— A contribution to planetary carbon neutrality by 2050, in line with the Paris Agreement, and with a SBTi commitment.
— Environmental, Social and Governance (ESG) criteria integrated into our financing strategy since 2021.
— Elimination of single-use plastics from the guest experience, i.e. 57 items – including water bottles.
— Involvement in key sector events to promote a sustainable vision of hospitality.

Heritage Grand Perast by Rixos - Montenegro

The technological and digital transition

Digitalization is one of the major features of our societies. Constantly accelerating, it is revolutionizing our behavior and habits, and, more broadly, the way we work, travel and consume. The key structuring factors arising from this new paradigm include the digitalization of the guest experience, new approaches to social and commercial relationships, the platformization of part of the economy, the rise of mobile apps in everyone's daily lives, the widespread adoption of teleworking, and access to information in real time. New challenges emerge as the pace of these developments ramps up and accessibility appears to increase, namely in personal data protection, cyber security, the improvement of the guest experience, and digital inclusion.

KEY ACTIONS

— Providing our guests with a digital portal and a mobile booking app enabling them to choose from a broad range of offers and services.

— Regularly extending the digital services offered to ALL-Accor Live Limitless loyalty program members.

SO/ Sotogrande - Spain

Club Privé By Rixos Göcek - Turkey

The social and societal transition

Since the Covid-19 crisis in 2020, in line with the main scientific guidelines, new trends are gaining ground, including greater aspirations in terms of sustainability and frugality, the appeal of proximity and localism, the desire for greenery and space, and the search for a more balanced lifestyle. These developments combine with pre-existing trends, such as the increased adoption of mobility, the desire to enjoy unique experiences, the quest for meaning and ethics, and the pursuit of well-being in a world plagued by multiple upheavals. Now more than ever, these trends are requiring us to rethink the very concept of service and assistance for citizens, assets and consumers.

KEY ACTIONS

— Dissemination of a Human Rights Policy and a Diversity, Equity and Inclusion approach for all employees under the Accor brand and our value chain.

— Development of a comprehensive hospitality ecosystem through various acquisitions and partnerships.

— Regular enrichment of our ALL-Accor Live Limitless loyalty program to offer our guests unique and constantly renewed experiences, including the integration of solidarity initiatives.

— Promotion of new concepts (resort, Lifestyle, collections, private residence rentals) to cater to all traveler aspirations.

A VALUE-CREATING BUSINESS MODEL

Resources

HUMAN CAPITAL

— More than **333,000** employees under the Accor brand
— More than **300** professions
— Accor Academy: **4** regional academies
— A culture uniting our Heartists® throughout the Group
— Our Diversity, Equity and Inclusion approach and Human Rights Policy deployed globally

NATURAL CAPITAL

— **13.8** TWh energy consumed
— **105** million m³ water withdrawn
— **3,643** kt CO_2 equivalent Scope 1 & 2 emissions in 2023
— **3,526** kt CO_2 equivalent Scope 3 emissions in 2023

COMMERCIAL CAPITAL

— More than **45** brands across all segments (Economy, Midscale, Premium, Luxury & Lifestyle)
— Solutions to enhance performance: Procurement Department, distribution tools, expertise in technology and digital
— Offering of innovative food & beverage and entertainment experiences, and a comprehensive ecosystem with spas, work-out areas and meeting rooms
— Over **110** countries
— Network of **5,580** hotels, **821,000** rooms
— **225,000** hotels in the pipeline
— Strong ALL loyalty program with **100+** partners

FINANCIAL CAPITAL

— **€2.3bn** in cash and equivalents
— An optimized balance sheet
— Robust financial structure
— A strong credit rating (Investment Grade with a stable outlook from Standard & Poor's and Fitch Ratings)

ACC

Strategy

DRIVE TRAFFIC
Attracting and fostering loyalty among guests, employees and partners

ACCELERATE SUSTAINABLE GROWTH
Allocating resources to ensure rapid and responsible growth

INNOVATE CONSTANTLY
Placing innovation at the heart of our asset-light model

Expertise

— A global hospitality leader with a comprehensive ecosystem of expertise/solutions/experiences
— A hospitality culture in all market segments, from luxury to economy, and including lifestyle, and in all geographies

TRANSITIONS

ECOLOGICAL AND CLIMATE

ACCOR

Strengths

AN ECOSYSTEM
integrating
brands, services
and solutions

PASSIONATE TEAMS
with proven
professionalism

AN ALL LOYALTY PROGRAM
and a robust
booking system

EXPERTISE
in Sustainable
Development

A TRANSPARENT ORGANIZATION
built around two divisions
and a Global Shared Platform

— Pioneering expertise, for more than 50 years, in creating unique experiences that build relationships
— A diversity and inclusion approach which guarantees performance and cohesion
— A sustainable development strategy at the heart of our business model

Value creation

FOR EMPLOYEES* AND LOCAL COMMUNITIES

— **139,418** new hires in 2023
— **€2bn+** in wages and other staff costs in 2023
— More than **42%** of women in Management Committees worldwide and **28%** of hotel managers
— **27%** of hotel managers have no higher education qualifications
— **6.2** million hours of training
— Hotel engagement rate of **8.7/10**
— More than **470** projects supported by Accor Solidarity since its creation
— **€70m** dedicated to the ALL Heartist Fund

FOR THE PLANET

— Roll-out of a program to enhance the energy efficiency of our hotels
— **79%**** of hotels removed single-use plastic items from the guest experience, including water bottles
— Per hotel, around **29,000** single-use plastic bottles avoided in 2023
— **60%** food waste reduction by 2030

FOR PARTNERS AND GUESTS

— **€27bn** business volume
— Extensive range of tools and solutions to upskill hotel owners and level up performance
— Around **5,000** listed suppliers and **€3bn** in procurement via Central Purchasing contracts

ECONOMIC PERFORMANCE

— More than **€5bn** in revenue
— More than **€1bn** in EBITDA
— **€676m** paid to the shareholders in 2023, via share buybacks and dividend payments

* *Scope: owned, leased and managed hotels.*
** *Estimated result post-Internal Audit, validated by the Audit Committee..*

TECHNOLOGICAL AND DIGITAL

SOCIAL AND SOCIETAL

FOR 50 YEARS, ACCOR HAS BEEN REINVENTING HOSPITALITY

A pioneering spirit

1967

— With travel becoming ever more popular, Paul Dubrule and Gérard Pélisson create the concept of a modern and standardized hotel chain. With the opening of the first Novotel at Lille Lesquin, for the first time, guests can benefit from an en suite bathroom. In addition, Novotel offers them, for the price of a room, an office, a grill, a swimming pool and breakfast.

Promising development

1960-1970

— Accor invents economy and midscale hotels with the creation of France's leading brands in this market: Novotel and ibis. Accor acquires Mercure.

1980-1990

— Accor enters the luxury sector with the acquisition of the iconic Sofitel chain.

— Accor enters the managed food segment with the acquisition of Jacques Borel International.

— Accor becomes a trailblazer in well-being with the creation of the Thalassa brand.

— Accor creates Formule 1, a new economy hotel concept based on particularly innovative construction and management techniques.

2000-2010

— Accor creates a brand to meet the need for individuality with MGallery, a collection of distinctive properties steeped in history.

— Accor creates Pullman, a premium brand for business travelers.

— Accor confirms its global leadership in all segments, with carefully chosen brands such as JO&JOE, Mama Shelter, 25hours Hotels, TRIBE, greet, Faena, designer hotels including Hyde, Delano, SLS, and, in the luxury sector, the acquisition of Fairmont and Raffles.

An assertive sense of responsibility

1970

— Accor enshrines its first Gender Equality at Work Charter.

1994

— In a first for a French CAC 40 blue-chip company, Accor establishes the Environment Department, transformed in 2000 into the Sustainable Development Department.

2006-2010

— Accor creates Earth Check, the hospitality industry's premier sustainable development program.

2008

— Accor sets up the Accor Solidarity endowment fund, tasked with fighting exclusion.

2009

— Accor launches Plant for the Planet, a global agro-forestry initiative to promote greener agriculture.

2012

— Accor unveils its gender equality network, RiiSE.

Mövenpick Resort Waverly Phu Quoc - Vietnam

New challenges, new responses

2019-2020

— Launch of the new ALL-Accor Live Limitless loyalty program.

— Accor accelerates its move into entertainment through partnerships with PSG and IMG and naming partnerships with Accor Arena, with the acquisition of stakes in Paris Society and Potel & Chabot.

— Accor strengthens its positioning in lifestyle hotels by acquiring sbe and creating Ennismore.

— Accor supports new ways of working with its Wojo-branded in-hotel coworking spaces.

2021

— Ennismore becomes the leading lifestyle hotel operator, boasting the fastest growth worldwide.

— Accor creates the Emblems Collection, a luxury brand rounding out its portfolio of brands with conversion potential (Mercure, ibis Styles, MGallery, Handwritten).

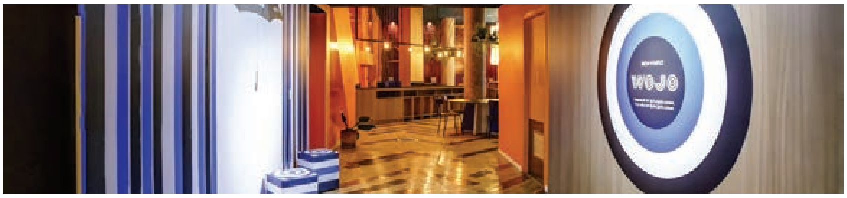
— Accor stages the grand return of the Orient Express in Italy with the Dolce Vita train.

— Accor becomes an Official Partner of the Paris 2024 Olympic and Paralympic Games.

2022

— Accor unveils a broad range of new spectacular addresses and announces the global launch of its All-Inclusive Collection.

— Accor continues to simplify its business model to create greater value by reorganizing into two distinct business lines.



2015

— Accor partners with Energy Observer, a revolutionary catamaran with which the Group explores innovative solutions to support the ecological transition.

2016-2021

— Launch and roll-out of Planet 21 – Acting Here, the Group's CSR program.

— Implementation of an ALL Heartist solidarity program for employees most affected by the health crisis.

2021

— Accor commits to planetary carbon neutrality by 2050. The defined trajectory includes an initial target to reduce its emissions by 46% out to 2030, and launches its first bond issue linked to sustainable development goals for an amount of €700 million.

2022

— Accor unveils its new sustainable development strategic framework, focused on People and Nature, built around three operating pillars, Stay, Eat and Explore.

BOOSTING APPEAL, LEVERAGING SOLID STRENGTHS

1

A fully integrated ecosystem of brands, services and solutions

Accor now has an extended ecosystem of brands with which it can address the wide range of needs and desires of its guests. Its hallmark? Offering them the best possible experience while also adopting a customized approach to their increasing desire for personalization.

2

Passionate teams with proven professionalism

With more than 336,600 employees under the Accor brand, the Group has brought together the resources to welcome its guests under the best possible conditions. Teams are regularly trained to offer travelers an optimum welcome and high quality services.

3

An ALL loyalty program and a robust booking system

With ALL, Accor boasts a loyalty program which makes the Group attractive and serves to elevate its reach. Developed to promote traveler engagement, the ALL loyalty program stands out thanks to the strength of its distribution and reservation platform as well as the appeal of its content.

4

Expertise in sustainable development to fuel performance

Accor is committed to leading a sustainable development transformation which should accelerate the way the Group achieves its social and environmental transition. Steered at the highest levels of the Company, it aims to build a contributive model and boost Group performance for the benefit of all stakeholders.

5

A transparent organization built around two divisions and a Global Shared Platform

Now structured around two distinct divisions, the “Premium, Midscale & Economy” division and the “Luxury and Lifestyle” division, which leverage a platform of shared services, Accor is structured to best address the expectations, needs and desire of its guests. This segmentation contributes to a greater understanding of the offering while also facilitating the development of each brand.

PURSUING A PROACTIVE STRATEGY

Drive traffic

Attracting, converting and fostering loyalty among guests, employees and partners

— Attracting our guests thanks to our significant portfolio of world-renowned brands
— Delivering a seamless distribution experience with a view to maximizing overnight stay conversion
— Promoting enduring loyalty, notably via personalization of offerings

Accelerate sustainable growth

Allocating resources to ensure rapid and responsible growth

— Continuing our development by maximizing our value
— Minimizing contract losses
— Multiplying touchpoints in an integrated, sustainable ecosystem

Innovate constantly

Placing innovation at the heart of our asset-light model

— Transforming our processes & tools
— Transforming our skills
— Transforming our organizations

Naru Seoul - MGallery - South Korea

DEPLOYING A NEW SUSTAINABILITY STRATEGY

Repurposed in 2022 and integrated into the Group's business model, Accor's sustainability strategy seeks to shift the Group to a contributive model by 2030. The science-based strategy focuses on two main areas, People and Nature, and is organized into three operational pillars: Stay, Eat and Explore.

Stay

Accor aims to operate its hotels within planetary limits and, in this respect, to contribute to planetary carbon neutrality by 2050 in line with the Paris Agreement, while also reducing pressure on the natural resources it depends upon. As part of its hotel opening and renovation programs, the Group strives to transform how its hotels are operated, by systematically integrating sustainable development criteria. It does so through three main focuses: eco-design, the sustainability of operations, and attractiveness.

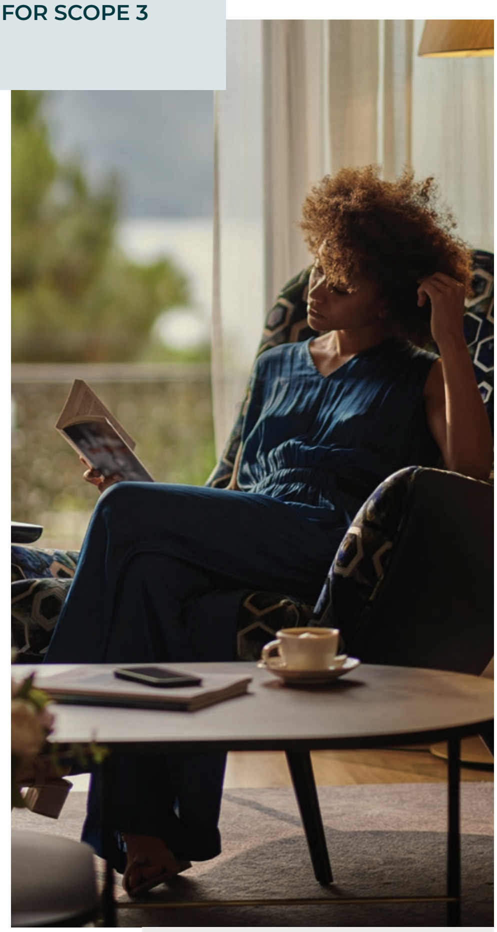
-46%
GREENHOUSE GAS EMISSIONS REDUCTION TARGET FOR SCOPE 1 AND 2 BY 2030*

-28%
GREENHOUSE GAS EMISSIONS REDUCTION TARGET FOR SCOPE 3 BY 2030

The emphasis is on optimizing the use of natural resources and energy and water consumption, promoting the circular economy, reducing waste, eliminating single-use plastics, and integrating properties into their ecosystems. The goal of this long-term process is to enable all hotels within the network to obtain the best international sustainable tourism certification for their sustainable management.

KEY ACTIONS IMPLEMENTED IN 2023

— Elimination of 57 single-use plastic products in 79%* of hotels, including water bottles.
— Deployment of a new reporting tool for hoteliers enabling them to measure their carbon footprint and optimize the management of resources, notably water and energy.
— Signing of two new international partnerships with the Green Key and Green Globe certification programs to promote the sustainable certification of hotels by sharing best practices.


Fairmont Le Montreux Palace - Swiss

* Estimated result post-Internal Audit, validated by the Audit Committee.

Eat

With more than 10,000 bars and restaurants, Accor has a major role to play in stepping up the transformation to a sustainable agriculture and food model. To make its food value chain more sustainable, the Group is working simultaneously in three main areas:

— the development of a responsible supply chain in terms of product selection and origin as well as environmental and social production conditions;
— the reduction of food waste;
— the transformation of the culinary experience by providing differentiating offerings.

To achieve these goals, the Group focuses on optimizing the traceability of its supply chain and championing responsible consumption by encouraging guests to discover local, in-season, organic and plant-based food. The benefits of this transformation are manifold. It supports biodiversity, reduces carbon and water impacts, promotes communities, and strengthens fair practices for producers and local farmers.

-60%
FOOD WASTE REDUCTION TARGET BY 2030


Mövenpick Hotel Basel - Swiss

KEY ACTIONS IMPLEMENTED IN 2023
— Deployment, with food tech company Klimato, of a new tool designed to measure and inform guests of the carbon footprint of the 45 meals on the menu in nearly 80 hotels in the United Arab Emirates.
— Definition of a food waste baseline based on data from more than 800 hotels.

Explore

True to its vision of travel, which it aims to make more contributive and inclusive, Accor is pursuing its goal of safeguarding the ecosystems and local culture of each destination. The Group's key focuses in this respect concern the responsible use of green spaces, firmly established roots in local communities and responsibilization regarding sustainability challenges. To make this ambition a reality, the Group actively protects the local environment and cultural heritage, forging links with inhabitants and endorsing a more sustainable approach to travel. To maximize its impact, Accor acculturates its employees in sustainable development challenges and raises its guests' awareness of the importance and virtues of the environmental and social transition. The challenge consists in making destinations both more resilient and appealing and encouraging travelers to rediscover these destinations while at the same time protecting nature and local communities.

Pullman Xiamen Powerlong - China


90%
OF EMPLOYEES TRAINED ON SUSTAINABLE DEVELOPMENT CHALLENGES BY 2030

KEY ACTIONS IMPLEMENTED IN 2023
— Training of Accor employees on environmental and social challenges.
— International partnership with Captain Cause to enable members of Accor's ALL loyalty program to provide support with their loyalty points, via the Group's digital platforms, to global clauses backed by associations and NGOs.

A GLOBAL INNOVATION DYNAMIC

In a world that is becoming increasingly digitalized, Accor has made innovation one of the hallmarks of its identity. The dynamic driving the Group aims to create new products and services focused on enhancing the guest experience and preparing the future.

Within Accor's Digital Factory, the digital innovation team is positioned as the spearhead of the digital transformation in the hotel industry. Its mission? To promote Accor to leading positions in innovation, by tirelessly exploring new digital frontiers. It aims to enrich each interaction between guests and hotels by creating dynamic, customized experiences. Innovation transcends individuals: it is a collective dynamic which drives the Group as a whole. By constantly staying up-to-date with the latest advances and by cultivating a spirit of innovation within its teams, the Digital Factory facilitates innovation, enabling everyone to reinvent their work methods and offer the best digital solutions to our guests.

It designs, develops and enhances a wide range of tools and functionalities to enrich the ecosystem of digital products and services. The Digital innovation team plays a crucial role in testing and integrating the latest innovations which can transform the digital experience offered by products. The approach used is firmly focused on creating value for guests and properties, with return on investment targets defined for each challenge. The goal is not to merely innovate for innovation's sake, but rather to create innovations likely to deliver impact and enhance the guest experience with digital products.

The ambition is to make Accor and the Digital Factory unrivaled references for digital innovation in the hotel industry. Innovation is an essential driver of development and catalyst for excellence in the guest experience.

Pullman Melbourne Albert Park - Australia

Mercure Liège City Centre - Belgium

Catalyzing innovation via the Innovation Lab

The *Innovation Lab*, for its part, is in charge of exploring new innovation territories and supporting innovation projects with products and services to enhance guest experiences and relationships.

Combining improvements to what exists with a disruptive dynamic, the *Innovation Lab* develops its innovation projects around four areas: the Hotel Experience, the Room Experience, Mobility and New hotel products and services. The projects it steers, and for which it is in close collaboration with Group business line experts, operational teams and different external plays such as industrial groups and startups, aim to have a positive impact on the hospitality market and spark the emergence of innovative hotel concepts. This co-innovation should position Accor as a leader in hotel innovation while at the same time providing new revenue streams for the Group.

Addressing new technological challenges

Convinced of the benefits of Artificial Intelligence (AI) and GenAI, Accor is working on different use cases, with the most promising set to be launched on an industrial scale. One idea that is sparking great interest, for example, is making an intelligent conversational search engine available to guests for the creation of their stay.

AI and GenAI are significant levers and represent opportunities to make life easier for hoteliers and to elevate the guest experience but the technology used must provide assistance. It should contribute to improving the hotel experience by freeing up employees to spend more quality time with guests, but will never replace people. Now more than ever, AI is designed to serve people and their needs.

To better explore these new technological challenges, Accor identifies and works with the best partners on these topics and issues to always remain at the leading edge of innovation.

Similarly, the Group cooperates with different industrial partners to implement various prototypes which will improve the guest experience before a potential scale-up. Moreover, the Group invested in two startups which the *Innovation Lab* assists in their strategy and development.

A CLEAR AND EFFICIENT ORGANIZATION

Accor has divided its organization structure into two divisions, each with its own dedicated brands and strategic priorities, with a view to consolidating its leadership positions, focusing its strengths, honing its expertise, accelerating its growth and continuing to boost profitability.

The Premium, Midscale & Economy Division


Tribe Budapest Stadium - Hungary

Structured around three regions (Europe and North Africa; Middle East and Asia-Pacific; the Americas), this division includes 5,052 hotels throughout the world, 16% in the Premium segment, 39% of them in the Midscale segment, and 45% in the Economy segment. It includes brands such as Pullman, Mövenpick, Swissôtel, Mercure, Novotel and ibis. This division has a pipeline of 1,047 properties.

STRATEGIC PRIORITIES

— Focus on the brands: consolidate the leadership of its three iconic brands (ibis, Novotel and Pullman), expand its network thanks to our conversion brands (Mövenpick, Mercure, Handwritten and greet), and strengthen compliance with brand standards.
— Concentrate efforts on key markets: consolidate leadership in the Midscale and Economy segments and seize growth opportunities in the Premium segment.
— Increase the efficiency of the growth model to leverage scale effects, enhancing processes and developing fiscal discipline.

"To maximize EBITDA growth at the Premium, Midscale & Economy division, we are focusing on three priorities: its brands, its key markets and the efficiency of its growth model."

Jean-Jacques Morin
Deputy Chief Executive Officer and CEO of the Premium, Midscale & Economy division

"The Luxury & Lifestyle division intends to continue cementing its leadership and global reach by offering iconic brands which have placed luxury, expertise and attention to detail at the heart of their positioning. More generally, the aim is to combine exclusive signatures with original experiences, a strong brand promise at the service of value creation, reinforced by a feeling of desirability."

Sébastien Bazin
Chairman and Chief Executive Officer

Sofitel Legend Old Cataract Aswan - Egypt

The Luxury & Lifestyle Division

This division includes 532 hotels, with 70% and 30% in the luxury and lifestyle segments respectively. It is structured into the Orient Express, Raffles and Fairmont, Sofitel, MGallery, Emblems and Ennismore brands. This division has 268 properties in the pipeline.

STRATEGIC PRIORITIES

— Promote the promise of each brand to offer guests unique experiences.
— Prioritize the originality and high quality of products and services to guarantee customer loyalty, an appeal to owners and a sense of belonging for talents.
— Pursue a strong growth objective to generate EBITDA.

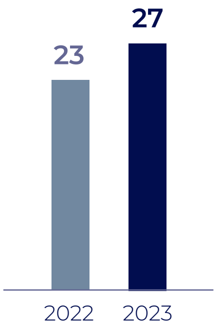
A COMMON PLATFORM OF SHARED SERVICES

The Premium, Midscale & Economy division and the Luxury & Lifestyle division leverage a platform of shared services which provides them with all the expertise as well as different services, notably regarding digital, technology and procurement. In this way, the two divisions can fully concentrate on their expansion and their growth challenges.

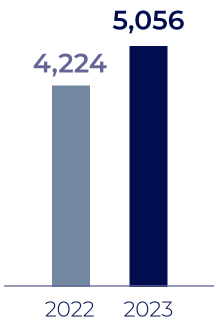
Mondrian Singapore Duxton - Singapore

FINANCIAL KEY FIGURES

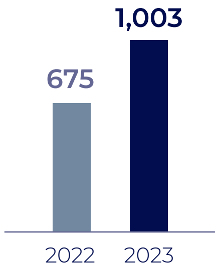
Business volume
(€bn)



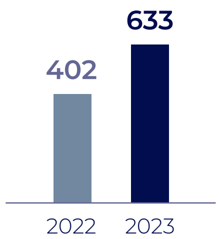
Revenue
(€m)



EBITDA
(€m)



Net profit Group share
(€m)

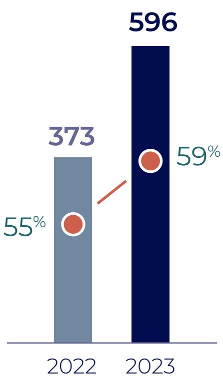


SO/ Auckland - New Zealand

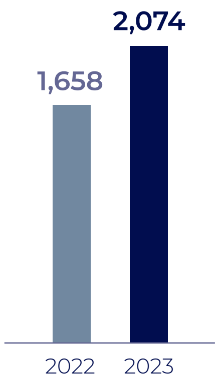
Stock market capitalization as of December 31, 2023

€8.7 BN

Recurring Free Cash-Flow
(€m)
Cash conversion
(% of EBITDA)



Net debt
(€m)



NON-FINANCIAL KEY FIGURES

Single-use plastics	*Food waste*	*Carbon footprint*	*Diversity, Equity & Inclusion*	*Responsible Procurement*
OBJECTIVE: 80% of hotels that have eliminated single-use plastics from the guest experience	**OBJECTIVE: 80%** of Top 300 hotels reporting a food waste baseline value	**OBJECTIVE: 85%** of hotels with a carbon emissions measurement tool in place	**OBJECTIVE: 40%** women in management committees worldwide	**OBJECTIVE: 100%** of nominated suppliers committed to repecting the Responsible Procurement Charter*
2023 RESULT **79%**	2023 RESULT **90%**	2023 RESULT **60%**	2023 RESULT **42%**	2023 RESULT **100%**

* Or equivalent: Procurement 21 Charter, or supplier code of conduct that complies with the items covered by Accor's Responsible Procurement Charter

Accor's financial and non-financial ratings

Mercure Tokyu Stay Osaka Namba - Japan

INVESTMENT GRADE

Standard and Poor's	**BBB-** → Stable outlook
Fitch Ratings	**BBB-** → Stable outlook

ACCOR LEADS NON-FINANCIAL RATING AGENCY RANKINGS IN ITS SECTOR

CDP Carbon	**A** → 1st in its sector
SUSTAINALYTICS	**18.1** → 2nd in its sector
Moody's ESG Solutions	**68** → 2nd in its sector
MSCI	**A**

Accor has also been included in the CAC 40 ESG index since March 2021 which includes 40 socially responsible companies.


Raffles At Galaxy Macau - China

A RELIABLE GOVERNANCE TO SUPPORT THE STRATEGY

*Membership of the Board of Directors**

SÉBASTIEN BAZIN
Chairman and
Chief Executive Officer
End of term 2026 AGM

IRIS KNOBLOCH
Independent Director,
Senior Independent Director
and Vice-Chair of the Board
End of term 2026 AGM
AUD NOM ENG STR

ASMA ABDULRAHMAN AL-KHULAIFI
Director
End of term 2025 AGM
NOM STR ESG

UGO ARZANI
Director
End of term 2025 AGM
AUD ENG

HÉLÈNE AURIOL-POTIER
Independent Director
End of term 2025 AGM
AUD NOM ESG

ILIANE DUMAS
Director representing
employees
End of term April 20, 2026
NOM

QIONG'ER JIANG
Independent Director
End of term 2025 AGM
STR ESG

ANNE-LAURE KIECHEL
Independent Director
End of term 2026 AGM
AUD ENG

BRUNO PAVLOVSKY
Independent Director
End of term 2026 AGM
AUD NOM ESG

NICOLAS SARKOZY
Independent Director
End of term 2025 AGM
STR

CHRISTINE SERRE
Director representing
employees
End of term January 18, 2027
ESG

ISABELLE SIMON
Independent Director
End of term 2025 AGM
AUD NOM ESG

SARMAD ZOK
Director
End of term 2025 AGM
NOM ENG STR

COMMITTEES

- AUD — AUDIT, COMPLIANCE & RISKS COMMITTEE
- NOM — APPOINTMENTS AND COMPENSATION COMMITTEE
- ENG — COMMITMENTS COMMITTEE
- STR — INTERNATIONAL STRATEGY COMMITTEE
- ESG — ESG COMMITTEE

SKILLS

- HOSPITALITY
- BRAND/MARKETING
- DIGITAL/TECH/DATA
- INTERNATIONAL
- FINANCE
- CEO OF LARGE COMPANIES
- LUXURY
- ESG

*As of 12/31/2023

The Board of Directors determines the Group's strategic policy directions and oversees their execution. It is made up of thirteen members, including two employee representatives, appointed for their expertise, unique insight and ability to tackle sector challenges.

Since 2009, the roles of Chairman of the Board and Chief Executive Officer have been combined, bringing the Group greater agility in governance and management and creating a direct relationship between management and shareholders. The balance of power is ensured by the presence of a Senior Independent Director.

10
MEETINGS IN 2023

93%
ATTENDANCE RATE

In 2023, the work of the Board of Directors was devoted to:
— overseeing the reorganization of the Group into two divisions (Premium, Midscale & Economy and Luxury & Lifestyle);
— approving the sale of its head office building in Paris, the Sequana Tower, to the Valesco Group;
— approving the 2022 parent company and consolidated financial statements and the 2023 interim financial statements;
— reviewing the governance of the Board and its Committees and notably the creation of an ESG Committee;
— reviewing and approving the sustainable development's strategy of the Company;
— proposing to the Shareholders' Meeting the compensation of executive officers;
— reviewing the independence: criteria and confirming the independance of directors;
— convening the Annual Shareholders' Meeting.

Five specialist committees to facilitate the operations of the Board of Directors

The Board of Directors is backed by five specialist Committees which, with their findings, enlighten and assist with decision-making.

THE AUDIT, COMPLIANCE & RISKS COMMITTEE

The Committee is tasked with:
— examining the interim and full-year financial statements;
— ensuring the statutory auditing of the Group's financial results;
— reviewing the fees of Statutory Auditors;
— monitoring of work done by the ALL Heartist Fund;
— reviewing the cybersecurity and personal data protection measures in place;
— monitoring the Group's compliance program.

4
MEETINGS IN 2023

THE APPOINTMENTS AND COMPENSATION COMMITTEE

The Committee is tasked with:
— reviewing compensation;
— reviewing the succession process;
— reviewing the independence of directors;
— reviewing the diversity policy and monitoring the action plan;
— monitoring the internal assessment procedure regarding the functioning of the Board;
— reviewing the governance of the Board and its Committees.

4
MEETINGS IN 2023

THE COMMITMENTS COMMITTEE

The Committee is tasked with:
— reviewing and monitoring various proposed acquisitions and disposals.

4
MEETINGS IN 2023

THE INTERNATIONAL STRATEGY COMMITTEE

The Committee is tasked with:
— reviewing current international issues and their impact on Group operations.

2
MEETINGS IN 2023

THE ESG COMMITTEE

The Committee is tasked with:
— examining strategy and initiatives in terms of social and environmental responsibility, notably regarding climate change;
— monitoring the integration of Group CSR commitments in respect of the challenges related directly to its business activities and objectives;
— reviewing annual non-financial performance.

2
MEETINGS IN 2023

*Executive Management**

Under the leadership of Sébastien Bazin, Chairman and Chief Executive Officer, and Jean-Jacques Morin, Deputy Chief Executive Officer, Accor's operations are now based on two distinct divisions: Premium, Midscale & Economy and Luxury & Lifestyle. They are both assisted by a Management Committee and a Global Shared Platform, which delivering expertise and services to both divisions, including digital, technology and procurement.

Group Management Board

SÉBASTIEN BAZIN
Group Chairman and CEO

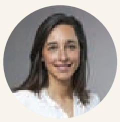
JEAN-JACQUES MORIN
Deputy CEO and Premium, Midscale & Economy Division CEO

MARTINE GEROW
Chief Finance Officer

GILDA PEREZ-ALVARADO
Chief Strategy Officer and CEO Orient Express

BESMA BOUMAZA
Group General Counsel & Board of Directors' Secretary

STEVEN DAINES
Chief Talent & Culture Officer



BRUNE POIRSON
Chief Sustainability Officer

KAMAL RHAZALI
General Secretary and General Counsel, Luxury & Lifestyle

FLOOR BLEEKER
Chief Technology Officer

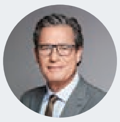
ALIX BOULNOIS
Chief Digital Officer

CAROLINE TISSOT
Chief Procurement Officer

* *As of 12/31/2023*

Premium, Midscale & Economy Executive Committee

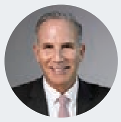
JEAN-JACQUES MORIN
Group Deputy CEO and Premium, Midscale & Economy Division CEO



THOMAS DUBAERE
CEO Americas

PATRICK MENDES
CEO Europe & North Africa

DUNCAN O'ROURKE
CEO Middle East, Africa & Asia-Pacific



GARY ROSEN
CEO Greater China

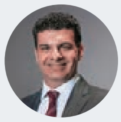
BESMA BOUMAZA
General Counsel

FABRICE CARRÉ
Chief Strategy Officer

STEVEN DAINES
Chief Talent & Culture Officer

KARELLE LAMOUCHE
Chief Commercial Officer

PATRICK LAURENT
Chief Financial Officer

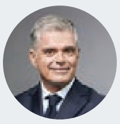


CAMIL YAZBECK
Chief Development Officer

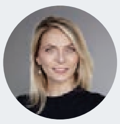
Luxury & Lifestyle Executive Committee

SÉBASTIEN BAZIN
Group Chairman & CEO

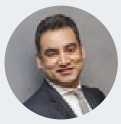
GILDA PEREZ-ALVARADO
Chief Strategy Officer and CEO Orient Express



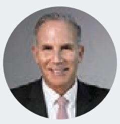
OMER ACAR
CEO Raffles & Fairmont



MAUD BAILLY
CEO Sofitel, MGallery & Emblems



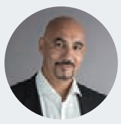
GAURAV BHUSHAN
Co-CEO Ennismore and CEO Lifestyle & Leisure Brands



GARY ROSEN
CEO Greater China

KAMAL RHAZALI
Secretary General and General Counsel, Luxury & Lifestyle

AGNÈS ROQUEFORT
Chief Development Officer



JOHNY ZAKHEM
Chief Financial Officer

COMPENSATION OF EMPLOYEES AND OF THE CHIEF EXECUTIVE OFFICER

Group employees benefit from a compensation policy which integrates the concept of performance while also offering healthcare coverage. Compensation of the Chief Executive Officer, for its part, is based on principles in line with market practices.

A compensation policy designed on a global scale

The compensation policy designed and implemented by Accor is rolled out according the specific practices of each country and is based of five main principles:
— it takes account of the performance and potential of each employee;
— it aims to apply competitive compensation in line with the socio-economic features of the markets and countries concerned;
— it must ensure that employee benefit from fair compensation;
— it encourages employee savings and stock ownership;
— it meets the objective of ensuring healthcare coverage for employees.

While this policy is global, it is nevertheless rolled out in line with the specific practices in force in each country.

Chapter 3 of the 2023 Universal Registration Document describes talent compensation in greater detail.

Mercure Figeac Viguier Du Roy - France

Compensation policy for the Chairman and CEO

The compensation policy for the Company's Chief Executive Officer is determined by the Board of Directors. It acts on the recommendation of the Appointments and Compensation Committee. In particular the Board of Directors ensures that:
— this policy complies with the following principles: completeness and consistency with the compensation policy of the Company's other executives and employees, as well as comparability, motivation, measurement and comprehensibility of the rules;
— while ensuring a balance is maintained between the compensation packages.

The role of the Appointments and Compensation Committee

The Appointments and Compensation Committee bases its recommendations on compensation benchmarks conducted by external consultants of the practices of other companies of comparable size and international hotel groups. The Committee ensures that its recommendations are in line with the guidelines of the AFEP/MEDEF code.

The compensation policy of the Chairman and Chief Executive Officer with the items of compensation paid or awarded in respect of fiscal 2023 to the Chairman and Chief Executive Officer will be subject to the approval of shareholders at the Company's 2024 Annual Shareholders' Meeting and are presented in chapter 4 of the Universal Registration Document.

A STRUCTURED APPROACH TO COMPREHENSIVE RISK MANAGEMENT

The comprehensive risk management approach

The Group's risk management approach aims to:
— identify, assess and reduce risks that could prevent the Group from delivering its targets and implementing its strategy, even partially;
— identify, assess and reduce risks generated by the Group's business with social or environmental consequences and with an indirect impact on the Group's reputation;
— protect the Group's employees, data and brands as well as its customer and partner portfolios while implementing the strategy.

The approach is based on risk maps, specific to one or several risks (see section 2.2.1 "Risk management"), carried out on the basis of a shared methodology that can nevertheless be adapted to the specific nature of each risk category. Operational and functional units design, implement and run prevention and protection programs in response to the risks identified. Risk governance is based on a broader model of consultation and decision-making through a Group Risk Committee that meets quarterly and reports to the Executive Committee.

RISK MAPPING

Identification/ Evaluation

— Risk universe
— Evaluation scales
— Risk matrix

ANTICIPATORY ACTIONS

Prevention

— CSR
— Compliance
— Safety and Security
— Ethics
— Information system security, etc.

Protection

— Design of crisis management and communication system
— Design of business continuity plans
— Internal control
— Governance
— Risk transfer policy

EVENT

REACTIVE ACTIONS

Reaction

— Activation of crisis management and communication system
— Activation of business continuity plans

Raffles Boston - United States

MATERIAL RISKS

The material risks resulting from the map of the Group's major risks are presented in the table below in descending order of importance. The description of these risks and the associated mitigation measures are described in section 2.2.2 of the 2023 Universal Registration Document.

— Climate risks;
— Malicious attack on the integrity of digital personal data;
— Talent attraction and retention risk;
— Unfavorable change in the geopolitical, health or economic environment;
— Unavailability of digital operating data;
— Non-compliance with standards, laws and regulations.

Fairmont Jaipur - India

Offering new experiences

Accor offers its guests unique hospitality experiences thanks to an extensive brand portfolio. This ecosystem, made up of brands, solutions and experiences in different segments, meets the needs of travelers but also those of local communities.

Shaping the future of hospitality means striving for constantly revisited experiences, forever positioned at the forefront of the sector.

A DIVERSIFIED BRAND ECOSYSTEM FOR UNIQUE EXPERIENCES

Accor's unique ecosystem is made up of high value-added brands, services and solutions and a powerful loyalty program. It enables continuous reinvention of personalized services and experiences and facilitates better performance of our partner hotel owners.

Why does Accor have a large number of brands?

With more than 45 hotel brands ranging from ultra-luxury to economy, including lifestyle, the Accor ecosystem offers the broadest selection in industry. It has been strengthened in recent years to meet all expectations, both of owners and end customers. On the ALL loyalty program and booking site, the brands offer to be the travel companion of all your projects, at all times and in all company, always. A family holiday, a business trip, a romantic getaway, me-time away to unwind are all situations where needs are very different. The same is true for an owner for whom an urban, rural or seaside development do not require meeting the same aspirations. Each brand aims to best address the aspirations of each guest, which can change, evolve and intermingle. In a world where experience is paramount, where change is becoming habitual and where personalization has become the standard, a portfolio of highly varied brands also enables us to offer regional or global responses depending on needs.

What differentiates the segments of the PM&E division?

The Premium, Midscale & Economy division includes more than 20 brands, and, as its name indicates, breaks down into the three segments reflecting the positioning of each. Each brand is a historical Group brand and they continue to account for almost 90% of the network and 70% of business. These are high-affinity brands with excellent reputations which can benefit from significant scale deployment. The Premium segment is built around the Pullman brand with its extraordinarily rich heritage. Midscale leverages the strength of Novotel, the Group's first brand, while Economy is largely represented by the equally iconic ibis family. Mövenpick, Mercure and Handwritten complement the Group's presence with their impressive conversion performance while Mantra, Grand Mercure and greet benefit from their highly localized footprint enabling us to continue to broaden our offering in markets where we already have a strong foothold.

What are the unique personalities of the four brand collections making up the Luxury & Lifestyle division?

Accor is positioned as the 2nd ranking global player in luxury hospitality with more than 370 hotels. Orient Express in the ultra-luxury market, with its legendary brand expressing an aura of mystery and imagination, promising the most incredible adventures either by train, sailing ships or in hotels. Raffles & Fairmont, with flagship hotels in all four corners of the globe, provide the utmost in personalized services and unrivaled, thoughtful experiences. Sofitel, MGallery and Emblems, with two brands ready for conversion, offer a refined and unique approach to luxury. Ennismore, which encompasses Lifestyle brands, is the biggest global entity in this market with more than 150 hotels. Full autonomy is left to the brands whose creators are always in the implementation phase such as the Trigano family for Mama Shelter or Christophe Hoffman at 25hours.

ACCOR

Premium, Midscale & Economy

pullman
MÖVENPICK
swissôtel
APARTHOTEL ADAGIO PREMIUM
GRAND MERCURE
THE SEBEL
Art Series
PEPPERS

NOVOTEL
Mercure
APARTHOTEL ADAGIO ORIGINAL
Handwritten COLLECTION
mantra
TRIBE

ibis
ibis STYLES
ibis budget
APARTHOTEL ADAGIO ACCESS
greet
BreakFree
hotelF1

Luxury & Lifestyle

ORIENT EXPRESS

Fairmont
RAFFLES
mantis

SOFITEL
SOFITEL LEGEND
M GALLERY
EMBLEMS COLLECTION

MAMA SHELTER
RIXOS
PARIS SOCIETY
SO/
SLS
JO&JOE
25h twenty five hours hotels
MONDRIAN
HYDE
MORGANS ORIGINALS
the hoxton
DELANO
ANGSANA
GLENEAGLES
FAENA
BANYAN TREE

LUXURY HOTELS

The Group's portfolio of luxury brands includes iconic names with remarkable guest appeal. Synonymous with elegance, art de vivre and unmatched experiences, these brands offer personalized service and unforgettable attention to detail.

ORIENT EXPRESS

A myth for 140 years, Orient Express remains the symbol of luxury travel and timeless refinement. The heritage and spirit of the legendary train will soon be transported into a collection of iconic Orient Express travel experiences, taking travelers on a captivating journey to elsewhere, through Orient Express Hotels, Trains, and Sailing Ships.

362 rooms in the pipeline

RAFFLES

A true pioneer of worldly elegance and hospitality. An iconic brand where each Raffles hotel offers gracious warm and discreet service, delivering emotional luxury to the well travelled guests. Legendary service since 1887.

24 hotels
3,679 rooms
1,565 rooms in the pipeline
18 countries

Fairmont

At Fairmont, our passion is to connect our guests to the very best of our destinations. Our hotels offer guests extraordinary places, created by combining unique architecture, expressive decor and artistry, and magnificent features. Add engaging service, and the result is an unforgettable guest experience.

90 hotels
34,045 rooms
9,649 rooms in the pipeline
31 countries

EMBLEMS COLLECTION

Some hotels are not just hotels. They are true flagships, icons, the pride of a nation. Emblems was created to bring together these jewels of the crown… No matter the destination, staying at Emblems offers the unique feeling of being part of the most exclusive and select club. 3 kinds of Emblems: Heritage, Retreat, Signature.

759 rooms in the pipeline

Fairmont San Francisco - United States

SOFITEL

Imagine modern luxury hotels where the essence of each destination is artfully blended with French art de vivre, creating chic experiences for modern voyageurs to indulge in and celebrate life's pleasures, the French way.

124 hotels
31,632 rooms
7,870 rooms in the pipeline
50 countries

MGALLERY

MGallery selects unique properties with passion to gather them into a unique collection of hotels where captivating stories are lived and shared. From bespoke design and sensorial mixology to well-being dedicated to everyday self-care, MGallery hotels are places where guests can enjoy a lavish travel experience.

119 hotels
13,066 rooms
6,300 rooms in the pipeline
40 countries

mantis

Mantis is a leading conservation-focused hotel group with luxury hotels, eco-lodges and waterways located the world over. Sustainable travelers have been enjoying eco-tourism, safaris and adventure travel with Mantis since 2000. Rooted in conservation, Mantis pursues sustainable business practices and designs tourism products to protect the environment and communities in which they operate.

16 hotels
556 rooms
374 rooms in the pipeline
8 countries

Domaine Reine Margot - MGallery - France

LIFESTYLE HOTELS

The Group's Lifestyle brand portfolio offers travelers unforgettable stays in terms of experience with innovative consumption practices. Offering significant growth prospects, this segment brings together brands with strong identities.

Mama Shelter Paris East - France

FAENA

Faena is a unique large-scale cultural district and one of the world's most inspirational creative brands, introducing lifestyle to the luxury hospitality industry. It possesses the power to shift the gravitational centre of each destination to become a new community epicentre and expand its cultural footprint.

2 hotels
226 rooms
766 rooms in the pipeline
1 country

BANYAN TREE

Rediscover the romance of travel as you journey to iconic cities or far flung destinations where authentic, memorable experiences await providing a true appreciation of where you are in the world.

5 hotels
695 rooms
839 rooms in the pipeline
3 countries

25h twenty five hours hotels

Each 25hours Hotel is individual and made-to-measure. Each one has a soul inspired by its location and is shaped by the art, culture, gastronomy and stories of its surroundings. Democratic and tolerant, catering for work and leisure, we welcome anyone with a sense of inquisitiveness and an adventurous spirit. We gladly open our world to those who open theirs.

15 hotels
2,775 hotels
1,983 rooms in the pipeline
7 countries

JO&JOE

We are redefining hostels, by combining the fun of a hostel and the comfort of a hotel. A new hybrid accommodation destination at affordable price, we celebrate togetherness, sharing and having fun. Whether you are coming in from around the corner or arriving from the other side of the world, you're always welcome to come and join the family.

7 hotels
1,108 rooms
1,346 rooms in the pipeline
5 countries

21c

21c Museum Hotels pushes the boundaries of both the museum and hotel worlds to create a new kind of travel experience. Founded as a single property by contemporary art collectors and preservationists Laura Lee Brown and Steve Wilson, whose mission was to share innovative contemporary art with the public and participate in the revitalisation of downtown Louisville. Opening in 2006, the couple rehabilitated a series of 19th century warehouses to create a union of genuine hospitality, thoughtful design, and culinary creativity — all anchored by a contemporary art museum.

8 hotels
1,154 rooms
497 rooms in the pipeline
1 country

DELANO

Delano is a heady sanctuary of convivial energy and sophisticated style. When Delano burst onto the scene in Miami in 1995, it redefined the luxury resort experience, marking the inception of lifestyle hospitality. Delano a place of pleasure and play, where guests can be their true self, from having a wild night or taking the time to nourish their senses, all within the trust of ultimate discretion.

3 hotels
1,420 rooms
512 rooms in the pipeline
3 countries

GLENEAGLES

Since opening its doors in 1924, Gleneagles has been one of Scotland's most iconic hotels and sporting estates, set beneath the Ochil Hills in the heart of Perthshire. Beginning its life in the glamorous age of travel when guests arrived in style at Gleneagles' very own train station, the 850-acre country estate epitomises the natural beauty for which Scotland is famed. With its glorious play-ground of country pursuits and fine dining, the hotel has reclaimed its position on the social calendar. In 2022, Gleneagles embarked on a journey from the countryside to the city with the opening of Gleneagles Townhouse in the Scottish capital, Edinburgh.

2 hotels
263 rooms
1 country

HYDE

When Hyde Lounge opened in 2005, it transformed the Sunset Strip in Los Angeles, along with the concept of nightlife itself. Since then, the brand has expanded to include Hyde Hotels and Residences, Beach Clubs, and Mixology Lounges, inviting its followers to be the first to know, and intro-ducing them to the latest and greatest in nightlife adventures. Every guest at Hyde Hotels is treated like a Hyde Lounge regular. Hyde fosters a sense of mystery – the exciting feeling that anything can happen.

4 hotels
1,138 rooms
2,052 rooms in the pipeline
3 countries

SO/ Maldives - Malé

MAMA SHELTER

Mama Shelter started in 2008 in Paris as a concept developed by Serge Trigano and his two sons, Jérémie and Benjamin. Mama Shelter is a place to live life to the full: it's affordable, irreverent, popular, sassy, and sexy. A haven that Mama has created for her guests. Much like a mother who cares for her children, Mama looks after travelers as if they were her own.

18 hotels
2,606 rooms
2,056 rooms in the pipeline
9 countries

MONDRIAN

Always at the heart of the most exciting cultural scenes in the world, Mondrian serves up innovation and creativity with its progressive forward thinking approach that plays with perspective and makes you dream, meaning both guests and locals alike can immerse themselves in the culture of each city it inhabits.

13 hotels
2,579 rooms
3,389 rooms in the pipeline
9 countries

MORGANS ORIGINALS

Morgans Originals is rooted in iconic cultural legacy, with a collection of independent hotels all sharing the same free spirit. No matter how big or small, a Morgans Original is always entertaining, celebrates a love for the glossy hey days, and the magic of a Friday night where time disappears.

3 hotels
500 rooms
840 rooms in the pipeline
2 countries

SLS

SLS is crafted with the luxury and excellence of a grand hotel, and delivered with a mischievous wink and a sexy little smile. It's the home of lavish and extraordinary experiences coupled with a playful ambiance. Culinary artistry, theatrical interiors, subversive design touches and unexpected indulgences are at the heart of every SLS property.

10 hotels
2,492 hotels
1,146 rooms in the pipeline
5 countries

Mama Shelter Rome - Italy

SO/

SO/ is a coveted collection of hotels, rooted in the world of fashion. Making its stylish debut on the global hotel scene in 2011, SO/ continues to command attention with its avant-garde design and creative approach to the world of luxury.

10 hotels
1,455 rooms
2,278 rooms in the pipeline
9 countries

The Hoxton Shoredich - United Kingdom

the hoxton

The Hoxton is a series of hotels rooted in culture and community. Each hotel is a reflection of its neighbourhood, inspired by the diversity of the streets and scenes that surround them. Ever since we opened the doors of our first hotel in Shoreditch back in 2006, we have been known for our vibrant, homey lobbies and our celebration of the locality through art, design, retail and eclectic programming.

15 hotels
2,793 rooms
1,481 rooms in the pipeline
8 countries

RIXOS

Dedicated to offering traditional Turkish hospitality and a unique spa experience in the finest surroundings and a luxurious ambience. Rixos provides an outstanding resort experience with professional entertainment and sports. At Rixos, the all-inclusive is all-exclusive.

41 hotels
13,123 hotels
6,054 rooms in the pipeline
8 countries

SLS South Miami Beach - United States

PREMIUM HOTELS

The portfolio of Premium brands brings together names renowned for their originality and their uniqueness. Each one offers guests a bespoke and distinctive experience.

Mövenpick Istanbul Marmara Sea - Turkey

Grand Mercure Brasilia Eixo Monumental - Brazil

Pullman Auckland - New Zealand

Art Series

Inspired by and dedicated to Australian contemporary artists, Art series offers an extraordinary boutique hotel experience. Located in the hottest art and cultural hubs, the boutique hotels are currently found in Melbourne, Brisbane, Perth and Adelaide. Each hotel takes design inspiration from the namesake artist. With original artworks and editions adorning the walls and halls, the multifaceted art-inspired experience is complete with dedicated art channels, art libraries, art tours and art utensils on supply.

7 hotels
1,834 rooms
1 country

pullman

Hotels and resorts in tune with today's mobile world, blending peak performance and personal well-being. A vibrant place where global nomads can feel at their very best, whether on business or leisure.

155 hotels
44,195 rooms
15,585 rooms in the pipeline
42 countries

swissôtel

Swissôtel's claim reinforces our believe that time and travel are true gifts in life and that we should use our time — wherever we are in the world — well and wisely. It also reminds us to ensure our guests spend quality time — our Swiss hospitality, synonymous with quality, efficiency and care, takes care of everything so time can be easily spent doing the things they love.

34 hotels
13,767 rooms
8,718 rooms in the pipeline
19 countries

MÖVENPICK

We believe true hospitality is about turning small gestures into heartwarming moments. We enable our guests to savour the flavour of life, balancing small indulgences with what's good for them – and good for the world.

122 hotels
27,548 rooms
15,613 rooms in the pipeline
36 countries

GRAND MERCURE

At Grand Mercure, world-class standards are entwined with a uniquely local spirit. We provide hotel stays with fresh cultural perspectives. We inspire guests to experience their destination through our love for local culture and craft multi-sensory experiences of local celebrations, design and dining.

63 hotels
14,586 rooms
12,332 rooms in the pipeline
13 countries

PEPPERS

The Peppers brand has become synonymous with a sense of refined indulgence, an attention to detail and excellent personal service. Explore an irresistible and intriguing range of escapades selectively located in some of Australia, New Zealand and Indonesia's most spectacular destinations.

27 hotels
4,749 rooms
414 rooms in the pipeline
3 countries

THE SEBEL

A high level of autonomy in elegant surroundings? The Sebel is THE upscale apartment brand in Australia and New Zealand, offering the warm experience of an unforgettable stay. Like at home.

36 hotels
2,662 rooms
402 rooms in the pipeline
3 countries

Pullman Singapore Orchard - Singapore

MIDSCALE HOTELS

The historical core of our Group, this segment brings together brands that are constantly reinventing their offerings to best fulfill the ever-changing aspirations of guests and owners.

mantra

Offering premium accommodation with a warm welcome in bustling cities and favorite holiday destinations. Whether you are traveling for business or relaxing with family, Mantra provides the freedom for people to come together in their own unique way. With hotels, resorts and self-contained apartments on the coast and in the city, you will always find the perfect space in the ideal place.

77 hotels
14,633 rooms
629 rooms in the pipeline
3 countries

Handwritten COLLECTION

A collection of curated hotels thoughtfully inviting guests into their charming and stylish homes.

12 hotels
1,285 rooms
2,428 rooms in the pipeline
9 countries

NOVOTEL

Novotel believes it is important to leave space for slow living. Its hotels invite business travelers to clock out and rest up, while encouraging families to soak up quality time together. Whether they have arrived from a thousand miles away or for their staycation, Novotel destinations offer travelers an opportunity to reconnect with family, friends, colleagues and themselves, while also taking time to unwind.

580 hotels
112,831 rooms
31,802 rooms in the pipeline
66 countries

Mercure

Inspired by Mercury, the Roman god of travelers, Mercure hotels offer so much more than a place to find comfort and sleep – they are a portal to discovery, a springboard for exploration. From the moment guests arrive – be it in Rio, Paris, Bangkok or any other destination globally – they are instantly immersed in a locally inspired atmosphere.

967 hotels
128,964 rooms
35,895 rooms in the pipeline
67 countries

Mercure Danang French Village Bana Hills - Vietnam

Novotel London Tower Bridge - United Kingdom

TRIBE

From Perth to Paris, our TRIBE hotels bring a bold new energy to locations across the globe. Born in Australia in 2017 from the vision of Mark and Melissa Peters, TRIBE was created in response to the knowledge that today more than ever, travellers crave design hotels at affordable prices. Defined by how people want to live and travel, TRIBE focuses on the things that really matter: intelligent, functional, design- driven hotels that give our guests everything they need and nothing they don't.

14 hotels
2,041 rooms
6,297 rooms in the pipeline
9 countries

APARTHOTEL ADAGIO ORIGINAL

Whether it's a short break or a stay of several months, Adagio offers you a friendly, tailor-made experience in the heart of the world's largest cities. Our concept? The freedom to stay in an apartment that feels like a home away from home, with some extra services. As the European leader in serviced apartments with city-center establishments, the brand has three ranges: Adagio Original, the modern and warm apartments suitable for families; Adagio Access, the friendly and affordable range; and Adagio Premium, the upscale residences.

131 hotels
14,624 rooms
2,105 rooms in the pipeline
16 countries

Tribe Le Touquet - France

ECONOMY HOTELS

Composed of strong brands, with a welcoming style and close connection to local communities, this segment offers simplicity, conviviality and affordability to guarantee optimized value for money.

ibis Styles Rotterdam Ahoy - The Netherlands

ibis

Hello to those who say hello rather than goodbye, those who keep an open mind and trust what their eyes might find, Hello to those who love an unexpected encounter, Those who see nothing strange in being a stranger. Hello to you, to her, to him who love when life and fun just happen, and always keep their heart and their eyes wide open.

1,271 hotels

158,423 rooms

13,946 rooms in the pipeline

70 countries

ibis Styles

Hello to those who give curiosity a taste, Those who prefer open spaces and a world embraced. Those who are never hostile… to style. Hello to the makers, the thinkers, hello to the dreamers. Hello to the beauty hunters who see the wonder of design as one of a kind. And always keep an open mind.

675 hotels

72,567 rooms

20,217 rooms in the pipeline

55 countries

ibis budget

Hello to the go-getters, early-risers, the riders and the party lovers. Hello to the movers and shakers, to the real deal finders. Hello to the young and the young at heart, the daring, the street smart. Who can make anywhere their home, while embracing the unknown. Hello to those who find adventure in the everyday. And when the night comes, a sweet dream of their stay.

641 hotels

65,060 rooms

3,920 rooms in the pipeline

25 countries

greet

greet hotels welcome those who look for meaning in their purchases, relationships and way of living. Everyday, they contribute to make our world a better place, by giving a second chance to everything around them. Be greet!

33 hotels
2,305 rooms
1,413 rooms in the pipeline
3 countries

BreakFree

Spacious self-contained apartment and hotel-style accommodation, combining value with the best beaches, city highlights and holiday attractions. Families, groups, couples, from Australia or anywhere in the world, recognize the style and promise of a BreakFree offer.

23 hotels
2,935 rooms
2 countries

hotelF1

A French motel positioning, with innovative, low-cost brand DNA. hotelF1 is the smart accommodation choice for enjoying even more experiences en route to your holiday destination!

132 hotels
10,319 rooms
62 rooms in the pipeline
1 country

ibis Phuket Patong - Thailand

A COMPREHENSIVE OFFERING OF SOLUTIONS, SERVICES AND EXPERIENCES

Beyond its brand portfolio, Accor also boasts an extensive range of solutions for meeting and working, for staying and for enjoying original restaurant, entertainment and wellness experiences. Added to this is a business services and solutions offering aimed at enhancing performance.

JO&JOE Rome - Italy

Places to meet and work

OFFERING

— Leading edge equipment to organize in-person and flexible virtual meetings (All Connect)
— Instant online bookings for groups (Group Sync)
— A loyalty program for event organizers (All Meeting Planner)
— 500+ Wojo addresses in the Accor network
— A benchmark Parisian co-working spot in The Hoxton hotel

BENEFIT

Solutions for organizing meetings and events at the leading edge of technology, throughout the world

THE ADVANTAGES

Leading edge facilities and expertise to promote flexibility

An offering of private luxury residences and long stays

OFFERING

— Projects combining luxury with upscale and midscale offerings
— A site dedicated to rentals and long stays of up to 120 days in apartments, villas and chalets (apartmentsandvillas.accor.com)

BENEFIT

A portfolio of exceptional addresses to cater for everyone's needs

THE ADVANTAGES

The most exclusive holiday rental and service offering in the world, where each detail is personalized

Cures Marines Trouville Hotel Thalasso and Spa - MGallery - France

An innovative restaurant and entertainment offering

OFFERING

— 10,000+ bars and restaurants
— Clubs, hotels and upscale event venues
— 1,500 events organized each year by PARIS SOCIETY
— 5 prestigious MOMENSE locations in Paris and more than 500 partner locations in France and abroad

BENEFIT

New ways of experiencing unforgettable and unique moments for local communities and travelers alike

THE ADVANTAGES

— An innovative culinary offering, at once eco-virtuous and seasonal
— Pioneering expertise in the art of entertaining

Well-being

OFFERING

— 1,000+ spas
— 2,000+ hotels with fitness centers
— 10 Thalassa well-being centers

BENEFIT

Integrating well-being in the guest experience to optimize the health and physical and emotional wellness of guests

THE ADVANTAGES

A holistic vision and expertise

Innovative business services

OFFERING

Astore: the Group's Procurement Organization offering a competitive and responsible range to address most hotelier needs
— 8,000 customers worldwide, of which ~40% non-Accor
— ~5,000 nominated suppliers
— 30 procurement offices around the world

John Paul: concierges and a global digital plateform with ultra-personalized content at any time, throughout the world

D-EDGE: SaaS company offering leading-edge Cloud-based e-commerce solutions
— 17,000 hotelier customers

VeryChic: a members-only travel agency, with exclusive offers up to 70% off
— 11 million members

Gekko: company offering innovative hotel distribution and loyalty platforms
— 100% owner of its technologies

BENEFIT

A comprehensive range of solutions and services for guests and hotel owners

THE ADVANTAGES

Active throughout the value chain and the guest experience

Mövenpick Resort Al Marjan Island - United Arab Emirates

Preparing the future

As the hospitality sector is embarking on new chapters in its history, marked by multiple transitions, Accor is resolutely ready to take up the challenges ahead. Leveraging its fundamentals – and a solid strategic framework, an ambitious sustainability strategy, a new organization built around two powerful divisions – the Group plans to consolidate its leadership and boost its appeal with its stakeholders.

Shaping the future of hospitality, means having a positive outlook on the challenges ahead, designing innovative solutions and implementing meaningful initiatives.

Continuing our development

Essential to pursuing growth and creating value, the development of the Group's business hinges on regularly enhancing the offering provided to guests. Opening hotels, modernizing the hotel portfolio, expanding the service offering and creating unique experiences all serve to set the Group apart in a fiercely competitive market.

As part of its business, Accor is faced with economic, environmental and geopolitical challenges. Determined to maintain its leadership while continuing to convince guests and investors of the relevance and appeal of its offering, the Group has made development one of its main growth drivers with a unique and ultra-diversified portfolio that taps into all the desires and needs of its hotel owners and guests.

Leveraging DNA, combining a rich offering with an innovation mindset

Backed by a portfolio of brands that it continues to enrich and diversify, the Group has always been able to keep up with market changes. Today, it is responding to increasing demand, notably driven by Millenials, for whom travel is a priority, as well as the recovery in business travel, and travelers seeking new experiences.

With conversion brands including Mercure, Mövenpick and Handwritten Collection, iconic brands such as Orient Express, Raffles and Fairmont, and more generally, an extensive customized offering, Accor regularly revisits the fundamentals of hospitality.

The Group has devised an original and efficient Food & Beverage offering with Carte Blanched, which creates bespoke and avant-garde restaurant concepts for the Ennismore lifestyle brands, and with Paris Society, which epitomizes French-style hospitality through exceptional restaurants, event locations and hotels. A further key development in 2023 was the launch of Accor One Living, which aims to strengthen Accor's leadership in prestigious residences.

SO/ Hua Hin - Thailand

Developing enriched offerings

To address the constantly changing expectations of guests, Accor continues to adapt its offerings.

The Group attracts guests, with their diverse uses, habits and expectations, chiefly by extending its portfolio and geographical footprint, notably its presence in key cities, regularly opening new hotels, and devising new experiences. This is why Accor has developers, experts in their markets, in charge of offering guests and hotel owners the brand that best matches their needs and/or provides the desired experience. This approach presents two advantages: it facilitates the signature of new hotels and serves to best meet the expectations and needs of guests.

Providing unique experiences

Accor has revisited its vision of hospitality, which goes beyond mere overnight stays. As part of this vision, it develops multi-faceted and multi-purpose hotels. This means that an establishment can be a hotel brand or a long-stay residence, with living areas, bustling restaurants, co-working spaces and fitness areas and integrating all these elements into ALL, the Group's booking platform and loyalty program.

Furthermore, drawing on the power of its Luxury and Lifestyle brands in this particularly demanding segment, Accor works with hotel owners to develop unique experiences and destinations for the benefit of its guests, which contributes to enhancing the value of assets for investors.

Sustainable development and its central role in Group decision-making

ESG challenges are central to Accor's business model. The Group is particularly vigilant on the quality of its projects and firmly commits to minimizing its impact on the environment and to develop its links with local communities. Striving to protect the environment and local culture is a challenge tackled jointly with partner hotel owners. Employees under the Accor brand are also heavily involved in addressing these challenges. With their regular training, they assist owners on a daily basis on the path to the ecological transition.

Numerous and innovative new offerings

With the launch of several new offerings in 2023, Accor has strengthened its leadership in the hospitality market.

The Group created Accor One Living, a brand new structure dedicated to the integration of innovative hotel solutions into multi-use projects. The objective is to support the development and operations of prestigious residences linked to managed or franchised hotels by integrating co-working areas, long-term hotel stays or private clubs that add value to these projects. More than 100 of these projects, led by 22 different brands, are already underway.

THE ALL INCLUSIVE COLLECTION BRINGS TOGETHER THE BEST RESORTS

The resorts available on the allinclusive-collection.com platform are among the most sought-after by our guests, including Rixos Qetaifan Island North (Doha), Rixos The Palm Hotel & Suites (Dubai), SO/Sotogrande (Spain), Rixos Premium Belek (Turkey) and Heritage Grand Perast by Rixos (Montenegro).

More than 10 establishments will join the platform in the coming 18 months, including Swissôtel Sharm El Sheikh (Egypt) and Hyde Bodrum (Turkey).

SO/ Uptown Dubai - United Arab Emirates

Raffles Boston Back Bay Hotel - United States

ACCOR ONE LIVING:
TURNKEY SOLUTIONS

Accor One Living stands apart through its ability to provide its partner hotel owners and real estate investors with solutions in each link of the value chain. Group support is implemented end to end throughout the project life cycle. Right from the project design phase, Accor closely involves its partners so that the services and related advantages are perfectly tailored to the needs of buyers. In the selling phase, the Group helps its partners to communicate on lifestyle aspects and place the focus on the experiences offered by its brands and promote the services and advantages that will benefit buyers of residences.

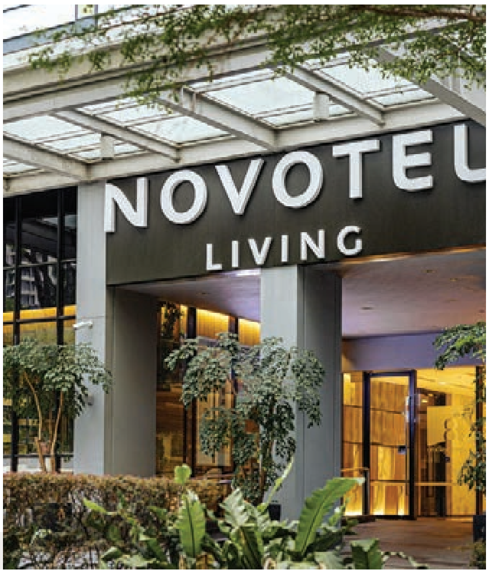
Lastly, in the operating phase, Accor One Living extends its support by enhancing the profitability of hotels for its investor partners and enabling buyers to take advantage of an exceptional residential environment.

In a further innovation, Accor rolled out the ALL Inclusive Collection in September 2023. The new digital platform offers everyone the possibility of discovering and making reservations at a selection of prestigious all-inclusive resorts. With the new concept, different aspects of the stay, including meals and beverages as well as activities and leisure, are included in the booking price. Bringing together more than 30 resorts, the allinclusive-collection.com site stands as a strong response to rapidly growing demand.

Lastly, the Group continues to develop its long-stay offering, for which the global market is expected to expand by close to 12% annually through 2032, according to Future Market Insights forecasts.

Harnessing its strong presence in Europe, the Middle East and Asia-Pacific, as well as its close relationships with its partners, Accor has added new destinations to its brand portfolio in this market segment. Novotel Living is now present in Singapore, Bangkok, Saigon and Kazakhstan, while Pullman has opened the Pullman Hotel & Pullman Living Dongguan Forum in China.

All these advances underline Accor's determination to continue expanding and differentiating.



Novotel Living Singapore Orchard - Singapore

The Handwritten Collection brand enters the market

In January 2023, Accor announced the creation in the Midscale segment of a new collection of hotels grouping, under the Handwritten Collection brand, a variety of establishments that stand out through their charm and character. Reflecting the personality and hospitality of the hoteliers who run these establishments on a daily basis, the Handwritten Collection brings guests an experience marked by interaction, personal touches and refinement. The new brand was designed above all to meet the needs of independent hotel owners, enabling them to access the power and reach of Accor's sales, distribution and loyalty platforms and at the same time benefit from the Group's ESG expertise. Composed at end-2023 of twelve addresses in France, China, Australia, Estonia, Vietnam, Romania and Spain, the Handwritten Collection is becoming one of the brands of the Midscale collection with the fastest growth worldwide.

HOTEL COLLECTION SET TO INCREASE

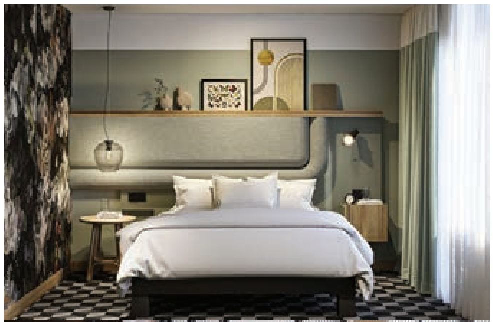
The Handwritten Collection brings together addresses from around the world. The initial hotels include:

- — Hotel Shanghai Sheshan Oriental, in Shanghai, China;
- — Saint-Gervais Hotel & Spa, in Saint-Gervais, France;
- — Splendid Hôtel Lac d'Annecy, in Annecy, France;
- — Wonil Hotel Perth, in Australia;
- — Hotel Morris, in Sydney, Australia;
- — Hôtel Les Capitouls Toulouse Centre, in Toulouse, France;
- — Oru Hub Hotel, in Tallinn, Estonia;
- — Square Lodge Hotel La Roche-sur-Yon, in la Roche-sur-Yon, France;
- — Sunrise Premium Resort, in Hoi An, Vietnam;
- — Paris Montmartre Sacré Cœur, in Paris, France.

The Handwritten Collection will be rounded out by other addresses in Bucharest, Madrid and Paris.

Deployment in key markets such as Japan, with 23 new addresses

Thanks to a strategic partnership signed with Japan Hotel Reit Advisors, 23 Japanese properties from the Daiwa Resorts portfolio will be renovated and converted in 2024 into Grand Mercure and Mercure hotels. The goal is to offer travelers an ever-broader range of diversified hotel experiences in Japan, enabling them to benefit from the specificities of each address. With the transaction, Accor will double its portfolio and add more than 6,000 rooms in the country.





Handwritten Collection

Orient Express - Silenseas

Orient Express Silenseas reinvents ultra-high-end art of travel on the high seas

The result of a unique partnership with Chantiers de l'Atlantique, the ultra-modern vessel will feature exclusive technologies to meet sustainability challenges, including revolutionary SolidSail rigs each with a surface of 1,500 square meters, a hybrid propulsion system combining sail power with a liquefied natural gas motor, and the future use of green hydrogen.

With unparalleled service and refined design spaces, it plans to transpose the experience and excellence of luxury travel to the world's most beautiful seas, recalling the golden age of legendary cruises. At a length of 220 meters, it will feature 54 suites averaging 70 square meters each, two swimming pools, two restaurants and a "speakeasy bar" in a celebration of the art of travel à la Orient Express.

Raffles London at The OWO, the brand's new prestigious hotel opened in Great Britain

With its inauguration in the Whitehall district, the Raffles London at The OWO, the first Raffles Hotels & Resorts address in the United Kingdom, is an exceptional location which travelers and guest can now (re-)discover after eight years of restauration. The iconic Old War Office building has been transformed into the Raffles London at The OWO as well as 85 Raffles residences, a new benchmark in exceptional *art de vivre*.

A genuine jewel, the hotel boasts 120 rooms, spacious suites furnished with the former desks of military and political leaders, three restaurants created by head-chef Mauro Colagreco, several events venues, as well as the spectacular Guerlain spas and the Pillar Wellbeing center. It is set to become the new location of choice for the biggest events of the capital, such as weddings, historical state dinners, professional events and launch ceremonies.

The OWO Residences by Raffles in London - United Kingdom

Accelerating the climate transition

BRUNE POIRSON

CHIEF SUSTAINABILITY OFFICER

What is your opinion of the sustainable transformation taking place at Accor?

Accor has been a pioneer in sustainable development for more than 50 years. Today, it is safe to say that the challenges have shifted scale, moved to another dimension. We can no longer perpetuate old models. We must build a contributive model, where we participate in solving problems rather than creating new ones. That is the ambition that a company in the 21st century must strive for. That is the project that we embody with all capacities within our Group.

The social and environmental transition, in a global Group like ours, is essential. At a time when the world of tomorrow has still to be invented, our sector, which has always fueled imagination, experiences, stories, must contribute to building it, while giving meaning to our actions and our businesses. This is why our strategy aims to transform not only the hotel experience, but also the culinary experience and the tourist experience of our guests. It is a paradigm shift that is taking place, with science as its core. However, no transformation can occur overnight. We must raise awareness, train, support, anticipate and plan, to rethink how we operate at every stage and throughout our value chain.

Lastly, this transformation must take place in a spirit of cooperation. We will be limited if we act alone: Accor must be positioned both at the forefront and at the center of systemic changes. The Group must continue to work with all, owners, hoteliers, suppliers, guests, key accounts, legislators, associations, local players. Accor should be the cornerstone which enables these players to communicate with each other, to work together and find sustainable solutions to problems that may seem overwhelming.

Hospitality is a sector where People are key. In your view, how do social challenges combine with tackling environmental challenges?

Environmental and social challenges are inseparable. I would go even further: they are two sides of the same coin. I am convinced that there can be no valid solutions to environmental challenges without a strong social response. That is why in the sustainable development strategy presented in this document, People and Nature are at the heart of everything we do. They are the two driving forces behind all of our actions, both in our operations and at every stage of our value chain. I would like to thank all of the teams, in head offices and on our sites, who make this transformation possible. They are the lifeblood of our company, those who enable us to progress and become better.

"We must build a contributive model, where we participate in solving problems rather than creating new ones."

What are your objectives for 2024?

In 2024, we will accelerate our Group's transformation, by continuing to build on the solid foundations laid since 2022, and around four major projects.

Decarbonation of the real estates assets of our owners is vital. We must be exemplary on issues regarding reducing greenhouse gas emissions: it is a matter of credibility, legitimacy and enhancing the value of the real estate assets of our customers.

Continuing to pursue the eco-certification of hotels is also a priority because consumer habits and practices are ever-changing. Thus, we must support our owners in obtaining the certifications required to boost the appeal of their hotels with guests and fuel a virtuous circle of sustainable management of our operations.

The environmental and social transitions will also depend on a dynamic approach to innovation, where hotels must be the laboratories. Then, via its ecosystem of 10,000 bars and restaurants, the Group can innovate by offering sustainable culinary experiences, minimizing our impacts, reducing waste and providing guests with a differentiated offering.

The transitions must be based on an ever more robust and structured performance culture. The collection and quality of environmental and social data (water, waste, energy, human rights, etc.) will remain a key challenge over the coming months.

Lastly, all of these projects must be carried out simultaneously as we broaden the reach of our businesses in the regions to make them more attractive than ever. This will necessarily require to strengthen the career paths of our employees, including life-long skills development and diversification of our leadership.

Sofitel Agadir Thalassa Sea and Spa - Morocco

Mövenpick Hotel Stuttgart Messe & Congress - Germany

Gaïa 2.0, the Group's sustainable reporting solution

Gaïa 2.0 is Accor's online reporting tool, deployed in all of its hotels. Thanks to this solution, data relative to the consumption and production of energy and water can be easily recorded. The objective of this approach is twofold: first of all, to increase the amount of data collected, and second, to obtain precise and reliable information. This information will help the Group, after analysis, to steer and improve its sustainability performance. The Gaïa 2.0 digital platform enables monitoring of changes in the carbon and environmental footprint of hotels worldwide, with the support of owners to optimize their costs and constitutes an efficient and robust lever to address the needs of stakeholders on these issues. Similarly, with this tool, each hotel can set targets, conduct a self-assessment, generate an action plan and monitor progress. At end-2023, 60% of Group hotels used Gaïa 2.0.

Reducing food waste

Reducing food waste is a crucial global challenge. The United Nations, *via* Sustainable Development Goal #12, encourages all countries to reduce food waste volumes by 50% by 2030. Keen to contribute at its level to reaching this goal, Accor has decided to reduce food waste by 60% by 2023 in its restaurants and hotels. To achieve this, 862 of them, including 90% of the Top 300* hotels, have defined their baseline values for food waste, in grams per meal. With this impactful decision, Accor is taking concrete action to stop food waste and preserve resources.

* *The Top 300 is the list of hotels with bars and restaurants representing a significant portion of revenue for the entire Group.*

Fairmont Jasper Park Lodge - Canada

Supporting the transition with the Responsible Procurement Charter

Communicated to all Group Procurement Departments, since its launch in May 2023, the Responsible Procurement Charter is systematically appended to procurement and nomination contracts. It commits all listed suppliers - which are estimated around 50% of all Group subcontractors in terms of procurement volumes - to act as responsible companies and employers. They must commit to respecting working conditions, workers' rights and the implementation of Accor's commitments to diversity, equity and inclusion. Similarly, the Charter encourages them to contractually commit to tackling societal and environmental challenges, for instance by measuring and reducing their carbon emissions.

Accor adopts a Human Rights Policy

With its Human Rights Policy, drawn up in concertation with the members of the Vigilance Committee, the members of the Ethics Committee and union organizations via the Group's European Works Council, Accor is committed to upholding the importance and universality of human rights. This policy is integrated into the Groups ambitious objectives in terms of social responsibility.

To this end, Accor is committed to upholding the fundamental rights of its employees and offering them dignified, fair and favorable working conditions. Similarly, the Group upholds the rights of its guests in its hotels; in particular, their rights to non-discrimination, privacy, health and safety.

In addition, the Human Rights Policy defines Accor's expectations regarding its business partners and explains how these commitments are integrated into Group culture. Head office employees and hotel managers will be trained on this policy via the School for Change platform.

Promotung inclusion

ANNE-SOPHIE BERAUD

SVP DIVERSITY, EQUITY, INCLUSION & SOCIAL CARE

What is the Group's approach to inclusion?

Diversity, equity and inclusion are part of Accor's DNA and essential to the Group's success. The very essence of hospitality is to place people at the heart of all its activities. Accor's development was grounded on strong ideas about welcoming all, accepting and promoting differences, and fostering an inclusive culture. Powered by its ambition to promote openness and equality in the workplace, eliminate discrimination and offer everyone the opportunity of fulfilment, the Group has long been committed to the themes of diversity, equity and inclusion. The Group also takes a proactive approach to these issues by striving to enable hospitality to play its role as a social elevator.

What are the major focus areas in which the Group works to foster inclusion?

To truly make a difference, the Group's approach is based on four focuses: gender diversity and equality; the inclusion of people with disabilities; the wealth of social, ethnic and cultural diversity; and the inclusion of the LGBTQI+ community.

Each of these focuses is underpinned by strong global commitments and local targeted initiatives. The objective is to best meet the specific needs of each community. Furthermore, in all that it does, the Group places the emphasis on its key role as a social elevator. It offers employment opportunities and training to favor the social mobility and economic inclusion of people who often have no previous training or higher education.

Grand Mercure Dubai Airport Hotel - United Arab Emirates

What were the main noteworthy initiatives in 2023?

In 2023, the Group first continued to pursue its commitment to preventing and fighting against gender violence, based on the conviction that strong collective mobilization is necessary to eradicate all forms of violence. Since 2021, Accor has stepped up this commitment by becoming co-lead of the Generation Equality action coalition that fights against gender-based violence. Initiated by UN Women, it is one of the six action coalitions of Generation Equality. The program includes member states, companies, young people, representatives of civil society, and international institutions. Accor's commitment is built around three key themes: domestic violence, sexual harassment, and sexism in the workplace.

With this in mind, we identified more than 30 initiatives to combat acts of gender-based violence by Accor teams the world over. By way of example, since 2022, we have supported Lila.help internationally, which was launched by the Global Network of Women's Shelters (GNWS). It acts as a global support platform that publishes a worldwide directory of domestic and sexual violence support services for victims to promote the safety and protection of women. In France, since 2022, Accor has backed the French Women's Foundation's "Abri d'urgence" ("Emergency shelter") initiative, which seeks to provide shelter and safety for women and children who are victims of violence in Accor hotels.

The other major highlight of the year was the global launch of the new Reveal Talent program, consistent with our ambition to promote social, ethnic and cultural diversity. Taking place over a period of six to ten months, the program offers beneficiaries career opportunities, such as accessing their first hotel manager positions or taking on additional responsibilities. Based on the mentor system, the discovery of new services, training and the fundamentals of management, the social impact talent development program began with its first cohort in June 2023. The program aims to give a career boost to employees with proven potential while helping to build a rich pool of diversified talents, propelling the Group's growth and expansion.

"The Group has long been committed to a proactive approach to diversity, equity and inclusion issues."

Raffles London at The OWO - United Kingdom

Promoting gender diversity and equality

Accor is committed to promoting equality between women and men, with a strong focus on women in management positions, wage equality and the fight against violence against women.

In 2021, the Group became co-leader of the global "Gender-based Violence" Coalition by UN Women, one of the six Generation Equality Coalitions. These Equality Coalitions, which bring together Member States, companies, young people, civil society, international institutions and philanthropic organizations, strive to promote gender equality.

In December 2022, the Group also signed the OneInThreeWomen charter, the leading European company network to end gender-based violence, coordinated by the Fondation Agir Contre l'Exclusion (FACE). This network acts notably within companies to raise awareness of domestic violence. It strives to provide solutions to employee victims of violence, providing them with a benevolent environment where they can discuss their situation and facilitating access to specialist associations.

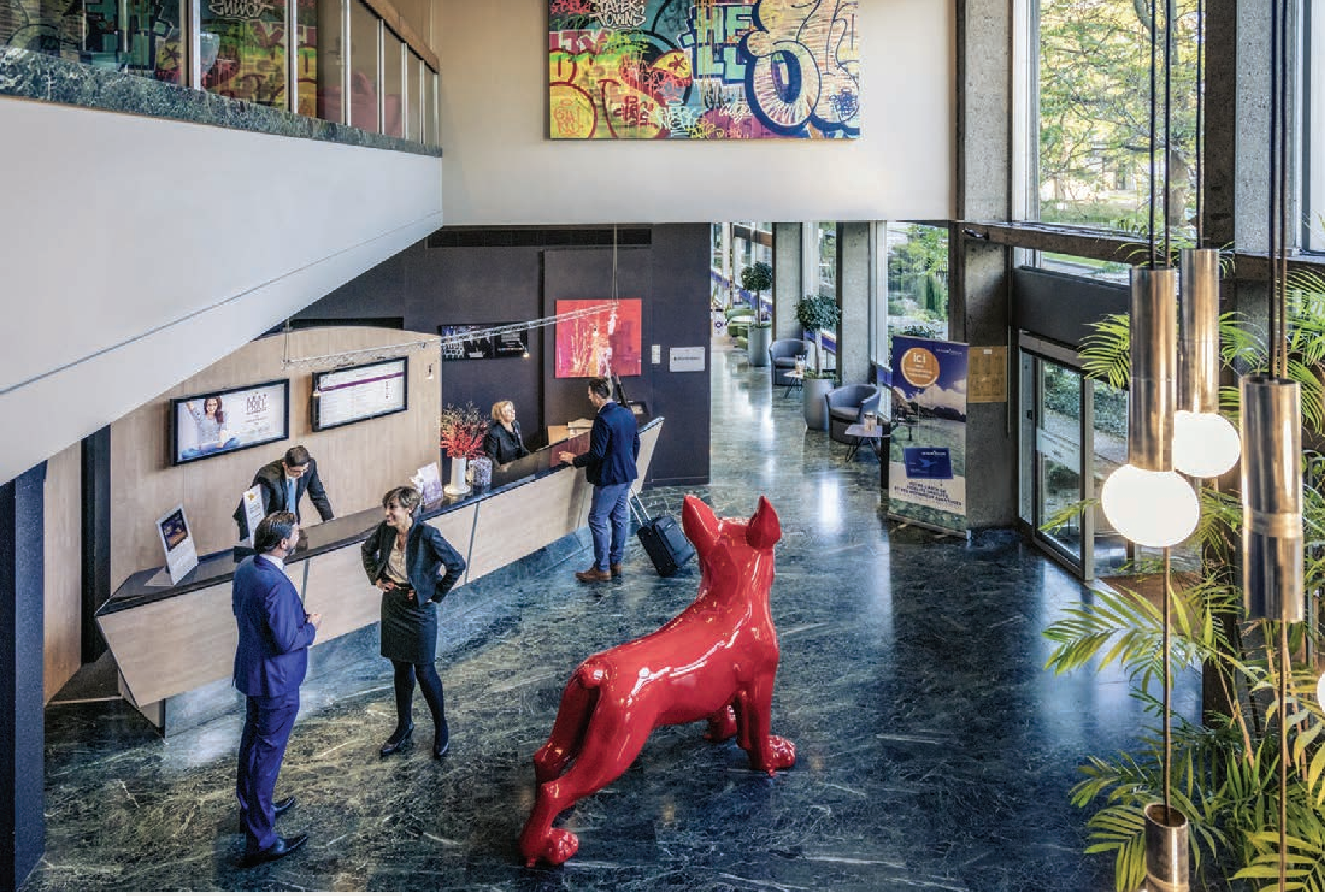
Promoting inclusion of people with disabilities

In 2021, Accor joined "*The Valuable 500*", a global initiative promoting the explicit inclusion of people with disabilities in the roadmaps of multinational companies so that inclusion becomes the norm. Focused on the idea of enacting change thanks to synchronized collective action, "*The Valuable 500*" aims to transform companies in order to transform society.

For Accor, this approach is fully in line with its past actions as, right from 2015, the Group signed the "Global Business and Disability Network" Charter established by the International Labor Organization (ILO). With, as its key, clear objectives aimed at fostering openness on a daily basis, making difference a strength and welcoming employees and guests with disabilities under good conditions in head offices and hotels.

Raising awareness of Group teams on gender-based violence

Accor teams are now trained in combating sexism, sexual harassment and domestic violence. The Group decided to roll out an international training module to raise awareness of all of these challenges. An e-learning module was rolled out in 2023 for this purpose in hotels and head offices throughout the world and is available in more than 15 languages.



Mercure Mulhouse Centre - France

Supporting the LGBTQI+ community

Since 2021, Accor has been a Platinum Partner of the IGLTA, the International LGBTQ+ Tourism Association. The objective of this partnership is to do everything possible to ensure that the hospitality sector is a safe and inclusive place for all. All travelers must feel welcome in Group establishments which strive to promote their values of openness and inclusion with the LGBTQI+ community. Furthermore, Accor's commitment to Diversity, Equity and Inclusion is expressed in the support provided by the Group since 2018 to the UN's "Global LGBTI Standards of Conduct for Business" which sets standards of conduct to help companies combat discrimination against the LGBTQI+ community. It is also expressed in numerous awareness campaigns, training initiatives, and the support and assistance provided to employees throughout the world.

A program to boost talent development

With the 2023 launch of the international "Reveal Talent" development program, Accor has firmly focused on social mobility and professional fulfillment. The objective is to provide opportunities, with this six-to-ten-month impact talent development program, to Group employees who have not completed higher education so that they can access their first hotel management positions or take on additional responsibilities. Based on both mentoring and management modules aimed at enabling them to discover the fundamentals of our business, "Reveal Talent" contributes to building a rich and diversified talent pool. It fulfills the aspirations of the beneficiaries of the program, breathes life into the social elevator idea in our hotels and enables the Group to build a diversified panel of managers who will be involved in the future development and growth of Accor.

Making digital a key success factor

ALIX BOULNOIS

CHIEF DIGITAL OFFICER

Guest expectations have changed dramatically in recent years, and continue to do so. What are the Group's priorities in terms of distribution and loyalty? How are you responding to these changing expectations?

Guest expectations and sector trends are changing rapidly. Today, more than ever, guests have a great deal of available choices, they seek to be known and recognized while maintaining privacy of personal data, not to mention the fact that experiential and "responsible" services are increasingly sought-after; the frontier between professional and personal travel is also increasingly blurred. In this fast-moving environment, our strategy is to be "top of mind" for our guests by continuing to build strong brands and a an extensive distribution network and by continuing to adapt to local needs. We aim to provide them with attractive prices and offers and reward their loyalty with our ALL program, to provide a "best-in-class" memorable experience, both online and offline, adopting a micro-personalized approach to each interaction.

"We work tirelessly to remain at the leading edge of innovation and to guarantee optimum guest satisfaction with unrivaled operating agility".

The Group launched the ALL – Accor Live Limitless program in 2019. How has it changed since and how does it address these challenges?

We are particularly proud to observe that our program has won the hearts of our guests, as the exceptional year that we have just closed demonstrates with a record number of new members, the unprecedented commitment of our existing members, our guest satisfaction indicator and the numerous awards we have been bestowed with. This recognition stems from the wealth of advantages offered by ALL and how it adapts to the specific needs of our customer base. Indeed, ALL has created a network of more than 100 partnerships, positioning itself as a leader in cross-awards. At the same time, the subscription cards that we launched over the past 18 months for our most loyal guests were designed to meet targeted demands, and adjustments made at the local level have strengthened the relevance and appeal of the program. We will continue to accelerate in this respect, notably via specific actions in Luxury and B2B but also by continuing to leverage our guest knowledge to offer them ever more unique experiences tailored to them. Additionally, ESG is key in our strategy and we will continue to pursue our actions to enable our members to travel and use our program in more responsible ways. The international launch of the partnership with Captain Cause enables ALL loyalty program members to use Reward points to support their preferred charities.

How do digital technologies fit into your ambition?

We are engaged in an unprecedented acceleration of the modernization of our technological platforms. This translates to major initiatives such as accelerated migration to the Cloud, updating our hotel management system (PMS), strengthening our data platform as well as our central central bookings system (CBS). These approaches aim to enhance our functionality, our flexibility and our agility, thereby strengthening our ability to respond quickly to ever-changing challenges and the increasing diversity of commercial models. We also fully embrace new technological innovations, with particular attention paid to Artificial Intelligence (AI) and Gen AI. This technological progress will better serve our guests, notably thanks to innovations such as Travel Assistant. In parallel, our AI commitment aims to increase the productivity and scalability of our operations, as illustrated by our ability to create content on a massive scale and go even further with micro-personalization

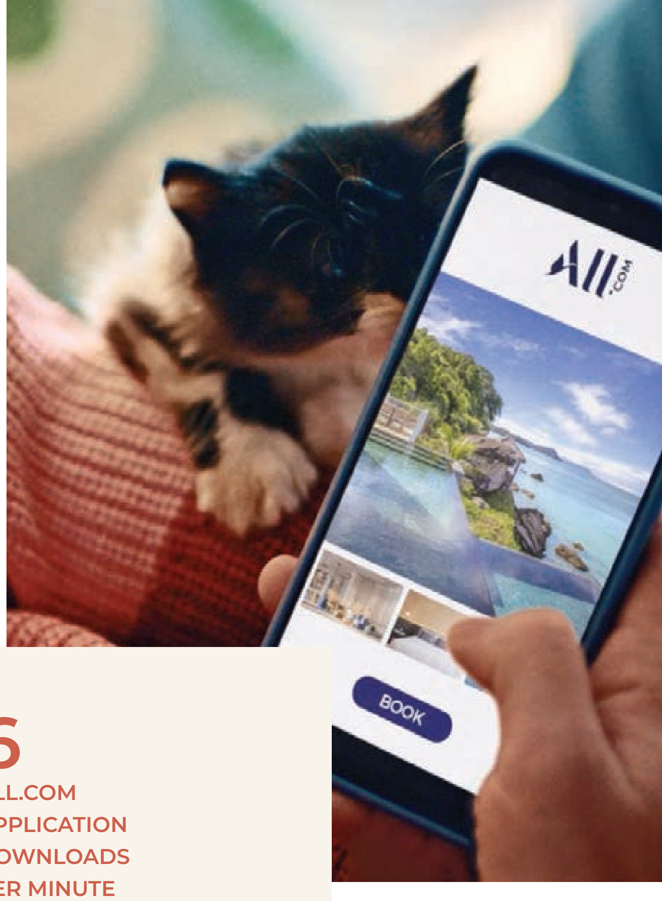
"We work tirelessly to remain at the leading edge of innovation and to guarantee optimum guest satisfaction with unrivaled operating agility".

Pullman Shenzhen North - China

Making digital a key success factor

Offering everyone a personalized experience via the Accor digital ecosystem

Composed of a mobile app and the ALL.com website, the Accor digital ecosystem is currently available in 110 countries and in 19 languages. Designed so that travelers can easily make bookings at the best prices for hotel stays in 2,200 different destinations, plan a restaurant or spa visit, these platforms facilitate efficient personalization and enhance the user experience. Everyone can learn about current best deals, the different benefit packages on offer for ALL loyalty program members or even join the program in just a few clicks. Fully secure, this ecosystem stands out with its ease of navigation, its fluidity and its ability to bolster engagement both during and beyond the booking experience.



6
ALL.COM APPLICATION DOWNLOADS PER MINUTE

+80%
BOOKINGS ON ALL.COM MADE BY LOYALTY PROGRAM MEMBERS

Novotel Brussels Off Grand'Place - Brussels - Belgium

Accor Live Limitless, a unique loyalty program

With more than 89 million members worldwide, the loyalty program ALL - Accor Live Limitless – enjoyed in 2023 a growth rate in the number of new members of over 40%, the best performance in its history. Bringing together a wide range of properties, it enables hotels participating in the program to benefit from enhanced visibility and reputational reach thanks to a network of more than 100 partners. Designed to attract travelers and promote their engagement over time, even after their stay, this program boasts the largest number of cross partnerships thanks to which members reap rewards. The impacts are positive as program members stay in Group hotels twice as often as non-members. Returning more often, their spending levels are therefore higher.

ALL is not only the sector leader, but also the top award winner. Indeed, at the 2023 Freddie Awards, it scooped two trophies including Best Guest Service for the Europe and Africa region. Similarly, at the 2023 Frequent Traveler Awards, it was awarded two distinctions, including "program of the year".

Lastly, having integrated sustainability in its model, ALL now offers travelers solutions and services which meet their expectations in terms of responsibility and help them to optimize their travel.

New subscription cards integrated in the ALL program

The ALL - Accor Live Limitless loyalty program extends its subscription card portfolio. Frequent travelers, who spend more than seven nights per year in a hotel, can subscribe to the ALL PLUS offer which guarantees reductions and offers them advantages for their holidays or business travel. This offer is promoted with ALL PLUS ibis, and valid for all ibis budget, ibis and ibis Styles hotels, and through ALL PLUS Voyageur, valid in all of the Group's 21 brands. These two cards grant access to fixed reductions throughout the year and offer guests the possibility, after 20 nights, to upgrade to Silver status in the ALL loyalty program. Lastly the portfolio of ALL subscription cards is regularly supplemented by regional ALL PLUS products adapted to the specificities of markets, such as Accor Plus in Asia-Pacific and in India, ALL PLUS China in China and ALL Signature in Brazil, enabling us to cement our leadership in these regions.

A distribution ecosystem focused on efficiency and guest satisfaction

With more than 140 commercial partners, Accor has a solid network which facilitates the efficiency of distribution while also extending the Group's global reach. At present, Accor boasts a distribution ecosystem which, thanks to the technologies it benefits from, enables it to interact with its guests and address their expectations and needs, anywhere under all circumstances.

With the ALL application, the ALL.com website, the websites of its brands and its ten contact centers on five continents, the Group is constantly in direct contact with its guests. The 1,200 Accor reservation experts are ready to process requests, listen to guests and ensure their satisfaction in their chosen language. The purpose of these efforts is to foster long-term loyalty and convert calls into bookings. Active on five continents, the Group has the broadest reach to serve the globalized market. Indeed, it offers unsurpassed expertise in the Premium and Luxury segments with three dedicated contact centers. To reinforce this Premium approach, last year, the Group opened another contact center in Barcelona.

OPTIMIZED TECHNOLOGIES

In order to offer guests the best possible experience, Accor has adopted technologies to promote a seamless and efficient guest experience. Its hotel network benefits from a Hotel to Cloud program where hotels can access the best systems on the market at no extra cost, with, in addition, extra functionalities, centralized data management, fast deployment of new tools, preparation for Artificial Intelligence (AI) and enhanced security. With more than 1,300 hotel management systems (PMS) having migrated to the Cloud, it is one of the largest PMS migrations ever. This enabled the Group to open the Novotel London ExCel, the first fully Cloud-managed hotel.

The choice of opting for optimized technologies was also brought to life with the new payment system launched in 2023. It benefits from a transaction success rate much higher than the market standard and offers both stringent protection against fraud and a smooth operating experience, all features designed and deployed to meet the requirements of changing regulations and guest usage.

FINANCIAL OUTLOOK

At its full-year results release, on February 22, 2024, Accor confirmed its medium-term growth outlook as presented on June 27, 2023 during its Capital Markets Day.

Network

AVERAGE ANNUAL NETWORK EXPANSION OF BETWEEN

3% AND 5%

(CAGR 2023-27)

RevPAR

ANNUALIZED REVPAR GROWTH OF BETWEEN

3% AND 4%

(CAGR 2023-27)

M&F revenue

M&F REVENUE GROWTH OF BETWEEN

6% AND 10%

(CAGR 2023-27)

EBITDA

A MARGINALLY POSITIVE EBITDA CONTRIBUTION FROM SERVICES TO OWNERS

EBITDA GROWTH OF BETWEEN

9% AND 12%

(CAGR 2023-27)

Free cash-flow

RECURRING FREE CASH-FLOW CONVERSION IN EXCESS OF

55%

Shareholders

A SHAREHOLDER PAYOUT OF AROUND

€3BN

OVER 2023-2027

Rixos Premium Bodrum - Turkey

Section

1

Group presentation

Raffles Grand Hotel d’Angkor - Cambodia

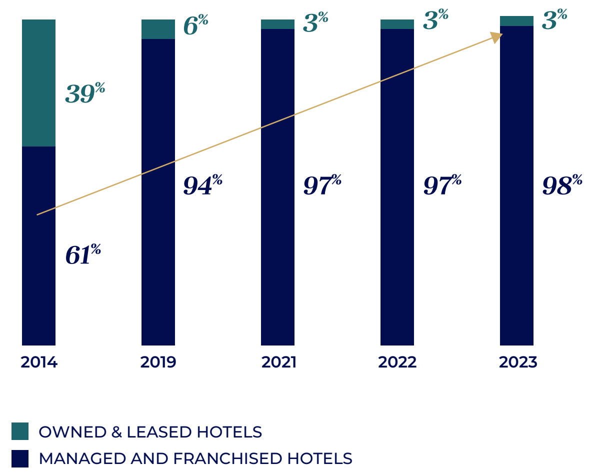
1.1 Group profile and strengths

Accor's business model is unique in the travel industry. Operating more than 5,580 hotels in more than 110 countries, the Group is leader throughout the world excluding North America and China. Boasting unique expertise in hotel operations and high value-added services, Accor has the market's most comprehensive portfolio of brands, all segments combined, and builds its success on the guest experience.

1.1.1 An asset-light model

The disposals of 70% of AccorInvest and 85.8% of Orbis and the sale and management-back of 16 Mövenpick hotels have significantly reduced the size of Accor's asset portfolio and its overheads (rents and investments) and Accor now owns just 3% of the rooms in its portfolio directly or via leases.

Accor, an asset-light Group*
(as a % based on number of rooms)



* *Discrepancies in sums may occur due to rounding.*

With its asset-light profile, the Group now operates 55% of its network under management contracts and 43% under franchise agreements, thereby reducing the volatility of its earnings. The remaining 3% of the network corresponds primarily to hotels operated under ownership and lease arrangements by Mantra in Australia, and hotels operated under variable leases in Brazil.

Hotel management contracts are contracts under which owners entrust Accor with the management of their hotel in order to optimize profitability. In this format, the owner chooses Accor to benefit from recognized hotel know-how and to capitalize on the attractiveness of its brands, its loyalty program, its sales performance and its marketing actions, as well as the power of its booking platform.

The hotel owner undertakes to allocate Accor budgets consistent with the objectives set, and to invest regularly in the hotel to maintain the standards of the brand. The owner is also responsible for the risks linked to operating the hotel, except in the event of gross negligence by Accor in its management. Accor does not control the operations of hotels under management contracts, nor does it record any of their revenue or profit.

Accor receives two types of compensation: (i) a management fee corresponding to a percentage of the revenue generated by the hotel, and a performance fee indexed to the hotel's operating performance; and (ii) fees for the various services including brand use, distribution, sales, marketing and the loyalty program.

98% of the network under management and franchise contracts

Type of fees	**Management contract**	**Franchise agreement**
Brand	+	+
Risk	+	-
Incentive	+	-
Sales & Marketing	+	+
Distribution	+	+
Loyalty	+	+

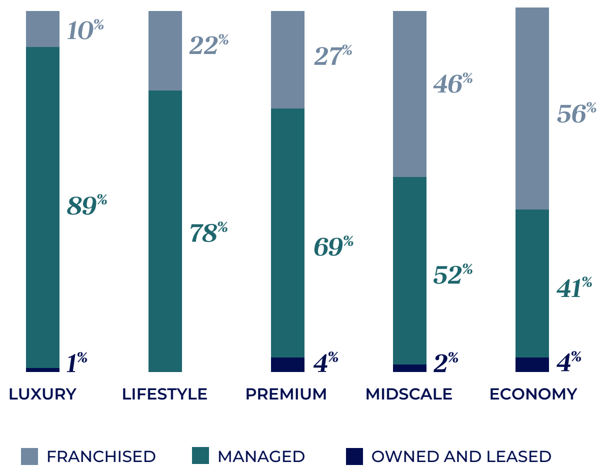
Franchise agreements are contracts whereby Accor offers hotel owners access to a brand, as well as distribution, sales, marketing and loyalty services. Hotels also have access to other services, including the Group's centralized procurement organization and Académie Accor for employee training.

Accor is compensated in the form of trademark, distribution, sales, marketing and loyalty fees. Where applicable, it also receives fees for ancillary services. Guaranteeing the operational know-how, reputation and image of its brands, of which it sells the right to use, Accor is responsible for managing its network, training franchisees and providing technical and commercial support to ensure the proper implementation of its concepts.

Each brand has its own standards, and franchisees are removed from the network if they fail to comply with them; the main risk for Accor is loss of control of its brand and its image. The Group accordingly ensures compliance with the specifications through regular quality audits.

Management contracts and franchise agreements now account for 97% of hotels in the Economy segment (up 32 points vs. 2017), 98% in the Midscale segment (up 25 points vs. 2017), 96% in the Premium segment, 100 % of Lifestyle hotels and 99% in the Luxury segment.

Hotel portfolio by segment and operating structure at December 31, 2023*
(as a % based on number of rooms)



* *Discrepancies in sums may occur due to rounding.*

1.1.2 Solid geographical positions in diversified segments

1.1.2.1 Development driven by organic growth

With 40,950 new room openings (291 hotels) in 2023, Accor continued its organic growth momentum. Accor's growth was driven by both divisions, PM&E and L&L, which respectively accounted for 77% and 23% of the year's openings. Growth was particularly robust in the Midscale (39%), Economy (25%) and Lifestyle (16%) segments.

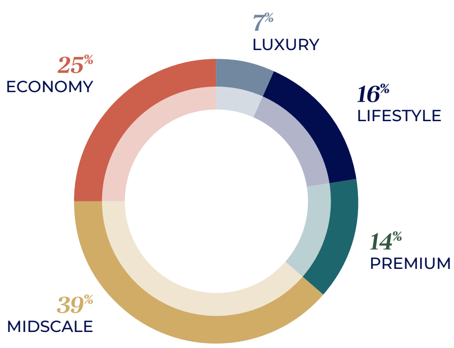
Growth in the PM&E division was mainly driven by the Midscale segment (50% of openings) with the Mercure brand, followed by the Economy (32%) and Premium (18%) segments with respectively ibis and Pullman.

The L&L division was driven by growth in the Lifestyle segment (71% of openings), with the development of the Rixos brand in particular. The Luxury segment accounted for 29% of the openings, especially with the Sofitel brand.

Globally, the Mercure, ibis and Novotel brands accounted for 56% of Group expansion.

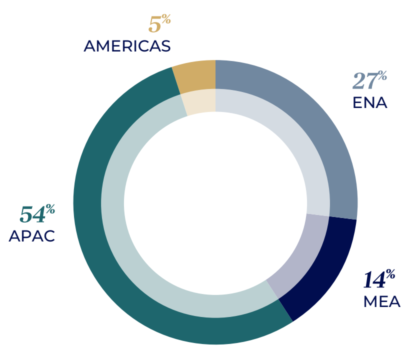
Geographically, 73% of openings were outside the ENA (Europe and North Africa) region in 2023: 54% in Asia-Pacific (APAC) with Grand Mercure, Mondrian, Novotel, Mercure and ibis brands, 14% in the MEA (Middle East, Africa) region with Rixos, Mercure, Swissotel, and 5% in the Americas thanks to ibis.

Breakdown of hotel openings by segment at December 31, 2023*
(as a % based on number of rooms)



* *Discrepancies in sums may occur due to rounding.*

Gross openings by region at December 31, 2023
(as a % based on number of rooms)



1.1.2.2 Global coverage of all markets

Accor operates on five continents in all market segments, from Economy to Luxury. A leader in most geographies (other than China and North America), Accor is consolidating its network and cementing its positions thanks to strong development and the optimization of its coverage in all regions and segments.

Present in more than 110 countries, Accor is the world's most diversified hotel operator, particularly in regions with the greatest potential. The Group's largest market for historical reasons is the ENA region, home to Accor's densest network: its 3,152 hotels and 357,970 rooms represented 44% of its total portfolio by number of rooms at the end of 2023. At the same time, Accor has new growth drivers in other parts of the world, such as in Asia-Pacific with 1,544 hotels (34% of rooms), the Americas with 554 hotels (13% of rooms), and in the MEA region with 334 hotels (10% of rooms).

Accor currently ranks as the leading hotel operator in Europe and Asia-Pacific (excluding China), where it has the broadest footprint. The Group's portfolio is geographically balanced and solid. With a balanced presence globally, each year, Accor strengthens its leading positions.

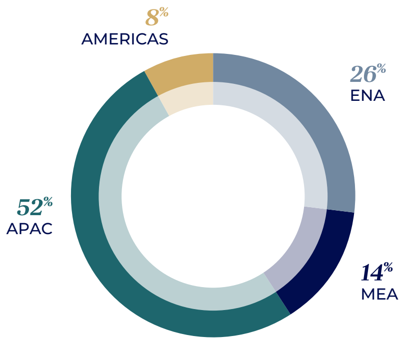
Hotel portfolio by region and brand at December 31, 2023

	ENA		APAC		MEA		Americas		TOTAL	
Brand	**Hotels**	**Rooms**	**Hotels**	**Rooms**	**Hotels**	**Rooms**	**Hotels**	**Rooms**	**Hotels**	**Rooms**
ORIENT EXPRESS	0	0	0	0	0	0	0	0	0	0
RAFFLES	4	375	12	1,808	7	1,349	1	147	24	3,679
FAIRMONT	15	3,908	14	4,697	16	5,330	45	20,110	90	34,045
SOFITEL	35	7,182	52	15,068	20	5,629	17	3,753	124	31,632
EMBLEMS	0	0	0	0	0	0	0	0	0	0
MGALLERY	67	6,040	38	5,034	7	1,395	7	597	119	13,066
MANTIS	0	0	0	0	16	556	0	0	16	556
Luxury	**121**	**17,505**	**116**	**26,607**	**66**	**14,259**	**70**	**24,607**	**373**	**82,978**
BANYAN TREE	0	0	0	0	5	695	0	0	5	695
RIXOS	9	1,968	0	0	32	11,155	0	0	41	13,123
SLS	0	0	0	0	1	575	9	1,917	10	2,492
DELANO	1	56	0	0	1	250	1	1,114	3	1,420
THE ORIGINALS	3	500	0	0	0	0	0	0	3	500
SO	5	711	4	556	1	188	0	0	10	1,455
GLENEAGLES	2	263	0	0	0	0	0	0	2	263
FAENA	0	0	0	0	0	0	2	226	2	226
THE HOXTON	11	2,143	0	0	0	0	4	650	15	2,793
HYDE	1	401	0	0	1	277	2	460	4	1,138
MONDRIAN	4	446	3	921	1	270	5	942	13	2,579
REDBURY HOTELS	0	0	0	0	0	0	0	0	0	0
25 HOURS	14	2,341	0	0	1	434	0	0	15	2,775
21C	0	0	0	0	0	0	8	1,154	8	1,154
MAMA SHELTER	16	2,481	0	0	0	0	2	125	18	2,606
JO&JOE	5	970	0	0	0	0	2	138	7	1,108
NO BRAND	2	332	0	0	1	596	0	0	3	928
Lifestyle	**73**	**12,612**	**7**	**1 477**	**44**	**14,440**	**35**	**6,726**	**159**	**35,255**

	ENA		APAC		MEA		Americas		TOTAL	
Brand	**Hotels**	**Rooms**	**Hotels**	**Rooms**	**Hotels**	**Rooms**	**Hotels**	**Rooms**	**Hotels**	**Rooms**
PULLMAN	29	7,558	101	28,949	14	5,158	11	2,530	155	44,195
SWISSÔTEL	6	1,180	12	5,354	12	5,813	4	1,420	34	13,767
MÖVENPICK	32	7,190	28	6,350	62	14,008	0	0	122	27,548
ADAGIO PREMIUM	0	0	0	0	2	363	0	0	2	363
GRAND MERCURE	0	0	51	12,026	4	899	8	1,661	63	14,586
THE SEBEL	0	0	36	2,662	0	0	0	0	36	2,662
ART SERIES	0	0	7	1,834	0	0	0	0	7	1,834
PEPPERS	0	0	27	4,749	0	0	0	0	27	4,749
Premium	**67**	**15,928**	**262**	**61,924**	**94**	**26,241**	**23**	**5,611**	**446**	**109,704**
HANDWRITTEN	7	418	5	867	0	0	0	0	12	1,285
NOVOTEL	278	46,473	184	44,378	35	8,703	51	9,237	548	108,791
NOVOTEL SUITES	23	2,652	6	1,005	3	383	0	0	32	4,040
MERCURE	585	67,339	297	48,951	24	4,719	61	7,955	967	128,964
ADAGIO ORIGINAL	66	7,295	0	0	7	1,128	5	518	78	8,941
MANTRA	0	0	76	13,456	0	0	1	1,177	77	14,633
NEQTA	0	0	4	438	0	0	0	0	4	438
TRIBE	11	1,490	3	551	0	0	0	0	14	2,041
Midscale	**970**	**125,667**	**575**	**109,646**	**69**	**14,933**	**118**	**18,887**	**1,732**	**269,133**
NO BRAND	13	974	25	4,099	7	1,905	3	541	48	7,519
Multibrand	**13**	**974**	**25**	**4,099**	**7**	**1,905**	**3**	**541**	**48**	**7,519**
IBIS	737	82,275	311	41,569	40	7,824	183	26,755	1,271	158,423
IBIS STYLES	427	37,137	178	24,703	14	2,591	56	8,136	675	72,567
IBIS BUDGET	528	47,928	47	5,469	0	0	66	11,663	641	65,060
ADAGIO ACCESS	51	5,320	0	0	0	0	0	0	51	5,320
HOTELF1	132	10,319	0	0	0	0	0	0	132	10,319
BREAKFREE	0	0	23	2,935	0	0	0	0	23	2,935
GREET	33	2,305	0	0	0	0	0	0	33	2,305
Economy	**1,908**	**185,284**	**559**	**74,676**	**54**	**10,415**	**305**	**46,554**	**2,826**	**316,929**
TOTAL	**3,152**	**357,970**	**1,544**	**278,429**	**334**	**82,193**	**554**	**102,926**	**5,584**	**821,518**

At the end of 2023, Accor operated 5,584 hotels (821,518 rooms) around the world and plans to open 1,315 additional hotels (224,698 rooms).

Hotel pipeline by region at December 31, 2023
(as a % based on number of rooms)



1.1.2.3 A firm footprint in emerging markets

The Accor network has undergone a significant transformation as a result of property restructuring between 2014 and 2021, and the expansion of the brand portfolio. At the same time, the Group has focused its organic development exclusively on hotel management and franchising.

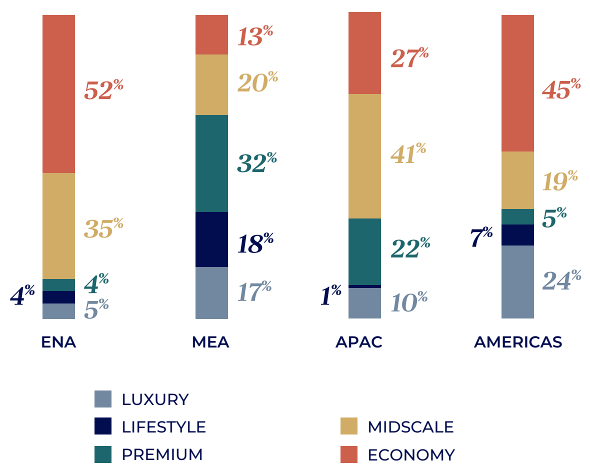
At December 31, 2023, 98% of Accor's hotels in Asia-Pacific were operated under management contracts and franchise agreements. The Americas and MEA regions have 89% and 96% of hotels under management contracts and franchises respectively. Whereas the ENA region had the lowest proportion of hotels under management contracts and franchise agreements before the change of the Group's model, the level stood at 99% of hotels under management contracts and franchise agreements in 2023.

Hotel portfolio by region and operating structure at December 31, 2023

	Owned & leased		Managed		Franchised		TOTAL		%
Region	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	**Hotels**	**Rooms**	Rooms
ENA	10	2,726	1,057	162,146	2,085	193,098	3,152	357,970	44%
APAC	26	4,704	741	166,251	777	107,474	1,544	278,429	34%
MEA	17	3,002	248	64,680	69	14,511	334	82,193	10%
Americas	57	11,136	254	56,103	243	35,687	554	102,926	13%
TOTAL	**110**	**21,568**	**2,300**	**449,180**	**3,174**	**350,770**	**5,584**	**821,518**	**100**

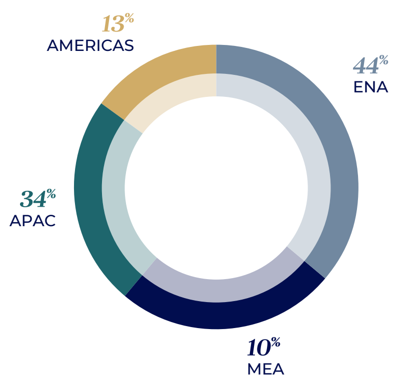
Accor's growth and diversification moves in recent years have consolidated its locations in fast-growing areas.

Hotel portfolio by region and by segment at December 31, 2023*
(as a % based on number of rooms)



* *Discrepancies in sums may occur due to rounding.*

Hotel portfolio by region at December 31, 2023*
(as a % based on number of rooms)



* *Discrepancies in sums may occur due to rounding.*

1.1.2.4 A broader footprint in the Luxury segment

The range of more than 45 hotel brands offered by Accor covers all segments. Their strong international development, particularly in fast-growing regions, allows the Group to take full advantage of long-term growth in the global hotel market.

Hotel portfolio by brand and operating structure at December 31, 2023

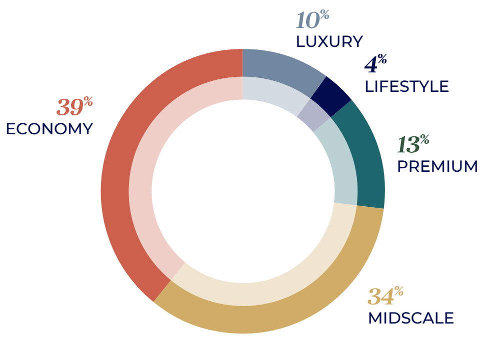
	Owned & leased		Managed		Franchised		TOTAL		%
Brand	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Rooms
ORIENT EXPRESS	0	0	0	0	0	0	0	0	0%
RAFFLES	0	0	23	3,236	1	443	24	3,679	0%
FAIRMONT	1	53	88	33,734	1	258	90	34,045	4%
SOFITEL	3	675	115	29,230	6	1,727	124	31,632	4%
EMBLEMS	0	0	0	0	0	0	0	0	0%
MGALLERY	1	83	55	7,532	63	5,451	119	13,066	2%
MANTIS	0	0	13	482	3	74	16	556	0%
Luxury	**5**	**811**	**294**	**74,214**	**74**	**7,953**	**373**	**82,978**	**10%**
BANYAN TREE	0	0	5	695	0	0	5	695	0%
RIXOS	0	0	26	8,558	15	4,565	41	13,123	2%
SLS	1	73	7	2,082	2	337	10	2,492	0%
DELANO	0	0	2	306	1	1,114	3	1,420	0%
THE ORIGINALS	0	0	3	500	0	0	3	500	0%
SO	0	0	10	1,455	0	0	10	1,455	0%
GLENEAGLES	0	0	2	263	0	0	2	263	0%
FAENA	0	0	2	226	0	0	2	226	0%
THE HOXTON	0	0	13	2,436	2	357	15	2,793	0%
HYDE	0	0	3	738	1	400	4	1,138	0%
MONDRIAN	0	0	10	2,056	3	523	13	2,579	0%
REDBURY HOTELS	0	0	0	0	0	0	0	0	0%
25 HOURS	0	0	15	2,775	0	0	15	2,775	0%
21C	0	0	7	857	1	297	8	1,154	0%
MAMA SHELTER	0	0	18	2,606	0	0	18	2,606	0%
JO&JOE	1	80	6	1,028	0	0	7	1,108	0%
NO BRAND	0	0	3	928	0	0	3	928	0%
Lifestyle	**2**	**153**	**132**	**27,509**	**25**	**7,593**	**159**	**35,255**	**4%**
PULLMAN	4	1,830	109	30,047	42	12,318	155	44,195	5%
SWISSÔTEL	1	238	20	10,195	13	3,334	34	13,767	2%
MÖVENPICK	0	0	88	20,688	34	6,860	122	27,548	3%
ADAGIO PREMIUM	0	0	2	363	0	0	2	363	0%
GRAND MERCURE	0	0	36	9,075	27	5,511	63	14,586	2%
THE SEBEL	0	0	13	1,299	23	1,363	36	2,662	0%
ART SERIES	6	1,583	1	251	0	0	7	1,834	0%
PEPPERS	3	380	20	4,051	4	318	27	4,749	1%
Premium	**14**	**4,031**	**289**	**75,969**	**143**	**29,704**	**446**	**109,704**	**14%**

	Owned & leased		Managed		Franchised		TOTAL		%
Brand	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	**Hotels**	**Rooms**	Rooms
HANDWRITTEN	0	0	2	148	10	1,137	12	1,285	0%
NOVOTEL	12	2,087	323	71,817	213	34,887	548	108,791	13%
NOVOTEL SUITES	0	0	17	2,460	15	1,580	32	4,040	0%
MERCURE	1	174	263	44,065	703	84,725	967	128,964	16%
ADAGIO ORIGINAL	3	416	57	6,884	18	1,641	78	8,941	1%
MANTRA	14	2,301	48	11,201	15	1,131	77	14,633	2%
NEQTA	0	0	0	0	4	438	4	438	0%
TRIBE	0	0	6	1,112	8	929	14	2,041	0%
Midscale	**30**	**4,978**	**716**	**137,687**	**986**	**126,468**	**1,732**	**269,133**	**33%**
NO BRAND	2	162	26	5,314	20	2,043	48	7,519	**1%**
Multibrand	**2**	**162**	**26**	**5,314**	**20**	**2,043**	**48**	**7,519**	**1%**
IBIS	38	7,043	420	71,334	813	80,046	1,271	158,423	19%
IBIS STYLES	4	820	107	19,724	564	52,023	675	72,567	9%
IBIS BUDGET	14	3,384	196	25,184	431	36,492	641	65,060	8%
ADAGIO ACCESS	0	0	43	4,466	8	854	51	5,320	1%
HOTELF1	0	0	59	5,291	73	5,028	132	10,319	1%
BREAKFREE	1	186	18	2,488	4	261	23	2,935	0%
GREET	0	0	0	0	33	2,305	33	2,305	0%
Economy	**57**	**11,433**	**843**	**128,487**	**1,926**	**177,009**	**2,826**	**316,929**	**39%**
TOTAL	**110**	**21,568**	**2,300**	**449,180**	**3,174**	**350,770**	**5,584**	**821,518**	**100**
%	**2%**	**3%**	**41%**	**55%**	**57%**	**43%**	**100**	**100**	

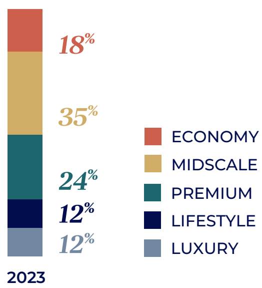
The Group's development has been focused on the most profitable segments to increase the weighting of high-value markets in its brand portfolio.

At December 31, 2023, the Luxury and Lifestyle segments accounted for 14% of the Accor network. Brands acquired and launched in this segment in recent years are strategic because they have significantly improved the Group's image, its portfolio of offers and the range of its skills, and are more profitable.

Hotel portfolio by segment at December 31, 2023
(as a % of number of rooms)



Pipeline by segment at December 31, 2023*
(as a % of number of rooms)



* *Discrepancies in sums may occur due to rounding.*

1.2 Sector challenges and consumer trends

1.2.1 Sector landscape

In recent years, the hotel industry has faced various challenges linked to the Covid-19 pandemic. Thus, hit by travel restrictions and the necessity to maintain social distancing, this period combined lock-downs with event cancellations. These constraints had a significant impact on the sector and required rapid adaptation of all players.

In addition, traveler confidence was hit by increasing political instability in several regions of the world, while demand declined against a backdrop of global economic difficulties (energy costs, raw materials, rising interest rates). This situation had a direct impact on the profitability and occupancy rates of hotels, forcing the sector to adapt constantly.

In parallel, the rise of digital and artificial intelligence (AI) is rapidly transforming the hotel sector. Hotels are adopting digital technologies to offer guests personalized experiences, from online reservations to automatic check-ins. The use of AI enables better anticipation of guest needs, to optimize services, make stays more seamless and better match expectations. AI is becoming an integral part of the journey: 48% of travelers now place their trust in AI to plan their trips[1].

The challenges of sustainable development are at the heart of the industry's current challenges. With concern for sustainability, hotels must rise to the challenge of reducing their environmental footprints which is increasingly becoming an expectation of consumers and stakeholders. The adoption of measures related to sustainable development, such as the reduction of food waste or the elimination of single-use plastics, is becoming essential.

Despite this backdrop, the hospitality industry continues to enjoy strong growth and is showing promise for future business growth, notably for chains, while also illustrating its ability to adapt to evolving consumer trends.

1.2.2 Consumer challenges and trends

The exacting expectations of travelers requires extensive effort by hoteliers and brands. As a result, design, architecture, furniture and restaurants integrate sustainable development and hotel services must regularly be reviewed and personalized.

Flexible travel expectations

In these times of economic, political, environmental and health uncertainties, flexibility is a non-negligible aspect for consumers. According to the *Travel Predictions 2022* study by Booking.com, flexibility for reservations remains the priority for travelers: they now want to know if they can cancel (41%) or change (40 %) their reservations free of charge[2].

The reservation window (time between the reservation and arrival at the hotel) has been expanding since 2019, as well as requests for travel insurance, reflecting the development of new ways travelers plan, carry out and manage their reservations.

Tighter budgets

The global increase in prices is directly impacting the purchasing power of travelers and their travel behaviors. A report from Skift Research revealed that the main reasons pushing travelers to change their plans is inflation: during their stays, travelers stated that they reduce their spending on restaurants and activities, change their hotel choices, transport options, destinations, and even cancel or postpone their trips. All told, 68% of people surveyed have seen the price of their trips increase between 2022 and 2023.

However, it is not the sector in which consumers plan to reduce their spending most. In 2023, notably in the United States, the "travel" category came out in 11th position, behind in particular wine and spirits, luxury goods, restaurants and entertainment in terms of plans to cut spending for the year to come[3].

(1) *Booking.com Travel Predictions 2024.*
(2) *Booking Travel Predictions 2022.*
(3) *Skift Research, May 2023.*

Need for reassurance from strong brands

Against this volatile and uncertain backdrop, more than ever, consumers need reassurance from hotel brands, which guarantee quality of service and experiences in line with guest expectations. Furthermore, brands are expected to be forerunners on new standards, to boost guest confidence in them.

During the Covid-19 crisis, health protocols were one of the main measures implemented by hoteliers, to reassure guests and enable them to enjoy their stays in complete safety in these establishments. Certain measures, such as digitalization of services, dematerialization of check-in and check-out systems, appear to be here to stay.

In addition, travel companies are striving to offer exceptional service so that, at every stage of the travel experience, stress and anxiety are eliminated. Artificial intelligence contributes to reinventing this experience: with the help of new and existing technologies, companies can better align the promise with the travel reality, notably *via* personalization of services. McKinsey revealed in a report on the promises of travel in the age of AI which many travel companies can still not deliver on travelers' basic expectations: nearly 80% of American travelers experienced at least one travel-related problem during the first half of 2023, while guest expectations increase and their tolerance of problems related to service is wearing thin.

Aspirations of human, personalized, unique and enriching experiences

In recent years, travelers have aspired to more unique and personalized experiences, on top of reassuring standards and brands.

The personalization of services and spaces in line with the needs and individual preferences of travelers inspires the sought-after emotions. This goes beyond simply providing a standard of service, and aims to create unique and memorable experiences that resonate with each traveler. A key subject in an innovating sector, in which progress in AI, notably in hyper-segmentation and ultra-personalization, should not hide the importance of relations and human experiences.

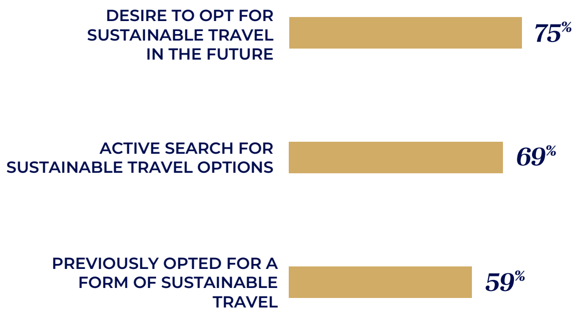
Furthermore, the concept of hybrid hospitality is a means of offering travelers seeking links and authentic relationships with people and brands, a way to come together and create genuine communities. This contributes to guest satisfaction, but also reinforces long-term loyalty by providing experiences which exceed conventional expectations.

The brand experience via F&B&E (Food & Beverage & Entertainment) also attracts more and more consumers and enables guests to enjoy memorable and friendly experiences. As a result, unique experiences linked to local communities are very sought-after, as are activities and adventure or wellness holidays.

Commitment of hotelier brands

Increasingly aware of the impact of climate change and social challenges, the commitment of hotelier brands is more than ever a key criteria for travelers: in 2021, 19% of consumers stopped using brands that did not uphold sustainable development values[1].

According to a WTTC (World Travel & Tourism Council) study in 2023 on travelers' commitments to reducing their carbon footprint, more than half have already opted for a form of sustainable travel in recent years.



When choosing their hotel and travel options, consumers are keen to combine budgetary constraints with environmental responsibility. In the 2023 Booking.com report on eco-responsible travel, more than half of respondents consider that sustainable travel offers are too expensive[2], and would like to be more encouraged to travel in a more eco-friendly way, by receiving, for example, benefits and rewards (loyalty, discounts, etc.). However, 38% are ready to pay extra if the offering has a sustainability certificate.

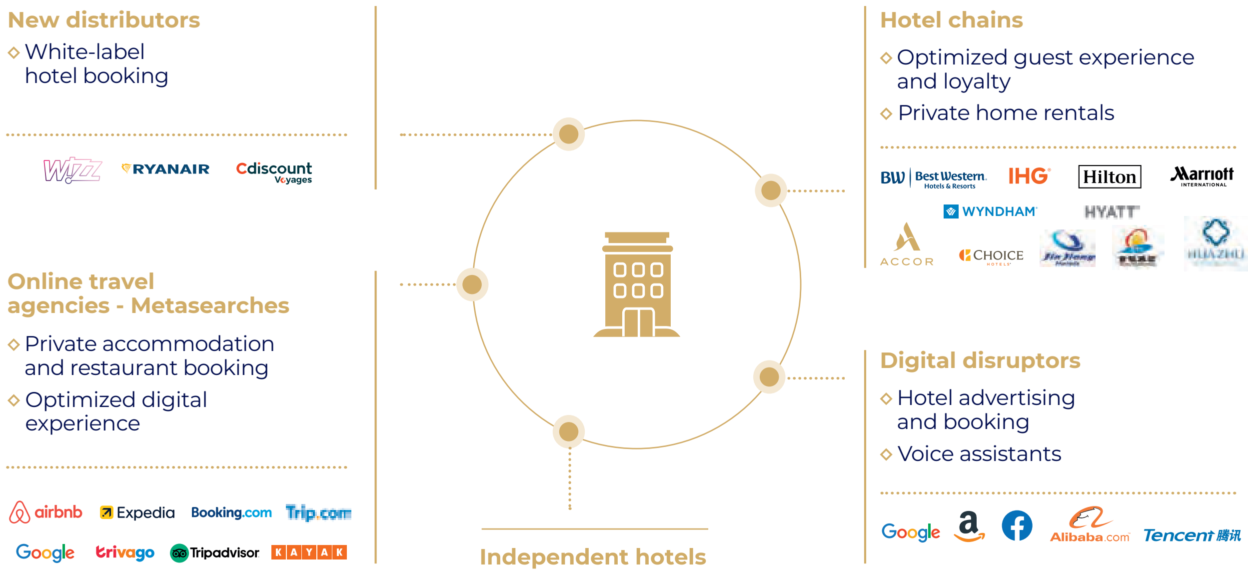
The budget is not the only perceived obstacle in choosing sustainable travel offers. Apart from the budget aspect, there is also the obstacle of lack of transparency of data and limited information, leading to the impression of a dearth of sustainable travels.

(1) *Foresight Factory study in 2022, question "which of the following, if any, have you done to reduce your impact on the environment and live more sustainably?".*
(2) *Booking.com Sustainable Travel Report 2023.*

1.2.3 Industry challenges and trends

The constant need for innovation: the rise in digital and AI in the competitive landscape

In recent years, swathes of digital players have entered the hospitality market and gradually expanded their business models to take part of the value chain.



With this in mind, players in the hospitality industry have devoted a great deal of time to technological intelligence to keep up with the latest innovations available. Their ability to effectively personalize the relationship with guests tomorrow, and to retain them over time, hinges on their ability to accelerate their digital transformation today. While people are the beating heart of the tourism industry, digital technology has paradoxically never been as ubiquitous as it is today, transforming the sector's competitive landscape and prompting operators to enrich their range of technological solutions and services for guests and the hotels.

Meeting sustainable development needs

The climate emergency is a challenge for the hotel industry which intends meeting the needs of different stakeholders, notably:

- hotel guests (corporate and leisure) who are increasingly looking for sustainable accommodation solutions;
- distribution platforms, notably Google and online travel agencies (OTA), who place the focus on sustainable practices in hotels as a selling point: sustainable labels, new ranking criteria, online comments;
- legal and government policies: regulations, flexible laws, international summits;
- other stakeholders: investors, hotel owners, suppliers, employees.

Managing the impact of inflation on costs

Like the economy in general, the sector has been hit by the resurgence in inflation. After the challenging financials, linked to the restrictions imposed during the Covid-19 pandemic, industry players are today faced with the need to maintain their margins while also seeking to avoid imposing excessive costs on their guests, whose purchasing power is under pressure.

Strong consumer demand for travel has enabled the hotel industry to reduce the financial impact of recent inflation by passing on the majority of increases in energy and labor costs to its guests[1]. Although France has experienced a significant surge in inflation, at around 5.2% in 2022, demand for hotel nights has enabled the industry to offset the negative impact of this increase thanks to remarkable performance in terms of occupancy and average room prices[2].

(1) *Hospitality Inflation Report 2023.*
(2) *"Malgré l'inflation, le secteur de l'hôtellerie repart à la hausse !" | CBRE France.*

1.2.4 *Sector resilience*

Despite the different crises, recent and current, the hospitality industry continues to enjoy strong growth, notably hotel chains.

Steady growth

Indeed, the travel industry and tourism is the third-ranking industry worldwide, representing 10% of global GDP. More specifically, hotel chains have high growth potential (hotel creations or conversions of independent hotels).

10% of global GDP
of global workforce
3rd largest industry in the world

+9-14% 2022-2027 compound annual growth rate in Travel & Tourism spending to reach > $9,000 billion vs. 4.5% 2010-2019 CAGR growth

High potential to grow supply further leveraging both brand penetration & new room creation

According to the World Tourism Organization (WTO), international tourism is continuing to recover from one of the worst crises in its history: during the first half of 2023, 700 million tourists traveled abroad, *i.e.* 43% more than the same period of 2022[(1)]. The Middle East, Europe and Africa were the leading destinations of this post-pandemic global recovery.

Driven by growth in the middle classes in emerging countries[(2)], hotel room demand is set to increase by 5-7% per year over the next years. At the same time, supply should enjoy growth of 1.5% to 2.0%, while the number of travelers could rise from 1.5 billion to 2 billion over the next decade.

Growth in hybrid hospitality

Hybrid hospitality combines dynamic and multi-functional spaces where guests can stay, work, eat, drink, either in hotels, youth hostels, co-working areas or restaurants and bars.

As well as meeting consumer demand, the hybrid model is attractive to brands, as it notably offers them the possibility of optimizing their spaces and applying different business models. According to a study by Colliers International, hotels that offer coworking areas benefit from revenue growth potential of 20%.

Rise in hotel coworking

Sustainable development goals and initiatives defined by hotel groups

Hotel groups have publicly committed to tackling three critical environmental issues:

- carbon emissions: the main hotel chains have set science-based goals to reduce CO_2 emissions, but only a few (including Accor) have committed to contributing to global carbon neutrality, in line with the Paris Agreement;
- single-use plastics: all of the main chains are offering sustainable alternatives; resort & luxury players are trailing the pack;
- food waste: most players aim to make significant reductions, leveraging local action rather than unified programs, for the moment.

Preserving biodiversity is now the next challenge for the future of the hotel industry.

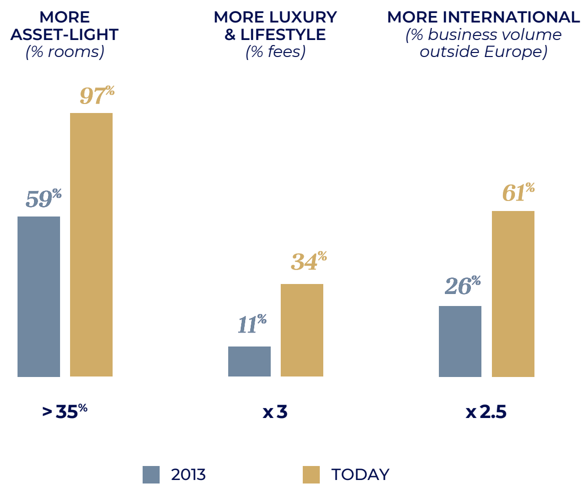
(1) *WTO.*
(2) *The unprecedented expansion of the global middle class, Brookings, 2022.*

1.3 The Group's strategic levers

1.3.1 A strategy securing a sustainable growth

To rise to market challenges and tackle social and environmental issues, the Group has constantly evolved over the past 10 years. In an environment shaped by swift change in guests' habits and the need to rethink the codes for the hotels of tomorrow, Accor has redefined its business model by selling almost all of the real estate it previously owned. In 2018, Accor finalized its transformation into an asset-light group and implemented a simplified value creation model with many advantages.

The Group's structural changes



At the same time, it has used its acquisitions and partnerships to build a hospitality ecosystem geared toward increasing its sources of revenue in growing areas and its international reach in profitable segments such as Luxury and Lifestyle, and to acquire new brands, new services and new rewards for its customers and partners.

Accor has adopted a simple model designed to address the challenges faced by the hospitality industry built on three pillars, which are:

- **"Drive Traffic"**: attracting guests with a strong portfolio of global brands, converting with a seamless retail experience, and retaining our best guests through our loyalty strategy and enhanced personalization;
- **"Accelerate growth"**: increase our network by boosting development and maximizing value, while also limiting contract losses and multiplying contact points in an integrated sustainable ecosystem;
- **"Innovate constantly"**: by optimizing the model and transforming skills, organizations and tools to an asset-light model.

These three pillars are built around the sustainable development strategy the group has been implementing since 2006, a strategy that the Group succeeded in evolving in 2022 to continue to create environmentally-friendly experiences and supporting the creation of social value.

Drive traffic

To better meet guests' aspirations, Accor has expanded its brand portfolio in Luxury and Premium segments by investing in specialist brands. The acquisition in 2016 of the Fairmont and Raffles brands enriched the Group's know-how, infusing best practices to other portfolio brands. Furthermore, Accor seized all opportunities to invest in the Lifestyle segment: in the Economy segment thanks to the JO&JOE youth hostels with modular spaces which appeal to millennials; in the midscale segment by acquiring the TRIBE brand in 2019 which targets travelers seeking quality hotel experiences at affordable prices; lastly, in the Luxury segment, synonymous with exclusive experiences, exceptional concepts, with an unrivalled quality of service and rejuvenated hotel experiences. The Group enhanced its portfolio in 2018 with the acquisition of 21c Museum Hotels and a partnership with sbe Entertainment Group. In 2021, following a stock-for-stock merger, Accor became the majority shareholder in Ennismore, the world's leading new lifestyle platform and fastest-growing player. Finally, in 2023, the Group launched its Handwritten collection, a fast-converting brand that meets guests' expectations of authenticity.

Driving traffic also includes streamlining the distribution experience. Continuous improvement of our distribution website, especially for mobile applications; the search for a greater continuity between digital and physical experiences, such as the elimination of reception counters at ibis in favor of guest check-in using mobile tools are all aspects that Accor places at the heart of its strategy.

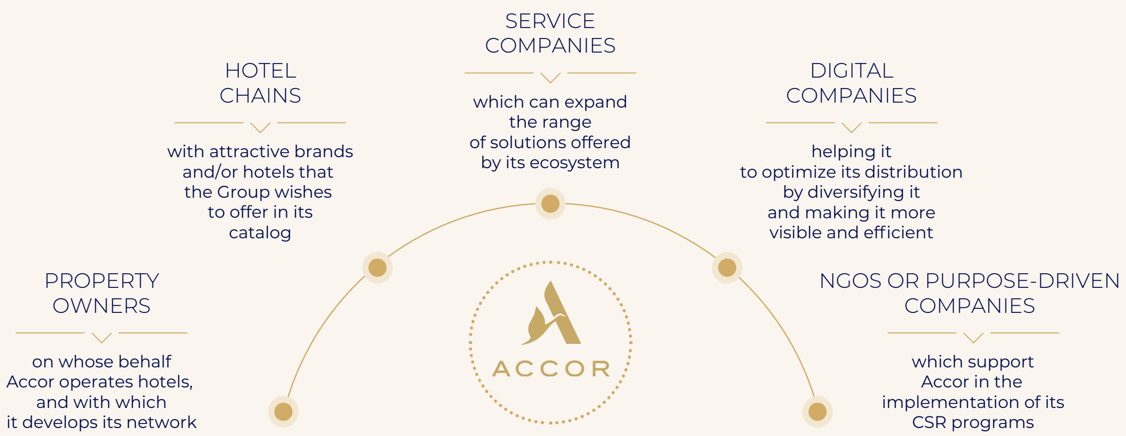
Launched in December 2019, ALL – Accor Live Limitless, Accor's loyalty program, is the cornerstone of the conquest, attractiveness and loyalty approach taken by the Group for its guests and partners. Accessible via a single platform, the ALL ecosystem combines the full range of offers from the Group and its partners. Its aim is to increase touchpoints with guests as a means of inspiring lasting loyalty to the products and services it offers. Promoting guest loyalty is an opportunity for Accor to get to know its guests better and to align its offers as closely as possible with their individual expectations.

Accelerate growth

The development of the hotel network has a decisive influence on Accor's revenue growth. The Group maintains a dynamic pace of growth by:

- densifying core locations and countries;
- conquering emerging countries where growth is stronger;
- maximizing coverage of all segments, particularly the most profitable (luxury, lifestyle, resort, etc.);
- capitalizing on fast-growing categories such as extended stays, branded residences with the 2023 launch of Accor One Living, as well as All Inclusive and its dedicated platform;
- supporting hotel conversions to rapidly create value, while maintaining our CSR commitments;
- acquiring hotel networks and the concluding partnerships to strengthen the regional leaderships and our brand portfolio (FRHI, Mövenpick, Mantra, Atton, SBE, BHG, Ennismore, etc.).

Furthermore, Accor regularly acquires and forges partnerships with companies whose core businesses are those in which it intends to expand its model.



In recent years, Accor has enriched its catalogue of customized services (John Paul) and other services in events, fine dining and entertainment (Paris Society and Potel & Chabot). The Group has also acquired the celebrated Paris cabaret Le Lido, with the goal of expanding its leisure offering for foreign tourists and Parisians and to offer more than hotel rooms to its customers while also attracting a more local clientele.

Innovate constantly

For Accor, continued growth means constantly optimizing its cost structure, so that efforts can be allocated according to priorities. Accor thus undertook an in-depth review of its processes to identify activities that could be redesigned to improve efficiency and invest in those that had priority. The idea is to streamline needs and resources by automating internal processes, pooling efforts and eliminating any tasks that can be without adversely impacting the Company's operations. This simplification work has resulted in new management structures that are more efficient, better equipped and better adapted to the Group's challenges. The Sales, Marketing, Distribution and Loyalty department has also started to renegotiate its service agreements, notably in the IT sphere.

1.3.2 *A new chapter*

In 2022, the Group changed its organization to optimize it and take advantage of the transformation carried out in recent years. This new organization enables Accor to comfort its leadership positions, concentrate its strengths, reinforce its know-how, accelerate its growth and continue to enhance its profitability. Since October 1, 2022, Accor has started to structure the Group around two dedicated divisions:

- the Premium, Midscale & Economy division, comprising notably the Group's brands ibis, Novotel, Mercure, Swissôtel, Mövenpick and Pullman;
- the Luxury & Lifestyle division, bringing together Accor's luxury brands as well as the Group's Lifestyle entity, Ennismore.

These two divisions leverage the shared services platform including Procurement, Accor Tech and the Digital & Business Factory.

Strategies adapted to each division

As such, Accor now leverages two divisions comprising separate and distinctive expertise with the aim of further strengthening the excellence of each of these business lines, improving their operational and financial performance, offering their owners and guests even more relevant products and services, and attracting the best talents.

1.3.2.1.1. For the Premium, Midscale & Economy division

To maximize growth in EBITDA, the Premium, Midscale & Economy division (PM&E), organized by geography, focuses on three priorities:

- focus on the brands: consolidate the leadership of its three iconic brands (ibis, Novotel and Pullman), extend its network thanks to its brand conversions (Mövenpick, Mercure, Handwritten and greet), and strengthen compliance with brand standards;
- concentrate efforts on key markets: consolidate leadership in the Midscale and Economy segments and seize growth opportunities in the Premium segment;
- strengthen the efficiency of its growth model to leverage scale effects: enhance processes and develop fiscal discipline.

1.3.2.1.2. For the Luxury & Lifestyle division

The development of the Luxury and Lifestyle Division, organized by brand, is committed to strengthening the identities of its iconic brands, offering unique and differentiating products and services.

The strategic priorities of this division are focused on three areas:

- realize the brand promise to offer guests unique experiences.;
- prioritize the originality and high quality of products and services, to guarantee customer loyalty, attractiveness for owners and a sense of belonging for talents.;
- pursue a strong growth objective to generate EBITDA.

A shared ambition: refocusing the Group's activities

Behind this reorganization around the Premium, Midscale & Economy and Luxury & Lifestyle divisions is the Group's desire to become more agile and to better focus its efforts in order to:

- offer solutions better suited to guest expectations;
- offer owners and investors a clear and legible model in each of the business lines, to create value and accelerate the development of its brands and its segments.

The Group continues to rely on a Global Shared Platform, which includes:

- procurement, which provides our hotels with access to the best professional products and services at the best market conditions;
- the Digital & Business Factory covers distribution, loyalty programs and digital issues;
- Accor Tech which brings together our IT services.

Furthermore, all of the Group's activities remain built around the ambitious sustainable development strategy defined by Accor, to promote positive hospitality.

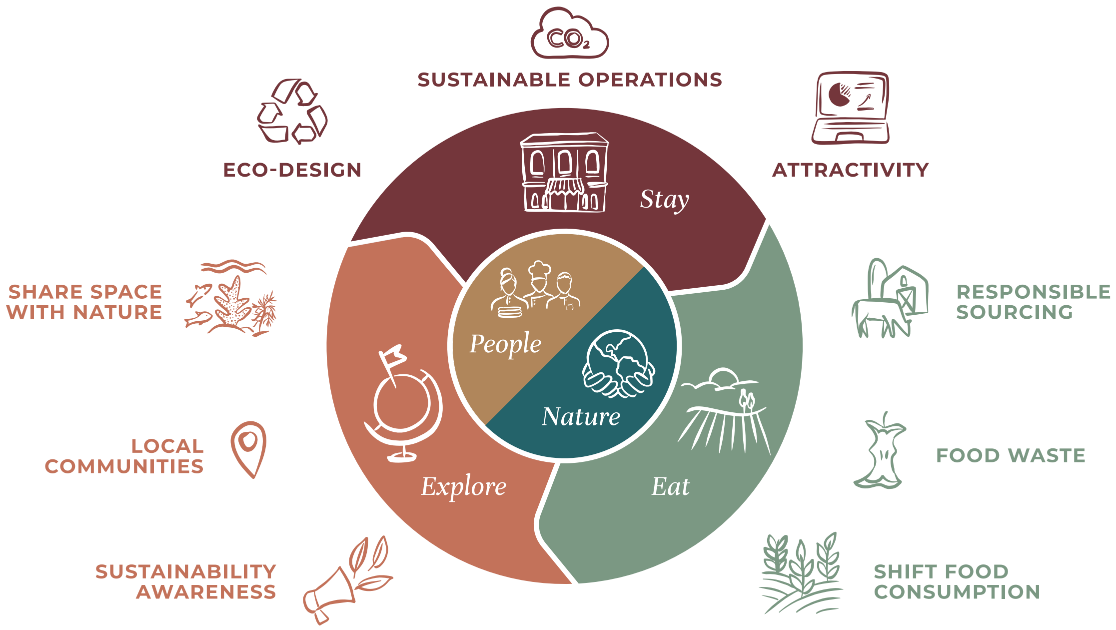
Promote positive hospitality

Today, the Group's mission is to make a positive contribution to society. For this, it intends to continue to develop and connect people by creating environmentally friendly experiences.

In this new contributory model, Accor is proposing new ways of traveling that are more rooted in the regions and respectful of biodiversity, while acting as a social elevator and promoting equal opportunities. This is the purpose of the sustainability strategy presented in the Non-Financial Performance Statement, in section 3 of the 2023 Universal registration document.

This framework is based on two fundamental science-based axes, People and Nature, placed at the heart of the approach, which infuse three operational pillars: Stay, Eat and Explore. These echo the territories of action of a hotel: from design to operations to the guest experience.

Accor's sustainable development strategy



This strategy, launched in 2022 and currently being rolled out, will guide Accor's actions out to 2030.

To collectively address the environmental challenges facing the sector, in 2021 Accor joined the Sustainability Hospitality Alliance, a consortium of committed hospitality companies. In 2022, the Group also joined the GSTC (Global Sustainable Tourism Council), the benchmark organization for sustainability in the hotel industry. Accor is also working with online travel agencies to constantly raise the bar on what defines the sustainable hotel of tomorrow.

To materialize its commitment to more sustainable hospitality in its operations, Accor is focusing on three main levers:

- **To operate its network of branded hotels within planetary limits**. After announcing commitments to reduce greenhouse gas emissions (validated by the SBTi) in 2020, the Group announced its commitment to contribute to a "nature-positive" world, in connection with the development of scientific objectives specific to Nature issues, as defined by the International Union for the Conservation of Nature (IUCN). The aim to pursue a strategy that contributes to a "nature-positive" world makes it possible to consolidate, in a systemic approach, a target for carbon reduction and alignment with the 1.5°C trajectory. This also requires rethinking the design of hotels to fully integrate circularity, drastically reduce greenhouse gas emissions and operate within our right to consume available resources.
- **To be a lever for transformation towards a sustainable food model** by transforming the food offerings and menus offered, massively training chefs and their teams in these new practices, as well as engaging our value chain in its transformation towards practices aligned with the "nature-positive" strategy.
- **To be a player in the redefinition of tourism and travel** requiring development decisions to be aligned with climate and nature commitments, to protect and preserve key areas of biodiversity in close connection with local communities, while training and empowering clients, employees and partners in the ambition carried by the Group.

Through these three levers, the Group intends to demonstrate the transformation of its hotels towards a positive, contributory hospitality, and at the same time provides an answer to the growing expectations of its B2B and B2C customers.

Section

2

Control environment and risk factors

Hotel Shanghai Sheshan Oriental - China

2.1 Control environment

2.1.1 Risk management governance

Group Risk Committee

To ensure risks that could prevent Accor from reaching its targets are correctly identified, assessed and managed, a Group Risk Committee meets every quarter and is tasked with:

- helping to identify, assess and prioritize major risks at Group and division level;
- ensuring that Group risks are managed in line with its profile, strategy and tolerance;
- identifying risk owners and ensuring that relevant mitigation plans are in place with adequate resources; supporting major risk owners in their approach to managing such risks and monitoring the performance of mitigation plans through key risk indicators;
- overseeing risk management and the major risk internal control framework and suggesting improvements where necessary;
- presenting the most impactful data and information to the Executive Committee and the Audit, Compliance & Risks Committee;
- championing a risk culture and raising awareness across the entire Group;
- considering trends, innovations and potential change factors to identify emerging risks and ensure that the organization seizes all opportunities;

The Committee is chaired by the Group CFO, and the following functions are represented: Finance, Legal, IT, Purchasing, Sustainable Development, Distribution & Loyalty, Digital Factory, Talent & Culture, Internal Audit, Sales, Development, Internal Control, Division Representatives (rotating), and Risk.

The composition and organization of the Group Risk Committee were updated in 2023 as part of the Group's reorganization.

Group Risk and Insurance Department

Reporting to the Group Audit, Compliance & Risks Committee, the Group Risk and Insurance Department is made up of five people based at the head office with six people in the regions and is involved throughout the Group risk management process:

- the department identifies and assesses the Group's major risks and contributes to the process of identifying and assessing risks of the Group's various host regions and functions. It is also responsible for overseeing the proper implementation and consistency of the Group's risk mapping (see section 2.2.1 "Risk management system");
- it ensures that measures to reduce major risks are implemented and monitored, especially through the Group Risk Committee;
- as part of the overall mapping process for preventing hotel risks (fire, health and food risks), it defines, promotes and coordinates safety procedures for the people and goods in the Group's hotels. It also ensures that these procedures are properly implemented by the relevant parties;
- moreover, as part of the Group's protection strategy, the department is responsible for financing coverage of risks, notably by setting up insurance policies (see section 2.2.3.2).

The Group Safety & Security Department

The Safety & Security Department, reporting directly to the Chief Talent & Culture Officer, is responsible for defining the safety and security policy and coordinating the Accor Group crisis management system.

It also helps to integrate the "Duty of Vigilance" obligation applicable to business executives by playing an active role in disseminating security information, making dedicated tools available and undertaking training initiatives. It issues recommendations when employees travel to countries deemed high risk (political, health, natural and other risks).

The Safety & Security Department coordinates and monitors measures to prevent and combat willful and deliberate acts that might threaten the safety of individuals or assets (tangible or intangible) within the Group. Its duties include consulting, performing audits and providing operational support to protect employees, guests and infrastructure.

It rolls out the crisis management system and ensures that all Group hotels and companies are incorporated and monitored accordingly (see section 2.2.3.2 "Crisis management").

The Safety & Security Department uses a service provider to continuously track and analyze the global safety and security situation (geopolitical, public health, extreme weather events, social unrest, etc.). It also relies on its internal network of regional officers and its contacts in government.

Report to the Audit, Compliance & Risks Committee

The Group Risks and Insurance Director participates in the Group's Audit, Compliance & Risks Committee.

This Committee, whose membership and remit are described below, oversees the annual mapping of major risks and the deployment of priority risk action plans.

2.1.2 *Internal control*

Internal control objectives

Scope

The Group applies the internationally recognized definition of internal control formulated by the *Committee of Sponsoring Organizations of the Treadway Commission*. According to this definition, internal control is a process, effected by an entity's Board of Directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

Completion and optimization of transactions	Reliability of financial information	Compliance with laws and regulations

This definition complies with that set out in the Reference Framework for Risk Management and Internal Control Systems issued by the French securities regulator, AMF, which states:

"Internal control is a company's system, defined and implemented under its responsibility, which aims to ensure that:

- laws and regulations are complied with;
- the instructions and directional guidelines set out by Executive Management or the Management Board are applied;
- the Company's internal processes are functioning correctly, particularly those concerning the security of its assets;
- financial reporting is reliable; and generally, contributes to the control over its activities, to the efficiency of its operations and to the efficient utilization of its resources."

By helping to anticipate and control risks that could result in the Company not meeting its objectives, the internal control system plays a key role in the conduct and management of its various activities.

One of the objectives of the internal control system is therefore to anticipate and control risks arising in the course of the Company's business, as well as the risk of errors or fraud, particularly in the areas of accounting and finance. However, as stated in the AMF's Reference Framework, Internal Control procedures cannot provide an absolute guarantee that the Company's objectives will be achieved, no matter how well the system is designed or how well the procedures are applied.

Corporate values and principles

The Group's internal control system supports the corporate values expressed by the Board of Directors and Executive Management and communicated to all employees. The Group has drawn up rules of conduct and integrity relating to employee behavior and relations with guests, shareholders, business partners and competitors. As such, its Ethics Corporate Social Responsibility Charter provides clear framework for the responsible conduct that the Group expects in terms of ethics, integrity, legal compliance and overall corporate social responsibility. In 2022, the Group continued its compliance program designed to tackle compliance risk, particularly bribery-related and anti-trust risks (see section 3.4.1 on the compliance program). Since 2020, the Group has enhanced its internal control system with a Book of Internal Controls, which sets out the key controls to be carried out for each process.

Overall organization of internal control

Scope of internal control

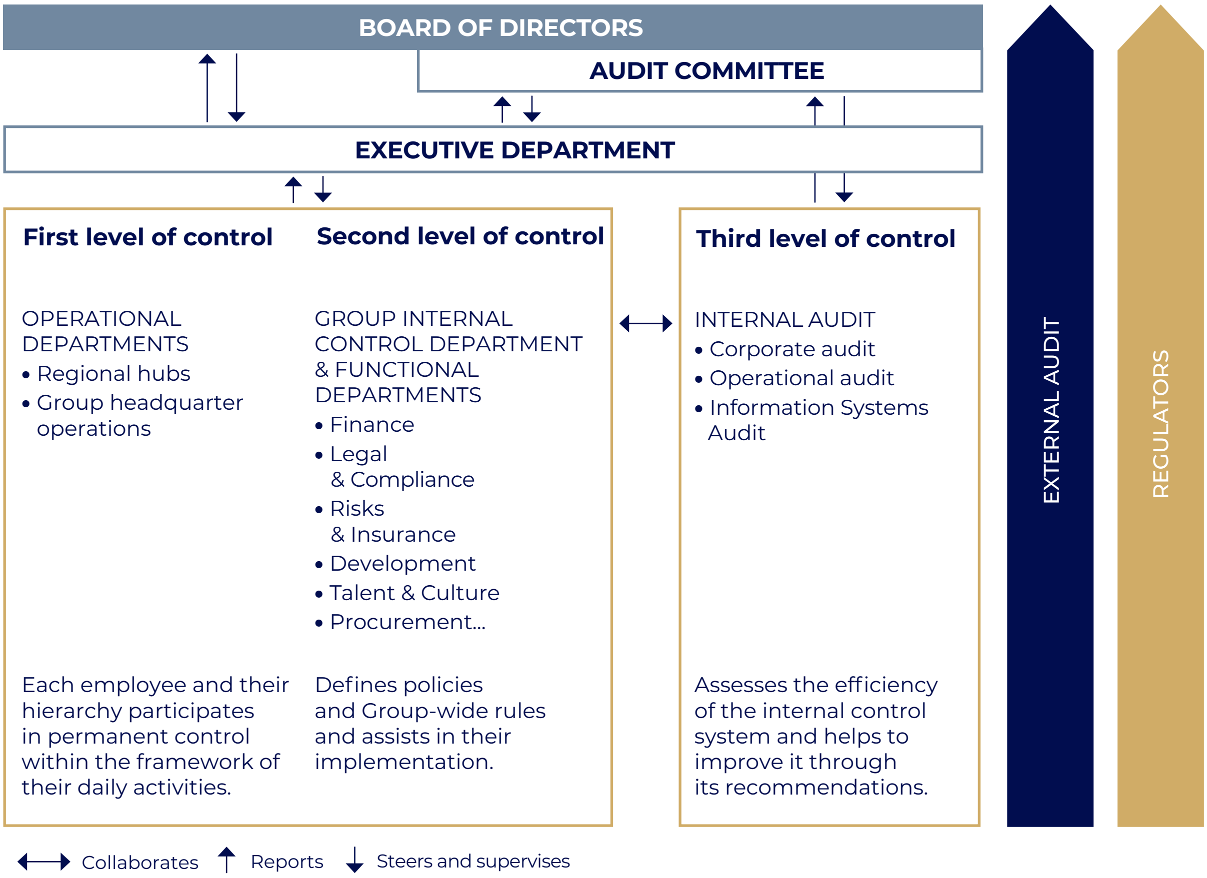
The internal control procedures described below cover the parent company and all of its consolidated subsidiaries.

Internal control procedures are regularly reviewed to ensure that they are appropriate and aligned with the Group's objectives, particularly in view of risks specific to each business and the costs of performing the controls.

Main participants in internal control

Internal control procedures are part of the policies defined by the Board of Directors and are implemented under the direct responsibility of the operating departments and corporate functions. As a result, internal control is everyone's responsibility, from executive officers to front-line employees and is steered by the Group's Internal Control Department.

Internal control system is monitored according to the following three lines of defense:



The main bodies responsible for overseeing the internal control system are as follows:

Audit, Compliance & Risks Committee

As described in the Board of Directors Bylaws (see section 4.12, Appendix A), the Audit, Compliance & Risks Committee carries out the following main tasks:

- it reviews the risk management policy and ensures that adequate systems are in place;
- it is informed every year of the updates to the risk map and the results of the monitoring processes carried out for the Group's main risks;
- it obtains assurance concerning the effectiveness and efficiency of the Group's system of internal control, by reviewing the methods used to identify risks and the Group Internal Audit Department's organizational and operating principles. It is also informed of the internal audit program (details of the assignments carried out by Group Internal Audit) and progress made in applying action plans.

The Audit, Compliance & Risks Committee meets four times a year.

The Internal Audit Committee

The Internal Audit Committee is made up of the Chairman and Chief Executive Officer, the Group Deputy Chief Executive Officer and CEO of the Premium, Midscale & Economy Division, the CFO, the members of the Executive Committee, the members of the Division Executive Committees (listed in section 4.1.2 of this Universal Registration Document) and the Group Internal Audit Director. Representatives of key Group functions are also present, such as Risk Management, Compliance, etc. The Internal Audit Committee also includes the CFOs of the Group's main entities. The Internal Audit Committee guarantees the independence of Internal Audit. Its responsibilities are to:

- track and encourage improvements in internal control levels within the Group;
- review the audit plan for the coming period (main areas of work, principles, audit scope, breakdown of assignments by type, etc.);
- review significant internal audit issues for the current year, in each of the audited areas, and approve the action plans for each audited unit;
- track and facilitate implementation of the action plans to be deployed by the audited units;
- oversee the activities of the Internal Audit function, in terms of audit efficiency/optimization and the adequacy of the function's resources.

The Internal Audit Committee meets once a year.

Executive Management

In accordance with the law and the Company's Bylaws, the Chairman and Chief Executive Officer represents the Company in its dealings with third parties and has the broadest powers to act on behalf of the Company in all circumstances. The use of the powers of the Chairman and Chief Executive Officer are conditional upon prior authorization being granted by the Board of Directors. The situations where exercise of the Chairman and Chief Executive Officer's powers is subject to the prior approval of the Board of Directors are detailed in the corporate governance report in section 4.1, as well as in the Board of Directors Bylaws in section 4.11.1.

For the purpose of carrying out his duties, the Chairman and Chief Executive Officer is assisted by a Group management Board, a Premium, Midscale & Economy Executive Committee and a Luxury & Livestyle Executive Committee.

Group Internal Control Department

Against a backdrop of business transformation and external growth, the Accor Group chose to strengthen its internal control system and create a Group Internal Control Department in March 2019. The new department is separate from Internal Audit and falls under the responsibility of Group Finance.

Its purpose is to improve the Group's internal control culture, introduce new internal control guidelines and assist central and regional support functions with the application of this framework.

In 2020, the Internal Control Department published the Accor Internal Control Book covering Finance, Marketing, and Contract Management processes with partner hotels, Procurement, the Loyalty program and Talent & Culture. It also covers the audits of the Accounting Control pillar of the anti-corruption framework. Henceforth, this document will be the Group's reporting framework in terms of Internal Control.

The following year, the internal validation rules were reviewed to take account of the Group's new organization, the Internal Control self-assessment questionnaire was partly aligned with the *Accor Internal Control Book* and work was initiated to write a chapter on the Development process to complete the Group's reference system.

In 2022, the Internal Control Department continued its efforts to strengthen the internal control system by working to integrate the new acquisitions (Ennismore, Lido) into the Accor internal control standard, provide a framework that formalizes the level 2 controls, and update the self-assessment questionnaires and their use.

2023 is a year of transition to the TURBO organization. Internal control activities are carried out by the PME Division's regional organization on behalf of the L&L Division brands, with the exception of Ennismore, which has its own organization and resources.

The Internal Control Department works closely with Group Risk Management, Legal & Compliance, Finance and Internal Audit. It is a stakeholder with business line experts on the implementation of key projects for the Group.

Group Finance

The Group's Finance Department is responsible for the general supervision of Group Financing and Risks. The Chief Financial Officer ensures that the Group's financial policies are properly implemented, in particular by circulating to the divisions the accounting standards and reporting frameworks used to prepare the consolidated financial statements. Group Finance maintains regular contact with the Statutory Auditors, who audit the financial statements of the Company and the Group in accordance with the applicable laws and regulations. In connection with their audit of the consolidated financial statements, the Statutory Auditors audit the consolidation packages transmitted by the subsidiaries included in the scope of their audit.

The Finance Department is also responsible for auditing Group performance and implementing procedures and policies for cash flow and financing. It coordinates the different actions carried out to optimize the Group's taxation, and to strengthen the Group's position as leader via takeovers, acquisitions, creations of joint ventures or disposals of businesses, interests or assets.

Group Internal Audit

Group Internal Audit, which has a dotted-line reporting relationship with the Audit, Compliance & Risks Committee and falls under the responsibility of the Chairman and Chief Executive Officer, is the cornerstone of the internal control system. Internal Audit carries out various types of assignments (see list in the "Internal Audit assignments" section) and relies notably on the use of internal control self-assessments, addressed annually to Group entities and hotels.

Group Internal Audit coordinates its activities with the Statutory Auditors' audit plans. It is also responsible for coordinating the activities of the local Operational Internal Audit Departments within the operating departments (regional operating departments).

At December 31, 2023, the Group Internal Audit Department had around 50 auditors, with around 30 of these working locally in the regions.

Internal control self-assessments

The country head offices, new activities entities and hotels carry out a self-assessment annually using the questionnaires available in the dedicated IT tool, known internally as ADICT. These questionnaires are consistent with the internal control guidelines and existing procedures. A questionnaire focused on the activities of the Group's head office was rolled out as part of this self-assessment process.

This system helps spread the internal control culture across the Group and enables the Chief Executive Officer for each geographic region or activity to assess the level of internal control in place to address the operational and functional risks for that particular scope of responsibility.

The results are analyzed at the head office by the Internal Control Department to identify areas of improvement and action plans. They are then communicated to each Chief Executive Officer and their Chief Financial Officer, as well as to the different process owners.

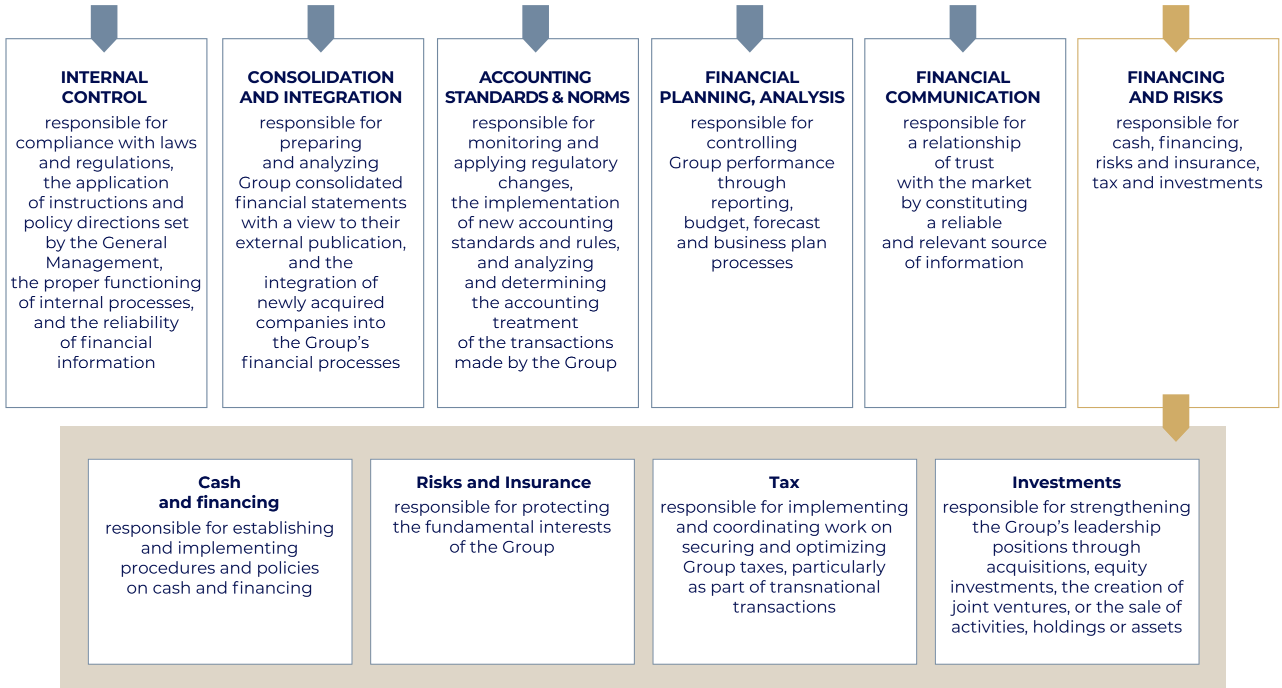
2.1.3 *Financial control*

Internal control and risk management procedures relating to the preparation and processing of accounting and financial information

Group Finance

The Chief Financial Officer ensures that the Group's financial policies are properly implemented, in particular by circulating to the Divisions the accounting principles and standards used to prepare the consolidated financial statements.

Group Finance is organized into the following departments:



Group Finance maintains regular contact with the Statutory Auditors, who audit the financial statements of the Company and the Group in accordance with the applicable laws and regulations.

The accounting and financial information system

The Group's accounting and financial information system is designed to ensure the security, reliability, availability and traceability of information.

It is based on an interfaced reporting and consolidation system that covers virtually all of the Group's operations with the aim of providing consistent accounting data at the Company and Group level.

A specifically designed user manual has been prepared and issued to the employees concerned, in order to guarantee that the systems are correctly used and that the information obtained is appropriate and relevant.

The Group has also set up processes to ensure the security of the accounting and financial information system, as well as the integrity of the data involved. These include regular back-ups and programmed controls that trigger warnings in the event of incorrect data entries.

The accounting and financial information system is regularly updated in line with the Group's specific needs.

Accounting principles and procedure manuals

Several accounting principles and procedure manuals are distributed to all of the Finance Departments within the Group, including:

- the Finance Manual, which sets out the Group's charts of accounts;
- the reporting procedure;
- a presentation of International Accounting Standards (IAS)/International Financial Reporting Standards (IFRS), providing details on how to apply the standards to the Group's specific circumstances;
- consolidation instructions;
- specific procedures for managing cash flows involving countries subject to international sanctions and for issuing corporate payment cards to employees, as well as fraud awareness manuals.

Employees can access this information on the Group's Intranet.

Reporting procedure

Group Financial Control is responsible for overseeing the reporting procedure. The procedure requires the Divisions to submit monthly reporting packages comprising an analysis of key business indicators and the main components of income, in the format prescribed by the Group. All reporting data submitted by the Divisions must be analyzable both by nature and by function.

The reporting procedure is designed to provide a detailed analysis of changes in financial and operating results, which helps the Group to provide support with resource allocation decisions and measure the efficiency of the various organizational structures in place.

Preparing and controlling the consolidated financial statements

The consolidated financial statements are prepared by Group Finance based on information reported by the subsidiaries' Chief Executive Officers and Finance Directors. The format of the consolidation packages is determined by the Group.

The subsidiaries are responsible for the information contained in their consolidation packages and are required to make formal representations to Group Finance about the fairness of reporting data and its compliance with Group accounting standards and policies.

Consolidation instructions detailing the financial reporting schedule and specific points concerning consolidation adjustments to individual financial statements and non-standard transactions are issued every quarter to the various Finance Directors and consolidation teams. In addition, specific instructions on reporting off-balance-sheet commitments are provided as part of the annual and interim closing procedures so that a detailed report can be prepared for the Group's financial statements.

The Consolidation Department carries out systematic controls of the financial information submitted by the subsidiaries. A detailed schedule for reviewing the cross-cutting packages by audit type has been prepared and sent to the employees concerned.

In connection with their audit of the consolidated financial statements, the Statutory Auditors audit the consolidation packages transmitted by the subsidiaries included in the scope of their audit. Group Internal Audit also reviews from time to time the proper application of Group accounting standards and policies by the subsidiaries, and reports any issues identified during the review to Group Finance.

As the final stage of the process, the consolidated financial statements are examined by the General Controller and the Chief Financial Officer prior to their review by the Audit, Compliance & Risks Committee. The Board of Directors then approves the consolidated financial statements based on the recommendations of the Audit, Compliance & Risks Committee.

2.1.4 *Internal audit*

Organization of Group Internal Audit

To improve control of identified risks, the Group has set up control procedures that comply with its standards and cover both operating and financial information processes.

The Internal Audit Charter aims to provide a Group-level cross-functional view of Internal Audit resources and methodologies, as well as the methods used to communicate the results of internal audits. To this end, it defines the framework for Internal Audit activities within the Group, based on the professional standards issued by IIA and other bodies, which set down strict codes of conduct for internal auditors. The Charter also formally describes the role, membership and procedural rules of the Internal Audit Committee. Lastly, it sets out how Group Internal Audit should coordinate the activities of local Internal Audit Departments.

Definition of the audit plan

Audit assignments are carried out according to the audit plan reviewed by the Internal Audit Committee and subsequently approved by the Audit, Compliance & Risks Committee. The audit plan is prepared taking into account risks identified by the Group Internal Audit Department, based on the following:

Internal audit assignments

The main types of assignment, as described in the Internal Audit Charter, are as follows:

Corporate audit

- **Head office audits (Support functions),** which are designed to optimize internal control procedures applied at the head office and ensure that the head office is able to fulfill its role of overseeing and supporting hotels of their perimeter as effectively as possible. As part of its mandate, a review of the annual self-assessment campaign is carried out and leads to the expression of an Internal Audit opinion.
- **Specific and/or theme-based audits,** which are audit assignments that comply with the ethical and professional standards applicable to internal auditors and fall within their remit. These assignments may relate as much to issues bearing on the integration of acquired entities, a function or a process as to one or more pillars of the anti-corruption system. In addition, at the Audit, Compliance and Risks Committee's request, Internal Audit may review the policies and measures put in place by the Group to address non-financial risks.

Operational Audit

These audits are aimed at evaluating the reliability and effectiveness of the internal control systems of the subsidiaries and/or Group-managed establishments as well as ensuring that they comply with Group standards. These assignments notably include an assessment of the effectiveness of the Compliance system, particularly as regards the fight against corruption, as well as a verification of the self-assessment relative to the internal control of hotels, performed on a recurring basis across all the scopes concerned.

Operational audits are chiefly performed by the local Internal Audit Departments. These departments, based in the various Regions, report hierarchically to the Group's Internal Audit Department and functionally to the Finance Departments of the Regions concerned.

These local departments have permanent, direct ties with Group Internal Audit, thereby ensuring that they comply with the fundamental principles of conduct and independence and follow the standards required of the Internal Audit profession, as well as the methods recommended by the Group. These ties also guarantee that the local Internal Audit Departments are given adequate resources to fulfill their objectives.

These departments provide permanent assistance and training to the finance and operating departments in managing and monitoring internal control issues at the hotels in their scope.

Information systems audit

- **Information systems audits,** which are performed to ensure that best practices are applied in relation to the organization and monitoring of the audited units' information systems based on the COBIT reference system.
- **Audits of applications and processes,** which are aimed at ensuring that manual or automated checks in place provide an appropriate level of internal control in view of the operations covered by the applications concerned.
- **Project and digital product management audits,** which are designed to validate the implementation of best project and digital product management practices.
- **Pre-and post-acquisition technological reviews,** aimed at assessing where necessary the maturity of the digital environments of new acquisitions and their eventual integration into the Group's information system.
- **IT security audits (cybersecurity),** which help to ensure the security of the Group's technological platforms. They are primarily performed (or piloted in the case of external service providers) by the Security team, which reports to Accor Tech, and in some cases in response to queries raised by the Group Internal Audit Department.

Internal Audit programs for units where self-assessments have been deployed include a quantitative measurement, via a rating system, of the gap between the self-assessment and the internal auditors' assessment of the level of internal control. By analyzing these gaps, it is possible to evaluate the quality of the self-assessments performed by the unit manager.

Follow-up audit of actions plans

The purpose of these interventions is to ensure that the remediation plan defined by the audited entity is implemented in accordance with the schedule validated by Internal Audit.

As part of their assignments, Internal audit teams perform due diligence reviews to verify compliance with the anti-corruption principles and procedures specified in the Group's Ethics & Corporate Social Responsibility Charter and those set out in the vigilance plan.

Audit reports and follow-up of deployed action plans

A draft report is prepared after each internal audit, setting out observations, identified risks and recommendations. This report is sent to the management of the audited unit, which prepares an action plan when required.

The final report, which includes any action plans prepared by the audited unit, is then sent to the managers in charge of overseeing operational and financial matters for the unit concerned.

Once these reports are issued, Internal Audit tracks the action plans deployed by the auditees.

The reports issued by all the Group's auditors are centralized by Group Internal Audit. A summary of this work is presented to the Internal Audit Committee and the Audit, Compliance & Risks Committee.

The Audit, Compliance & Risks Committee also receives a quarterly summary of the internal audits carried out during the period, including a status report on the annual audit plan, an assessment of the quality of internal control in the audited units and the gap between the internal auditors' assessments and any self-assessments performed by the units, the internal auditors' main observations, and action plans decided on by the parties concerned, as well as the degree of progress made on these plans.

2.2 Risk factors

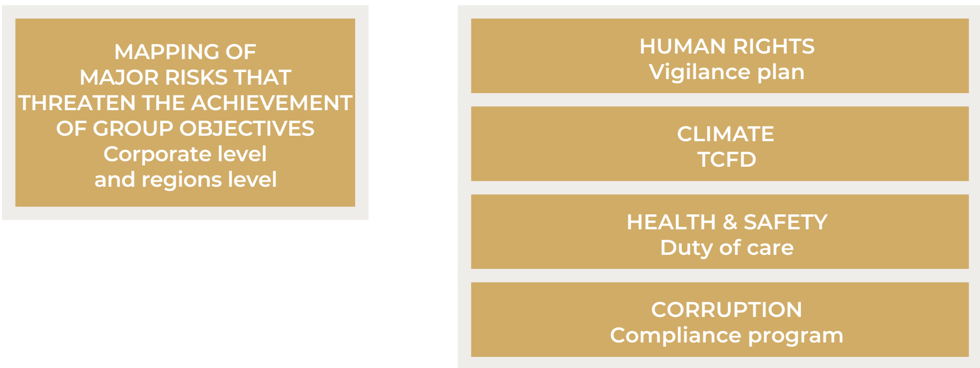
2.2.1 Risk management system

The Group's risk management system is built around:

- a cross-function and consolidated mapping of major risks, aimed at ensuring that risks identified are part of an appropriate action plan;
- maps specific to a risk or risk category, designed to facilitate the steering of risk mitigation programs by the operating divisions and corporate functions.

Cross-cutting and consolidated mapping

Mapping specific to a risk or risk category



Major risk map

This cross-function and consolidated risk map, updated annually, is managed by the Group Risk Management Department (section 2.1.1) and covers all of the risk categories to which the Group is exposed. The results are presented each year to the Group Risk Committee, the Executive Committee and the Audit, Compliance & Risks Committee. Major risks threatening the implementation of the Group's strategy and the achievement of its objectives are noted there. It stems from individual interviews conducted by the Risk Management Department with the regions and the Group's support functions, as well as an analysis of internal and external strategic documents from the travel and tourism industry, and documents published by financial analysts. Similarly, this analysis is also informed by the Group's regional maps.

The specific feature of this map is that it groups together different types of risks to provide an overall perspective. This grouping process makes it easier to compare and prioritize risks and is underpinned by the use of shared rating scales. These assessments take existing prevention and protection systems into account; in other words, probability and impacts on EBITDA are assessed in terms of net risk.

The most significant risks highlighted in this map, *i.e.*, those with the greatest criticality (a function of probability and impact), are presented in section 2.2.2.

In addition to the major risks identified for the Group and in response to volatile, complex and unpredictable external environments, emerging risks and trends are analyzed in order to start early discussions and preparation work for the new challenges facing our industry. The uncertain and potentially long-term nature of these risks, makes them difficult to identify, quantify and understand. Nevertheless, it seemed necessary to discern the key trends, which differ from the traditional risks outlined in the major risk map.

The major risk mapping exercise has also been applied through the use of regional risk maps managed by risk representatives, following the same approach as that adopted by the Group, with appropriate thresholds.

Maps specific to a risk or risk category

These risk maps are managed by the Group Risk Management Department at the request of the corporate functions and are intended to be used as input in the design and deployment of specific risk management programs. These risk maps include:

- the climate change risk map, in partnership with the Sustainable Development Department;
- the ethics and sustainable development risk map relating to human rights, in partnership with the Sustainable Development Department;
- the corruption and influence peddling risk map, in partnership with the Compliance department;
- the supplier risk map, in partnership with the Group Procurement Department;
- the sales and marketing risk map, in partnership with the Premium, Midscale & Economy Divisions.

Climate change risk map

An initial in-depth and detailed map of risks related to climate change was established in 2021 to (i) inform the Accor Group of the consequences of climate change on its business, and (ii) improve financial transparency concerning the climate according to the recommendations of the *Task Force on Climate-related Financial Disclosure (TCFD).* In 2022, this first study was updated and details the hotel network.

This work enabled a study of the physical impacts and their likely consequences in a world with global warming of 4°C by 2100 (IPCC RCP 8.5) as well as risks and transition opportunities for scenarios of a world restricted to 1.5°C by 2100 (IPCC RCP 2.6). The average scenario for the planet is currently an increase in temperature to 2.7°C by 2100.

Risks were identified and assessed according to two factors: the timeframe of the appearance of the first significant effects on the Group's business and the extent of their potential financial impacts.

This study was conducted using 2019 data. In line with the TCFD methodology, the analyses were projected out to 2030 without taking into account changes set to be implemented by Accor to prevent these risks. The aim is not to provide a projection of future revenues but to analyze various scenarios to enable the Executive Committee to better understand the implications of climate change on the Group's business and to implement suitable measures in good time.

As the TCFD methodology requires, the results are analyzed in terms of both risks and opportunities. The results of this risk mapping exercise are presented in section 2.2.2.

A partial update of this mapping is planned for fiscal 2024.

Ethics and sustainable development risk map

In connection with the Duty of Vigilance to which Accor is subject, this risk map covers all risks related to human rights, health and safety, protection of the environment and business ethics. Its results are presented to the Ethics, Compliance & Sustainable Development Committee.

Each risk is rated using two four-tier scales based on its probability and the intensity of its potential impacts (environmental, financial, human, or reputation). The probability scale takes account of the probability of the risk occurring (by using *Verisk Maplecroft* country risk indexes) and the number of hotels at the sites exposed. The impact scale takes into account the extent of the negative consequences of the risk and the degree to which Accor would be responsible for these consequences.

In 2022, the Group involved the hotels in the process of assessing risk and identifying risk management measures by sending a questionnaire to all the hotels covering three topics: classification of the six key risks based on their local prevalence, assessment of the relevancy and effectiveness of the rollout of the risk management measures proposed by the Group, and identification of local best practices that could be adopted Group-wide.

Lessons learned from the questionnaires showed that occupational health and safety risks are a priority for hotels (musculoskeletal disorders linked to uncomfortable postures and tasks), followed by discrimination and forced labor risks.

Responses to the questionnaire were used to assess and rank risks in the Group's host countries, and determine which risk management measures have already been implemented and which ones still need to be rolled out. The information gathered will be used to better target the action plans by region.

Corruption and influence peddling risk maps

The corruption risk mapping methodology is based on an assessment of the level of gross risk, the level of control and the level of net risk to which the Group's operating and functional divisions are exposed in its various hubs and functions.

Risks and their level of control were assessed using external data (Transparency International's Corruption Perceptions Index) and internal data (the Group's international footprint, concerns raised on the whistleblowing line, internal control self-assessment, audit reports, etc.), as well as questionnaires and interviews with Group executives and employees in a range of professions covering the full scope of the business. Interviews were conducted on the basis of a common framework, yet adapted to the specificities of each profession, with the aim of ensuring consistency and comparability between risk assessments.

The corruption and influence peddling risk map was updated in 2022 and risks were analyzed separately at the Group and hotel levels.

Results are reported to the Group's governing bodies (Ethics, Compliance & Sustainable Development Committee, Executive Committee, and Audit, Compliance & Risks Committee), ultimately allowing them to be taken into account in the various pillars of the Group's anti-corruption system.

The opportunity of updating this mapping is studied every two years.

Supplier risk map

To meet the Group's commitments, a plan was devised for more effective control over its nominated supplier solutions based on a map of suppliers' environmental, social and ethics risks.

Based on an external mapping developed by consulting firm EY, the Procurement Department assessed the 104 Procurement categories against 16 risks divided into five families (environment, human rights, working conditions, health and safety, and ethics). This new methodology resulted in the classification of the 104 Procurement categories into three risk levels (low risk, high risk and very high risk).

A risk management process is defined enabling specific controls to be triggered at referenced suppliers according to the level of risk identified.

Fire risk map

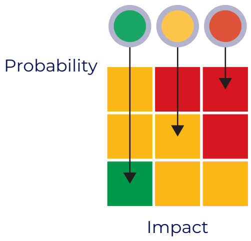
As part of the overall process for preventing hotel risks, the Group has set up a process for analyzing fire risk based on a questionnaire assessing the level of exposure and safety of the hotels it operates under management or franchise contracts. This detailed questionnaire is built on the three major pillars of fire safety: buildings (building standards, architecture, materials, etc.), technical aspects (electricity, detection, extinction, air conditioning, heating, evacuation system, etc.) and people (safety management, facilities maintenance, staff training, awareness, drills, etc.). Each of these major pillars is the subject of specific questions allowing levels of risk and safety to be assessed. This analysis is used to draw up an annual list of the hotels to be visited by insurance experts with a view to enhancing their safety. The hotels visited receive a report in which the improvements to be made are cited, and the Group monitors their proper implementation. The Group organizes fire prevention inspections to reduce risk exposure and obtain optimal cover according to insurance and reinsurance market capacities.

2.2.2 *Group risks*

In the interest of clarity, the Group has chosen to present significant risks identified in the Group risk maps from three complementary angles of analysis:

- the level of net risk;
- existing level of control;
- intensity of risk mitigation plans.

Net risk

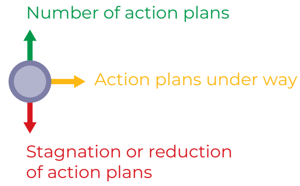


Whatever their nature, risks faced by the Group are assessed on the basis of two factors: their likelihood and the intensity of their potential financial impact. Assessments are performed on a “net” basis, *i.e.*, taking into account existing risk mitigation measures.

Existing level of control

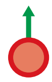
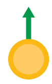
The level of control of each risk is assessed so that the Group can assess whether additional control measures should be implemented.

intensity of risk mitigation plans.



Each risk is analyzed from a third angle, on top of the previous two: the number and effectiveness of future action plans.

Risks are presented below in descending order of criticality.

Risks	Level of criticality
Climate risks	
Malicious attack on the integrity of digital personal data	
Talent attraction and retention risk	
Unfavorable change in the geopolitical, health or economic environment	
Unavailability of digital operating data	
Non-compliance with standards, laws and regulations	

TCFD **CLIMATE RISKS**

Description of the risk

The IPCC’s latest analyses confirm the reality and acceleration of climate change. Through the organization of the various COP conferences, the United Nations has obtained several consensuses between nations. At the COP 21 summit in 2015, the Paris Agreement provided a commitment by countries to keep global warming to below 2 °C (with a target of 1.5 °C). In 2016, the European Union pledged to respect the 1.5°C limit. Thus, regardless of the level of actual physical temperature rise, the hospitality and tourism sector will evolve in an economic system that will be increasingly constrained towards a 1.5°C trajectory.

Regulations currently being drafted or about to come into force oblige investors and investment funds to take into account the impact of climate change on organizations and set up strict rules on the evaluation of ESG (Environmental, Social, Governance) criteria. The taxonomy, the SFDR (Sustainable Finance Disclosure Regulation), and the ESRS (European Sustainability Reporting Standards), as well as regulations to come in both Europe and the world's main financial centers, are strong restrictive factors.

The climate risk map highlighted the following risks for the Group (an impact/time horizon matrix for these risks is presented in the Environment section of the SNFP):

- **Risks of physical impacts between 2030 and 2050 in an extreme 4 °C scenario:**
  - Approximately 10% of hotels have a probability from 1% to 10% to be threatened by flooding due to rising water levels, unusual flooding from rivers or extreme rainfall. This estimate does not take into account any prevention and protection measures put in place by the hotels and the governments of the countries in which the hotels are located.
  - Approximately one-third of hotels could see a threefold increase in extreme heat waves compared with 2019, resulting in higher capital and operational costs, with a likely impact on room rates.
- **Transition risks out to 2030:**
  - The main risk is the negative impact on revenues due to the decline in business travelers, particularly long-distance travelers. Companies that are themselves committed to a carbon reduction trajectory could be forced to reduce the amount of business travel undertaken by their employees. In combination, the hotels’ poor energy performance and high level of carbon emissions could represent an increased risk for the Group.
  - The diversity of Accor hotels' geographic locations provides good mitigation of risks associated with changes in the behavior of leisure customers, although this category of travelers is likely to become more selective in their choice of hotels and travel destinations. The risk for Accor in the leisure travel sector is that it fails to correctly anticipate the needs and expectations of these travelers on the subject of climate and biodiversity.
  - The carbon cost of the hotels’ operations is likely to increase (through taxes or other mechanisms) and will be particularly detrimental to hotels that have not reduced their carbon emissions. The consequences for hotel operating costs and ultimately for room rates will be unavoidable.

Mitigation measures

Since its creation, Accor has always fostered discussions on sustainable development and the environment. Accordingly, it has implemented action plans with ambitious targets.

In 2016, Accor committed to the principles of the Science Based Target Initiative to achieve carbon neutrality by 2050. In 2021, Accor more specifically committed to reduce its carbon emissions by 46% by 2030. The Group also issued a financial bond based on ambitious ESG targets, with intermediate thresholds at the end of 2025.

The Chief Sustainability Officer, member of the Group's Executive Committee, helps create a dynamic internally and in all our Divisions, but also externally by forging alliances with the world's leading hotel companies and participating in the G20, and the various COP meetings.

Mandatory online training (School for Change) was rolled out in 2022 and 2023 across the Group to raise all employees’ awareness of climate change and biodiversity and move them toward a sustainable transition.

To steer its sustainable transformation, Accor has invested in a the Gaïa reporting solution tool. Its objective is to facilitate measuring and monitoring performance on energy, water and waste. The tool notably enables more precise monitoring of the carbon footprint of hotels throughout the world, to optimize costs for owners and address the needs of stakeholders.

Finally, Accor has taken a strong strategic shift towards Lifestyle in order to capture a more local clientele and better anticipate changes in guest behavior.

The Group has analyzed risks linked to climate change for its business and is determined to implement the necessary actions to protect itself and seize all the opportunities arising from it.

SNFP MALICIOUS ATTACK ON THE INTEGRITY OF DIGITAL PERSONAL DATA

Description of the risk

For the needs of its hospitality business, Accor uses some of its guests' data (identity and sometimes payment details), particularly in hotels and through its loyalty program. This data could be subject to malicious use, internally or externally. The Group and its service providers could be victims of attacks on their computer systems (viruses, denial-of-service attacks, etc.), sabotage or intrusion (physical or digital), which could harm the availability, the integrity and the confidentiality of the data.

Such events, should they occur, could affect the owners of the stolen or disclosed data. Furthermore, in addition to the interruption of its activities, the Group could be held liable and thus generate a significant financial impact (CNIL [French National Commission for Information Technology and Civil Liberties] fines or other regulatory bodies, compensation for guests or others).

The ALL program is based to a large extent on knowledge of the Group's guests with a view to aligning offerings as closely as possible with their expectations.

To that end, the Group uses personal and commercial data, which it must collect, process, store and disseminate in accordance with the prevailing laws and standards, and notably the *Payment Card Industry Data Security Standard (PCI DSS)* and the EU's General Data Protection Regulation (GDPR) (2016/679). Breaches could expose the group to financial sanctions and damage its reputation.

Regulations are changing frequently in all of the countries where the Group is present. For example, the data protection regulation recently changed in China.

Mitigation measures

Guaranteeing the safety, security and availability of the personal data of its guests and employees is a priority for the Group.

The Information Systems Security Department is tasked with securing all of the IT infrastructure, systems and applications necessary for the Group's operations.Its role consists of (i) preventing intrusions, viruses and attacks by administering a suite of dedicated systems security hardware and software and performing regular intruder tests and application code reviews, and (ii) conducting awareness campaigns and training seminars for employees, for example on phishing.

Despite the adverse effect of the crisis on its revenue, Accor has maintained all budgets related to cyber risk prevention.

The renewal of the PCI DSS certification of the central systems and the full range of services provided to local teams was a key factor in the prevention of risks affecting guests' bank details. The Group's hotels must also be fully compliant (e-learning, implementation of operational procedures, etc.) to guarantee optimal data security.

For the General Data Protection Regulation (GDPR) compliance program, the Group maintains a data processing procedure map, assesses risks to which they are exposed and, where necessary, establishes and implements mitigation plans.

The Group also has a specific audit team reporting to the Internal Audit Department and dedicated to auditing and controlling the Group's information systems. Details of its responsibilities are provided in section 2.1.4. The maturity of the access management system at the hotel level is tested by the operational Internal Audit Departments.

Given the increased frequency and complexity of attacks, the Group remains exposed to this risk, despite the preventive measures presented above. If an incident were to occur, a business continuity plan has been developed to guarantee continuity of service, preserve data and ensure its confidentiality.

Lastly, cyber risk insurance has been taken out in addition to the existing Group property damage, business interruption and liability insurance policies. This cyber policy covers the Group against claims raised by third parties but also against business interruption losses suffered by the Group resulting from the unavailability, modification, theft and/or disclosure of its guest or operational data, as well as all costs incurred in managing the incident. Depending on the scale and nature of the data affected, the Group could nevertheless incur significant costs.

SNFP TALENT ATTRACTION AND RETENTION RISK

Description of the risk

By shifting its business model to an asset-light model, Accor has become a service company, essentially focused on People: its business is driven by men and women, and its success is now essentially based on the quality of its employees, their skills and their commitment.

In the context of Accor's reorganization, tightness in local job markets in many countries and changes in the aspirations of new generations, the Group is thus exposed to difficulties in attracting and retaining the best talent, particularly in certain hotel or digital professions. Moreover, in a rapidly changing sector, the Group's success also depends on its ability to retain and develop the skills of its employees through training and internal mobility.

Lastly, the Group's transformation could affect employee engagement.

Mitigation measures

Talent management requires long-term vigilance to ensure the sustainability of the business model. The Group is committed to identifying, attracting and developing the skills required for its operations and development.

A number of initiatives have therefore been implemented to attract the best talent, including communication campaigns to promote the hotel industry and the employer brand, with a stronger presence on social media.

In terms of employee retention, the Group has carried out a detailed identification of key people at all levels of the organization and a retention scheme has been put in place for certain employees. In addition, the Group was able to take part in discussions on salary increases in the Hotel and Catering branch in France.

Employees are supported in their personal development throughout their career, in particular through a common career and skills management tool.

More generally, the Group strives to build an engaging and collaborative work environment, in line with its ethical values, diversity and well-being at work. Since 2021, teleworking conditions were facilitated in France, with the possibility of working remotely for up to 12 days a month, and an annual commitment survey is used to identify possible areas for improvement and remediation plans to be implemented.

UNFAVORABLE CHANGE IN THE GEOPOLITICAL, HEALTH OR ECONOMIC ENVIRONMENT

Description of the risk

Accor’s broad geographical business footprint exposes it significantly to a range of macroeconomic, geopolitical and health risks. As such, a geopolitical conflict, an epidemic or a sharp economic slowdown in these regions could result in significant restrictions on the movement of people, which could have negative consequences on hotel RevPAR and consequently Group revenue but could also force the closure of hotels or the abandonment of development plans in the area or areas concerned.

The International Monetary Fund recently revised its growth forecasts downwards for 2024, with inflation declining only gradually. However, these forecasts nonetheless remain hypothetical for several reasons. The war in Ukraine is still a threat that is adversely affecting the world economy, particularly in Europe. Energy prices are rising, consumer sentiment is falling, the manufacturing sector is slowing, the supply chain is experiencing disruptions, and the labor market is tight, particularly in advanced economies. The emergence of new Covid-19 variants could amplify this slowdown risk.

Lastly, the Group remains exposed to the risk of terrorist attacks, in most of its host countries. A series of large-scale attacks or simultaneous attacks could directly or indirectly impact the Group’s guests and employees and result in a significant decline in visitor numbers in the area or areas concerned.

Mitigation measures

The Group’s asset-light strategy and organic and external growth strategy have the notable effect of reducing its exposure to these different risks by diversifying its portfolio geographically. Similarly, geographical diversification can have a favorable impact in the event of a partial recovery in the hotel business worldwide.

To limit the impact of risks concerning a deep and lasting deterioration in macroeconomic factors, several years ago Accor launched a plan to reduce its central costs and streamline other cost centers (Sales, Marketing, Distribution and Loyalty, Hotel Assets and New Activities). The Group also conducted an in-depth and disciplined analysis of its organization and adapted to its new asset-light model. From this analysis, Accor successfully launched a €200 million recurring savings plan.

In addition, at December 31, 2023, Accor had a solid financial structure, with a net cash and cash equivalents position of €1,279 million. In October 2023, the Group refinanced its €500 million hybrid debt issued in January 2019 for €500 million. In December 2023, Accor entered into an agreement with a consortium of 13 banks for a new €1 billion revolving credit facility (RCF). This new five-year credit facility has two one-year extension options, which can be exercised in 2024 and 2025, and replaces the €1.2 billion undrawn credit facility concluded in June 2018.

The Group's long-term credit ratings were favorably revised during the year by Standard & Poor's and Fitch Rating.

Elsewhere, the Group requires its partners to take out insurance against any possible property damage and related potential business interruption and provides solutions under the Group’s political risk and terrorism insurance program.

Protecting guests and employees is a priority for the Group. That is why Accor has adopted a Safety & Security strategy based on an organization, monitoring and appropriate security measures that are subject to change in line with the severity of risks identified. In the event of an alert, the crisis management organization is activated to ensure guests’ and employees’ safety as quickly as possible. To reduce the consequences of a pandemic or social unrest on its business, the Group has business continuity plans drawn up by the Group Risk Management Department in collaboration with all relevant departments and circulated to all areas concerned. This plan was naturally activated in response to the spread of COVID-19 in Group host countries, and instructions sent to all head offices and hotels in the network.

Finally, Accor had its ALL Safe cleanliness and prevention label which is a guarantee for the most stringent hotel cleaning standards and operational protocols. The standards have been vetted by Bureau Veritas, a world leader in hygiene and cleanliness inspection.

UNAVAILABILITY OF DIGITAL OPERATING DATA

Description of the risk

Accor's businesses are based on a suite of processes and applications to support employees and hotel managers in their work and guests in their travel plans. The Group's digital transformation has made its business heavily dependent on the proper functioning and security of such applications.

The data necessary for the Group's operations (personal data, strategic and financial data, etc.) are vulnerable to damage to its infrastructure or that of its service providers, and in particular its service providers' data centers.

Infrastructure of this nature could be subject to intentional damage (network saturation, ransomware, sabotage, intrusion, etc.) or to an accident (technical failure, fire, flood, power outages, insufficient network capacity to cope with the growth of usage, etc.), making the operational data necessary for the Group's operations unavailable.

Whatever the cause, the unavailability of Group data could trigger service continuity disruption and result in serious damage to the Group's reputation, or even incur its liability, which could have a significant impact on its revenue and, in turn, its earnings.

Mitigation measures

Guaranteeing the safety, security and availability of the operating and strategic data necessary for the proper functioning of the Group is a key priority.

The Accor Tech Department is tasked with completing the modernization of the IT architecture, and plays a major role in the prevention (security patches, specific anti-network saturation measures, etc.), detection and management of security incidents. It is notably in charge of implementing redundancy and back-ups, as well as maintaining the IT contingency plan (staff on call, back-ups and recovery capacity, back-up data center, etc.).

Accor Tech is tasked with securing all of the IT infrastructure, systems and applications necessary for the Group's operations. Its role is to administer a set of hardware and software dedicated to risk prevention (firewall, antivirus, etc.) and intrusion detection (incident probe and response, etc.). It steps in if the IT contingency plan is activated.

The Group also has reasonable assurance that its partners, suppliers and subcontractors allocate sufficient resources to protect it from interruption or disruption of its activities through the commitments indicated in signed third-party Service Level Agreements.

The Group also has a specific audit team dedicated to auditing and controlling the Group's information Systems, which reports to Group Internal Audit. Details of its responsibilities are provided in section 2.1.4.

If an incident were to occur despite these preventive measures, a back-up system and redundant infrastructure have been put in place to guarantee continuity of service within 24 hours, which would only affect the Group's business to a small extent. A large-scale crisis exercise was undertaken in 2023 to test the Group's ability to react to an unprecedented major incident in real-time and to draw the necessary lessons from it.

Lastly, cyber risk insurance has been taken out in addition to the existing Group property damage, business interruption and liability insurance policies. This cyber policy covers the Group against claims raised by third parties but also against business interruption losses suffered by the Group resulting from the unavailability, modification, theft and/or disclosure of its guest or operational data, as well as all costs incurred in managing the incident. Depending on the scale and nature of the data affected, the Group could nevertheless incur significant costs.

SNFP NON-COMPLIANCE WITH STANDARDS, LAWS AND REGULATIONS

Description of the risk

Accor operates in more than 110 countries, in a very complex and shifting legal and regulatory environment marked by a proliferation of local and international standards, laws and regulations applicable to its business.

In particular, and given the importance of these societal challenges, numerous local and international standards and laws governing the processing of personal data (see risk "Malicious harm to the integrity of digital personal data") and the fight against corruption have been introduced.

Similarly, the Group interacts with many public and private agents in carrying out its businesses. This organizational complexity exposes the Group to a risk of non-compliance with local and international regulations in the fight against corruption and influence peddling, in particular the French law on transparency, the fight against corruption and the modernization of economic life (known as Sapin II).

Elsewhere, Accor works with an extensive network of partners. Despite the Group's vigilance, practices that are non-compliant with its ethics and sustainable development standards and commitments could take place in one or more of the Accor brand hotels, or at one of the listed suppliers or an unscrupulous guest. Indeed, the Group's geographical implantation and its business sector expose it to risks of violation of human rights or of business ethics.

Like the Group, public authorities, the courts and public opinion have zero tolerance for improper business conduct. Failure to comply with any of these standards or regulations could expose the Group to criminal and financial sanctions, while the resulting media exposure could tarnish its image and reputation.

Mitigation measures

The Group has legislative and regulatory watch systems in all of its countries to guard against risks arising from failure to apply any new laws or regulations. These systems are implemented by legal teams throughout the world. The teams ensure compliance with applicable standards, laws, regulations and other texts by all Group entities in all host countries.

In the field of personal data, the Group has set up an organization dedicated to ensuring the Group's compliance with PCI DSS and the GDPR, but also to supporting Accor-banner hotels brands in their own compliance. This organization, described in section 3.4.2, calls on a central team and a network of Data Protection Champions in the various head office departments, plus the Regional Data Protection Coordinators (RDPCs) in each business unit. Their chief role is to maintain a map of the data processing system and to provide assistance to employees embarking on a project involving the collection or use of personal data.

The Group is pursuing numerous head office and hotel initiatives to maintain compliance with the General Data Protection Regulation. This year, one case in point was the launch of a network of local data protection champions and the mapping of data processing activities on Accor platforms.

The Compliance function described in section 3.4.1 promotes implementation of the Group's anti-corruption policy throughout the organization. This policy is relayed by Executive Management and a network of local Compliance Officers, supported by the Ethics, Compliance and Sustainable Development Committee and the Committee of the Board of Directors in charge of compliance matters (see section 3.4.1). In 2022, the Risk and Compliance Departments jointly carried out a mapping of corruption risks to enable the risk reduction plan to be adapted. In 2024, this mapping will be updated to take account of recent changes in the Group's organization.

In addition, the due diligence process applicable to partners, suppliers and other third parties with which Accor enters into a business relationship has been extended to partners in the Group's loyalty program.

Finally, in line with its Ethics Charter, Accor has a policy and procedure for the annual declaration of conflicts of interest applicable to all employees of Accor SA and the subsidiaries it controls.

2.2.3 *Prevention and protection*

2.2.3.1 Prevention

Hotel risk prevention

Addressing guest expectations in the area of safety is a key priority for the Group. To help prevent or abate the primary risks faced by a hotel, such as fires and food or health-related incidents, Group-wide safety procedures are in place:

- hotels must comply with local building and fire protection legislation in such areas as regular inspections of utilities and equipment, employee training and evacuation drills. They are also subject to the additional criteria set out in the Group's fire safety policy. These are based on the Management, Building and Systems (MBS) methodology developed by HOTREC, the umbrella association for hotels, restaurants and cafés in Europe, which is recognized throughout the region;
- a poster displaying the "10 golden rules for safety for all" and detailing the simple rules that can prevent harm to people or equipment is being rolled out to the Group's hotels;
- a maintenance and inspection program that includes preventive measures has helped to combat the development and spread of legionella bacteria, with samples and analyzed by certified outside laboratories;
- lastly, as regards food hygiene, kitchen health inspections are performed using the Hazard Analysis & Critical Control Points (HACCP) system.

Moreover, in 2020, Accor created its ALL Safe cleanliness and prevention label which is a guarantee for the most stringent hotel cleaning standards and operational protocols.

Safety and security, protecting guests and employees

Accor has a duty to ensure the physical protection of its employees, guests, and tangible and intangible assets. To this end, the Safety & Security Department:

- assesses the security situation in the Group's host regions and the countries targeted for expansion;
- leads relations with local diplomatic networks and local authorities, directly and/or through correspondents;
- leverages the expertise and feedback of its private-sector contacts such as consultants as well as French and international networks of security and safety officers;
- performs safety and security assessments at the Group's hotels and makes recommendations where necessary;
- issues recommendations when employees travel to countries deemed high risk (political, health, natural and other risks);
- communicates information to employees designed to instill a strong safety and security culture throughout the organization;
- participates in initiatives to uncover, prevent and combat people trafficking;
- includes safety and security issues in audits, products and services, to (i) verify compliance with the Group safety and security policy and (ii) deploy the necessary action plans to ensure consistency across the network.

The safety and security measures deployed in each hotel are determined based on the local situation, the site's vulnerability and the international context. Regular reminders are issued about the need to remain vigilant.

The support provided to employees during business travel is constantly being upgraded.

Finally, the teams are responsible for ensuring that newly acquired brands are effectively consolidated into the security processes.

2.2.3.2 Protection

Crisis management

The Group has set up a structured, aligned crisis management and alert reporting organization with specifically designated teams for its head office and for the operating units in the more than 110 host countries.

The Safety & Security Department operates a 24/7 crisis hotline so it can more quickly take into account the safety of employees, guests, and onsite service providers.

Transferring risk: insurance

The Accor Group buys insurance cover mainly for the following financial lines: Fraud, Directors' and Officers' Liability, Employer's Liability. In light of our digitalized activities and the importance of processing data, we have introduced cyber coverage over the past several years. This insurance policy is upgraded regularly and approved according to the best offer available on the insurance market.

In the case of liability insurance, estimated maximum loss has been benchmarked with industry practices for similar operations, taking into account the fact that hotels are sometimes located in large real estate complexes or near sensitive sites such as airports or train stations.

For hotels, Accor offers optional insurance for owners through a worldwide program covering damage/business interruption, civil liability, construction and cyber risks (for certain areas only) on an "All Risks Except" basis.

This Group insurance program offers:

- property damage insurance in over 60 countries worldwide for all Group brands;
- for civil liability, the possibility for owners of franchised and managed hotels to benefit from guarantees adapted to the activity and negotiated by Accor for better compensation paid out to guests.

Due to the fact that its entities are spread across the globe and to its “asset-light” model, the Group is not exposed to a large risk of property damage. Nevertheless, even if owned by a third party, the value of a site identified as representing the estimated maximum loss is used to calibrate the Group’s property damage and business interruption insurance program.

All frequent property and liability risks covered by the Group’s global insurance program are self-insured through a subsidiary reinsurance company, with all units sharing the related costs. The least frequent but more severe risks are reinsured in the global market in order to limit the Group’s commitments and avoid exhausting the capacity of the reinsurance subsidiary. Direct access to the reinsurance markets also provides the Group with a more diverse range of market players, creating beneficial competition and a wider range of options in an increasingly difficult and restrictive insurance market environment. Cyber risk is also partially self-insured through this reinsurance subsidiary.

3

Section

Corporate responsibility

Fairmont Jasper Park Lodge - Canada

Accor's commitment to environmental and societal issues is testament to the Group's pioneering spirit. Accor has been promoting sustainable development for 50 years. In 2022, Accor applied a sustainable development strategy to structure its actions. This science-based policy runs until 2030. It is built around two fundamental axes, People and Nature, and is based on three pillars: Stay, Eat and Explore.

The sustainable development strategy is deployed throughout the Group, worldwide.

In accordance with the Directive of October 22, 2014 on the publication of non-financial information, this chapter incorporates Accor's Statement on Non-Financial Performance, which describes the main risks associated with its business, its policies for identifying, preventing and mitigating them, the resulting action plans and the results expressed by key performance indicators. Accor's business model is presented in the Integrated report of this Universal Registration Document.

3.1 Challenges and strategy

3.1.1 Sustainable development: our strategy for 2030

The 2023 reports by the Intergovernmental Panel on Climate Change (IPCC) and the Intergovernmental Platform on Biodiversity and Ecosystem Services (IPBES) highlighted the importance of the role businesses have to play in responding to environmental and social challenges. Companies can help to avoid, mitigate and correct the degradation of biodiversity and the climate situation.

The tourism and travel industry accounts for a significant proportion of greenhouse gases (GHG) emissions, estimated at between 9% and 12% worldwide[(1)]. In addition to the scientific community, hotel industry stakeholders are also calling for a strong response to environmental and societal challenges: customers, partners, employees, investors, governments, legislators and non-government organizations (NGOs), are now calling for an overhaul of travel. For example, 81% of travellers recognize the importance of sustainable tourism[(2)].

The hospitality sector, and more widely the travel and tourism industry, have a key role to play in this transformation. As a result of their structure, large businesses can bring about systemic change. The tourism sector is specifically an ecosystem with multiple players, both upstream and downstream in the value chain: from real estate to agriculture, via restaurants and entertainment, through to the traveller.

Accor's commitment to positive hospitality has a long history: it was the first major French company to create an Environment Department.

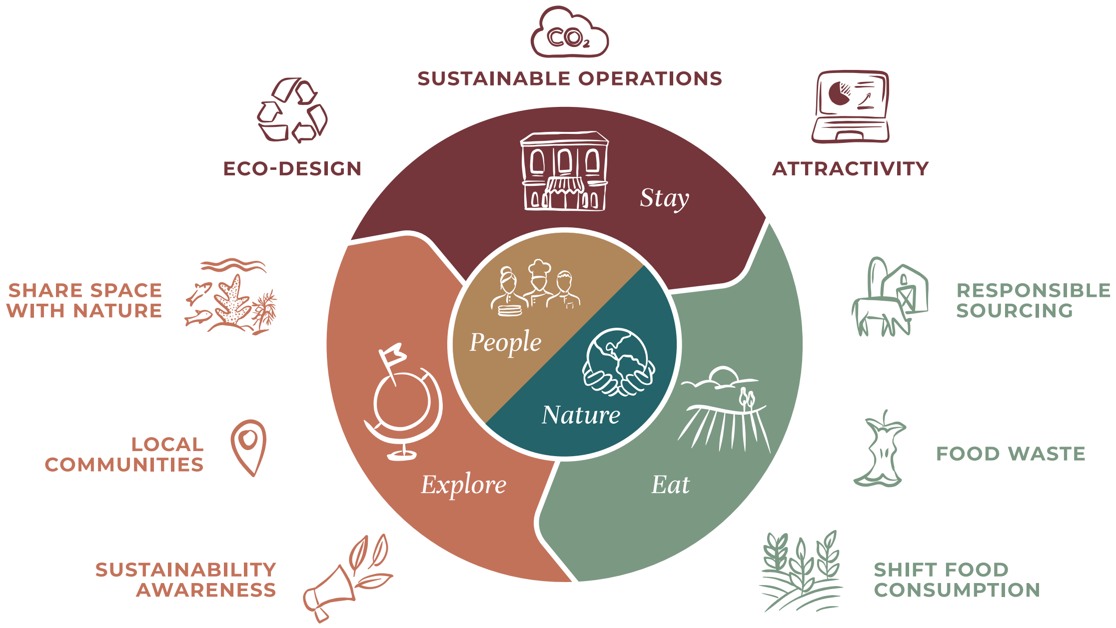
By embracing the virtuous trajectory of these actions, Accor aims to multiply its impact on the environment in which it exists. Its goal is to move toward a contributive model that places sustainable development at the heart of its business model and value proposition, by offering new ways of travelling, more locally based and more respectful of biodiversity, and playing a role as social elevator and promoting equal opportunities.

In this respect, the Group has drawn up a sustainable development strategy out to 2030 that is an integral part of its business strategy. Based on science, it places Nature and People at its core, infusing the three operating pillars: Stay, Eat and Explore. These echo the territories of action of a hotel: from design to operations to the guest experience.

This strategy is being rolled out since its launch in 2022 and will guide Accor's actions out to 2030.

(1) Source: World Travel & Tourism Council (WTTC).
(2) Source: Statista Research Department, 2022.

The strategic framework for Sustainable development



Two fundamentals: People and Nature

For Accor, these two fundamentals are part and parcel of the tourism industry and essential. As defined by the IPBES, they are intimately linked, as ecological challenges cannot be tackled without resolving challenges of social justice[(1)]. The fight against global warming is one of the key battles to wage in overcoming the social inequalities which impact the most vulnerable populations to ensure the well-being of future generations.

People – Tourism is by its very nature a sector whose cardinal value is people. In 2023, according to the International Labour Organization, this market represented more than 7% of direct employment generated worldwide. In addition, millions of jobs are indirectly generated by the sector[(2)]. Tourism also plays a role as social elevator for people who often have no training. The transformation of Accor's model must continue to promote upholding human rights and well-being at work as well as diversity and social inclusion. The Group relies on the commitment of its teams and the strength of the collective (employees, partners, customers, local communities) to carry out its activities while complying with fundamental rights and fully integrating sustainability throughout the organization.

Nature – Few sectors can boast having such close ties with nature. Not only because tourism takes place and thrives in nature, finding inspiration to build hotels and nourish guests, offering them opportunities to explore, but also because it is the sector par excellence which leverages nature for its fundamental value: the appeal of tourism is rooted in the inalterable power of nature.

Thus, preserving nature and natural resources at Accor is built around:

- the reduction of greenhouse gases emissions drawing on science-based objectives;
- preservation of water resources;
- the protection and regeneration of land quality, ecosystems and habitats.

It is by allocating the resources to continue to pursue its ambition that the Group can contribute to a "Nature Positive" world as defined by the International Union for Conservation of Nature (IUCN).

Three operating pillars: Stay, Eat, Explore

Stay – Hotels are places that bring people together, where they can stay, work and relax. It is by transforming operations and practices in banner hotels, while respecting the limits of our planet – from the design of facilities right through to the integration of establishments within their ecosystem – that Accor can offer a unique and sustainable experience to guests.

Eat – At present it is crucial to maintain control over the entire food chain, "from farm to fork" in the hotel industry. The Group mobilizes by actively working to optimize the traceability of its supply chain, to reduce food waste and provide guests with an increasingly biological, local and seasonal food offering.

Explore – Accor intends to concretely offer its guests a new vision of travel, which is more global, more contributive and more inclusive. This proposition translates to a hotel portfolio solidly anchored in local communities, the desire to generate a positive impact on the community and raise guest awareness to respect nature.

(1) IPBES, 2013.
(2) International Labour Organization Statistics (ILO STAT), 2023.

3.1.2 Identification of the Group's key challenges through double materiality analysis

For a number of years, Accor has been identifying and prioritizing sustainability issues using materiality analysis. The material issues and the most important topics for the Group were defined in 2016 and are being updated.

The materiality matrix defined in 2016 was used to quantify the impact of environmental and social issues on the Group's business activities and on stakeholders. The analysis highlighted the central place of People in areas that are important to Accor. The materiality matrix also showed the variety of important topics for the Group. This study helped the Group to prioritize the sustainability challenges it faces.

Changes to laws and, more specifically, the Corporate Sustainability Reporting Directive have led to the emergence of a new methodology for identifying and prioritizing key sustainability issues. This double materiality analysis is used to prioritize issues, firstly based on their impact on the company's financial performance and, secondly, based on the impacts of the company's activities on the environment and its stakeholders.

In 2023, Accor started to carry out its double materiality analysis. The ongoing review already involved more than a hundred stakeholders. They offered their perspectives and expertise in multiple interviews. The materiality matrix is disclosed on the website, and Accor will publish its double materiality analysis results in 2025.

3.1.3 Transformation plan

The sustainability strategy is supported by a long-term transformation plan. The Group's strategy is underpinned by four levers that aim to create momentum, get teams on board and develop general practices in line with this strategy.

1. **Integrating sustainable performance into all aspects of Group governance**: the challenge is to gradually place non-financial performance at the same level as financial performance and tighten their links, notably by:
   - ensuring governance evolves with the creation of the performance Department within the Sustainability Department;
   - the inclusion of environmental and social targets in Accor's financing policy;
   - the elaboration of a system of variable compensation combined with sustainability objectives for managers and teams.

   Furthermore, the strengthening of the regulatory framework for the green taxonomy, as well as the preparation of the new European CSRD (Corporate Sustainability Reporting Directive) requires close cooperation between Sustainable Development and Finance Departments and also with all the Group's Departments, functions and entities.
2. **Roll-out of five strategic annual priorities:** carbon emission reduction targets, elimination of single-use plastics in the customer journey (including the elimination of water bottles), launch of food waste reduction strategy, parity targets, optimization of environmental reporting. The challenges and results of these priorities are presented in chapter 3.
3. **Fostering a common culture of sustainability:** the cooperation required between a large number of the Group's employees is facilitated by their increased knowledge of sustainability-related issues. The School for Change training, launched in 2022, was strengthened in 2023.
4. **Enhancement and replication of local initiatives:** the investment made by Accor's teams worldwide finds expression in the launch of local initiatives. These projects begin as pilots, which are used to identify the most effective actions with a view to them being replicated at Group scale.

3.1.3.1 Group governance in support of sustainable development

Accor's governance structure has expanded to support its strategy, translate its ambitions into concrete results, steer projects and promote a culture of sustainability in the Group as a whole, its Functional Departments and the key functions of its regions and brands.

Board of Directors

Environmental, social and governance topics are regularly discussed at Board meetings. They are taken into account in Accor's long-term strategy and the Board's decisions. Its non-financial performance is also analyzed. The Board has also established an ESG Committee that focuses on sustainability issues, and an Appointments and Compensation Committee that, inter alia, deals with compensation indexed to the Group's non-financial performance.

ESG Committee

The ESG Committee's role is to prepare the decisions of the Board of Directors on sustainability issues. It reviews the Group's multi-year strategic social and environmental responsibility objectives, the integration of sustainability issues into the business model and non-financial performance.

Appointments and Compensation Committee

The Appointments and Compensation Committee analyzes and makes proposals to the Board of Directors on the award of medium- or long-term incentivizing instruments to Accor's employees. The committee is also responsible for defining and implementing the rules on setting the variable compensation of executive officers - for example, the indexing of compensation to non-financial criteria. To that end, the Committee works in conjunction with the ESG Committee.

Ethics Committee

The Ethics Committee ensures strategic consistency. It proposes guidance to the Group Management Board, supervises action plans updates and grants the execution of processes related to ethics, compliance and sustainability. The Ethics Committee is also in charge of rating agencies: it analyzes extra-financial grades.

Group Management Board

The Group Management Board ensures that the two divisions, Premium, Midscale & Economy and Luxury & Lifestyle are consistent and aligned, both in terms of their strategic priorities and their performance levers. Sustainability topics are discussed regularly by the Management Committee. The monitoring of non-financial risks and the performance of the associated indicators are analyzed at these meetings.

Brune Poirson, Chief Sustainability Officer, is a member of the Group Management Board.

Executive Committees for the divisions

The Premium, Midscale & Economy Executive Committee and the Luxury & Lifestyle Executive Committee oversee the Group's two eponymous divisions. The committees seek to determine the appropriate strategic objectives for their segment, and analyze their division's non-financial performance.

Region and brand management committees

The Sustainability Leaders are responsible for the sustainability issues for each division and speak about those issues at meetings of the Management Committee for their scope. Monitoring roadmaps, action plans and related indicators are among the topics discussed. The Sustainability Leaders manage and supervise the roll-out of strategic project, assisted by their teams.

Sustainability Department

In 2023, this department expanded with the arrival of new managers and new expertise in the fields of carbon, water, biodiversity, the circular economy and measuring sustainable performance.

Its mission is to drive Group transformation by achieving the following objectives:

- positioning Accor as a company that operates within the planetary boundaries;
- setting ambitious targets in the service of this vision and defining the related action plans;
- rolling out a comprehensive transformation and engagement plan to all Group Departments, functions and entities;
- developing appropriate expertise on the Group's environmental, social and societal impact;
- building, reinforcing and steering the Group's non-financial performance;
- training and widespread awareness-raising among employees, of environmental and social challenges;
- providing the tools needed to manage the sustainability indicators as well as the resources required by each Department to drive the process;
- monitoring sustainable tourism and travel trends to maintain Accor's leadership.

The Sustainability Department relies on a network in the Group's divisions. The management team meets frequently, including with the Sustainability Leaders, to oversee the strategies, action plans and indicators, or any regional- or brand-specific features.

Strategic steering committees

Strategic steering committees involving the general managers of the Group's divisions and key functions have been rolled out on certain strategic projects such as carbon emissions reduction and single-use plastic removal.

Variable compensation of the Chairman and Chief Executive Officer indexed to non-financial performance

Accor's Chairman and Chief Executive Officer steers the Group's sustainable development strategy. Accor's sustainability performance is factored into his overall compensation through four ESG targets. These criteria account for 15% of his annual variable compensation and are linked to achieving strategic priorities defined by the Group in terms of social and environmental challenges.

These objectives break down as follows for 2023:

- 2.5%: percentage of hotels that have eliminated single-use plastic, including disposable water bottles, from the guest experience;
- 2.5%: percentage of hotels that have measured their carbon emissions using a tool;
- 5%: percentage of hotels that have measured their food waste;
- 5%: percentage of women on Management Committees worldwide at December 31, 2023.

This information is detailed in section 4.5.2.2.

3.1.3.2 Five priorities in 2023 to engage the sustainable transformation

In implementing its sustainable development strategy, the Group identifies its strategic priorities each year as milestones towards achieving its 2030 objectives. In 2023, Accor chose to focus its action in terms of sustainable development on five environmental and social projects which have an impact for the planet, its employees and local communities and are decisive for the sustainable transformation of the Group. These projects, which are set to continue and accelerate beyond 2023, are associated with numerical objectives largely communicated within Accor.

2023 priorities to accelerate sustainable transformation

1. Control over carbon emissions

Hotels represent more than 70% of the Group's global energy consumption, with the fossil fuels and electricity they consume responsible for more than 70% of its total CO_2 equivalent emissions. To reduce its carbon footprint across its entire value chain, Accor has defined a trajectory to contribute to planetary carbon neutrality by 2050, with intermediary timeframes validated by the Science-Based Targets initiative (see also section 3.2.1).

2. Measuring and reducing food waste

The Group's many restaurants are all living spaces in which Accor offers a diverse range of culinary products. Given the importance of these restaurants to the Group's overall business, it has become crucial to tackle food waste. In order to determine reduction targets and related action plans, the hotels were encouraged to calculate their reference value during 2023. Efforts were focused on hotels that represent a significant share of Accor's food and beverage revenues (also see section 3.2.4).

3. Elimination of plastic

Accor has committed to eliminating single-use plastic from the guest experience in Group hotels. 57 products to be removed or replaced have been identified - *i.e.* 10 more than in 2022, including disposable water bottles, posing a real challenge in areas without access to drinking water.

The *No More Single-Use Plastic* action plan was reinforced in 2023. Accor head office teams worked with the divisions to provide hotels with the resources and tools they need to complete this project: operating directives, identifying and recommending new procurement sources, modalities for steering and auditing the program (see also section 3.2.4).

4. Sustainable reporting

Non-financial data is collected and consolidated in hotels using the Gaïa 2.0 tool. This platform is accessible worldwide and allows hotels to enter their energy and water consumption based on bills. The roll-out of Gaïa 2.0 in hotels, which began in 2022, continued in 2023. Accordingly, in 2023, the number of hotels using the Gaïa 2.0 tool to measure their energy supplies was monitored.

As well as precisely monitoring the carbon footprint and direct water consumption of hotels, Gaïa 2.0 aims to optimize costs for owners and address the needs of stakeholders (see also section 3.2).

5. Diversity, Equity & Inclusion

The Group is continuing to pursue its long-standing ambitions in terms of gender equality. New objectives linked to the action plans were defined in 2021 and have continued since, to increase representation of women on Management Committees or in Hotel Management roles (see also section 3.3.4).

3.1.4 Significant events in 2023

FEBRUARY

Support for people affected by the earthquake in Turkey and Syria

In response to the devastating February 6 earthquake in Turkey and Syria, Accor provided accommodation to the first responders and victims of the earthquake in its properties located near the affected areas. Accommodation was also offered to employees and their families whose homes were damaged. In addition, the Group's hotels in Turkey donated household linen, towels and food products to the Turkey Hotel Association. The Accor *Heartist* Solidarity endowment fund partnered with the UNHCR (United Nations High Commissioner for Refugees) in collecting donations from employees.

APRIL

Partnership between Accor and Jin Jiang Hotels on developing more sustainable practices in hotels

Shanghai Jin Jiang International Hotels and Accor signed an agreement that applies until 2033. The main aims of this strategic partnership are to introduce pioneering ESG standards for the hotel sector and reduce carbon emissions associated with the construction and operation of hotels. Through this agreement, Jin Jiang Hotels and Accor, leading hoteliers, are hoping to encourage the entire sector to contribute to planetary carbon neutrality.

MAY

Launch of the *Sport Sponsors Climate Pledge* initiative at the *ChangeNow* summit

Accor, along with three other major French companies, signed the Sport Sponsors Climate Pledge at the *ChangeNow* international summit. The signatories have committed, from 2025, to only sponsor sporting events where the events set themselves carbon reduction targets aligned with the Paris Agreement and validated by a third party.

Support to Chief Raoni's France visit

An international ambassador who campaigns against the deforestation of the Amazon rainforest, Chief Raoni and four other chiefs of Amerindian tribes, including Chief Watatakalu, met the Group's Chairman and Chief Executive Officer and a number of employees. This visit reflects Accor's desire to make biodiversity a strategic focus for the Group, as the associated challenges are both environmental and social.

JULY

Partnership with SINGA

Accor announced that it had entered into a partnership with SINGA, an international association that supports refugees and puts them in touch with local communities. Through these links, refugees are able to involve themselves in social, professional and entrepreneurial projects. The three-year partnership will help to improve the employability of refugees in Europe. It includes economic empowerment programs that will benefit 1,500 people in France, Germany, Switzerland and Spain.

SEPTEMBER

Funds raised in support of people affected by an earthquake in Morocco

The Group launched a worldwide fundraising campaign among ALL and *Heartist*® members, the employees under the Accor brand. At the proposal of Accor's teams in Morocco, the Accor *Heartist* Solidarity endowment fund partnered with a local NGO, SOS Villages d'Enfants Maroc. This organization has been working on the ground since 1985 and has partnered with Accor on numerous occasions. The funds raised were used to provide emergency aid, to protect and house children and isolated women, to prevent the most vulnerable victims from being exploited, to reunify families, and to provide psychological and sanitation support and continuing education for affected children.

OCTOBER

Joint founding of HARP, for responsible procurement

Accor co-founded the "Hospitality Alliance for Responsible Procurement" in partnership with four other global leaders in the hotel sector, two specialized hotel purchasing organizations and the sustainability ratings agency, EcoVadis. The aim of this alliance is both clear and ambitious: measure and improve the sustainability performance of supply chains in the hotel sector, from suppliers through to customers. This collaboration will also play a role in the Group achieving its carbon emission reduction objectives, as a significant percentage of these emissions are derived from purchasing, a necessary aspect of operating hotels.

Publication of the Human Rights Policy

The publication of this Policy forms part of Accor's ambitious corporate social responsibility objectives, demonstrating the Group's desire to have a positive societal impact. The Policy clarifies and reaffirms the Group's commitments in relation to human rights, sets expectations for commercial partners and explains how its commitments are integrated into its corporate culture. Training on the Policy is provided to head office employees and hotel managers via the School for Change platform.

DECEMBER

Initiatives supported at COP 28

International governments met at COP28, organized by the United Nations, to determine what actions needed to be taken to tackle the global issue of climate change. Benefiting from the momentum generated by this event, 79 hotels in the United Arab Emirates developed a number of initiatives demonstrating that results could be achieved through a collective and informed effort. Hotels reduced the frequency of housekeeping services and limited air conditioning to 25°C. The à la carte menus offered in the restaurants of 48 hotels were designed in partnership with Klimato. This food technology company calculated the carbon footprint of the proposed recipes. The carbon impacts of the recipes were shared with customers with a view to reducing emissions, increasing transparency and educating customers.

International launch of the partnership with Captain Cause

The collaboration between the start-up, Captain Cause, and Accor allows members of the ALL loyalty program to use their Reward points to support charities important to them. The Captain Cause platform offers a selection of associations that promote, inter alia, biodiversity, social action and the circular economy. Points are monetized and donations are transferred to the chosen associations, thereby directly and fully contributing to supporting projects with a social and environmental impact.

3.1.5 Accor's response to non-financial risks

The non-financial risk mapping is based on analysis of the Group's general risks. In terms of the risk mapping, the methodology used to identify risks and the risk management governance at Accor are discussed in Chapter 2. The risks associated with "tax evasion", "company sporting activities" and "animal welfare" are discussed in a secondary manner in the relevant sections.

The following table presents the 10 non-financial risks identified pursuant to French decree No. 2017-1265 of August 9, 2017, made in application of ordinance No. 2017-1180 of July 19, 2017 on the publication of non-financial reporting by companies.

Accor's non-financial reporting scope

Accor has reinvented itself and shifted to an asset-light model. The hotels under the Accor brand are split into four scopes that reflect the Group's development.

"Legal" scope

The legal scope corresponds to the consolidated financial scope. It comprises the Group's head offices and owned and leased hotels over which Accor exercises majority control, *i.e.* 110 hotels at the end of December 2023. The other entities within the Group's consolidated financial scope are also included in this legal scope. These companies have been invested in by Accor in recent years and offer innovative solutions for hotel and restaurant owners, new distribution channels and new experiences for end customers.

"Voluntary" scope

The Group's voluntary scope covers the 2,300 hotels with which, at December 31, 2023, Accor has entered into a hotel management contract. Taken together, the legal and voluntary scopes therefore covered 2,410 hotels at the end of December 2023.

"Franchised" scope

This scope covers hotels with which Accor has entered into a franchise contract, *i.e.* 3,174 hotels at the end of December 2023.

"Global" scope

All the hotels and entities under the Accor brand are included in the global scope as defined by agreement with the Group's Finance Department. There are 5,584 hotels in this scope. Hotels that have a franchise contract with the Group are included in this scope, as are the entities in the legal and voluntary scopes.

Table of risks, commitments and key indicators

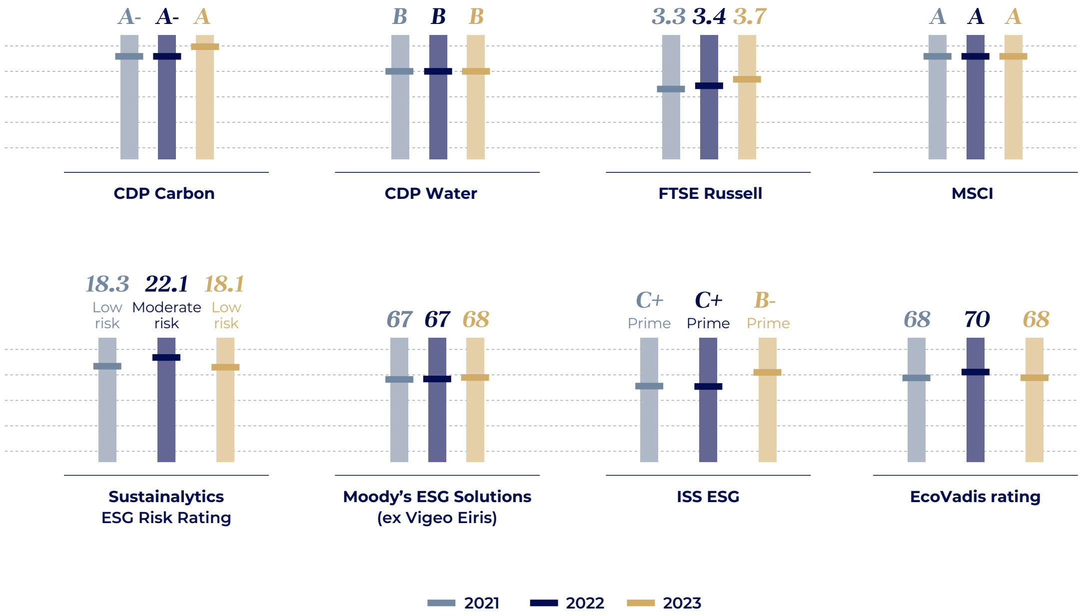
Theme	Risks/Opportunities	Sustainability commitments	Contribution to SDGs
ENVIRONMENTAL RISKS			
Climate	Lack of adaptation of Group activities to climate change (floods, extreme heatwaves) Difficulties reaching Group carbon emission reduction objectives aligned to 1.5°C	Carbon emission reduction by 2030 aligned to the 1.5 °C trajectory validated by the Science-Based Targets initiative Contribution to global carbon neutrality by 2050 for all Scopes 1, 2 and 3 **Robust measurement of carbon emissions**	7, 8, 11, 12, 13, 14, 17
Sustainable food	Mismatch between hotel food offering, regulatory requirements and expectations of stakeholders (customers, NGOs, etc.) Societal shift towards healthier food behaviors, more respectful of the planet	Promotion of healthy and sustainable food	2, 8, 14, 15
Circular economy	Fault in management of waste generated by hotels Societal shift to behaviors more respectful of the planet and greater awareness of plastic pollution	Measuring and reducing food waste	2, 12
		Elimination of single-use plastic Waste reduction and increased recycling	3, 6, 8, 11, 12, 14, 15
SOCIAL RISKS			
Talent attraction	Decrease in hospitality industry attractiveness and increase in competition, leading to manpower shortage and increased recruiting costs	Respect of the “Be Limitless” employer brand As much attention given to a candidate Talent decision as to a guest reservation decision	8
Employee engagement and retention	Deterioration in social climate or working conditions, loss of employee motivation, with possible impact on service quality and on employee turnover	Respect of the “Be Limitless” employer brand Supporting employees throughout their careers within the Group	4, 8
Diversity, Equity & Inclusion	Difficulties reaching diversity and gender balance objectives for hotel management positions and in head offices Factor of appeal and employee loyalty for companies promoting diversity	Combatting all forms of discrimination and inequality Gender diversity and professional equality: equal pay and representation of women in management bodies Disability: Charter of the Global Network “Disability in the Workplace” of the ILO and “The Valuable 500” Commitment	5, 8, 10, 17
GOVERNANCE RISKS			
Business ethics	Lack of compliance with laws and policies in terms of tax or business ethics	Compliance, loyal practices and combatting corruption Compliance and tax transparency in line with OECD tax standards and the national tax and social security reporting framework Compliance with arm’s length principles for intra-group transactions Responsible lobbying, in compliance with the OECD guidelines and French and European standards relating to the supervision of interest representation practices	8, 16
Personal data protection and security	Lack of protection or safety of personal data (guests, employees, etc.)	Compliance with legislation and standards in force, notably relative to the Payment Card Industry Standard (or PCI DSS) and with the GDPR Guest Personal Data Protection Charter	16
Respect of human rights at hotels	Lack of respect of human rights at hotels	Respect for fundamental labor rights (freedom of association, right to collective bargaining, etc.) and the promotion of dignified, fair and favorable working conditions Prevention and fight against human trafficking, including sexual exploitation, particularly of children Fight against all forms of harassment and against discrimination Guarantee the health and safety of employees and guests Respect the privacy of employees and guests	3, 5, 8, 16
Supply chain control	Lack of control of the supply chain in terms of ethical risks (non-compliance with basic international standards and agreements) or sustainability (products/services sourced from non-sustainable supply chains) Stronger relations with selected suppliers and stronger local roots with the development of local procurement	Pursuit of sustainable relations with suppliers Compliance with ethical rules set by Accor (international agreements, laws and regulations in force; human rights, ethical business conduct; trade rules, etc.) Responsible procurement (eco-responsible products, elimination of plastics, etc.)	6, 8, 12, 14, 15, 16, 17

Theme	Section NFPS	Key performance indicator	2023 objective	2023 Global scope	2023 Legal and voluntary scopes	2023 Legal scope
ENVIRONMENTAL RISKS						
Climate	3.2.1	CO_2 emissions relative to 2019 reference year	Scope 1 and 2: 2025 objective: -25.2% 2030 objective: - 46%	**3,473 ktCO$_2$eq +17% vs 2019**		**92 ktCO$_2$eq**
			Scope 3: 2025 objective: -15% 2030 objective: -28%	**3,006 ktCO$_2$eq +9% vs 2019**		**70 ktCO$_2$eq**
		Share of hotels using a tool to measure carbon emissions	85% of hotels use a tool to measure carbon emissions	**60%**	**86%**	**90%**
Sustainable food	3.2.3	Share of hotels stating that they have implemented over fi e actions among the nine commitments to healthy and sustainable food	100% of hotels state that they have implemented over fi e actions among the nine commitments to healthy and sustainable food	**55%**	**68%**	**69%**
Circular economy	3.2.4.1	Share of Top 300* hotels having reported a food waste reference value	80% of Top 300* hotels report a food waste reference value	**90%**	**N/A**	
	3.2.4.2	Share of hotels having eliminated all single-use plastic products from the guest experience (subject to exceptions)	80% of hotels have eliminated all single-use plastic products from the guest experience (subject to exceptions)	**79%****	**92%**	**94%**
SOCIAL RISKS						
Talent attraction	3.3.1 3.3.2	Conversion rate of single visits of the Accor Careers website to launch of application	Maximization of the conversion rate of single visits of the Accor Careers website to launch of application	**33%**	**N/A**	
Employee engagement and retention	3.3.1 3.3.3	Share of resignations in departures	Minimization of the share of resignations in departures	**N/A**	**70%**	**63%**
		Share of employees having attended at least one course in the year	100% of employees attended at least one course in the year	**N/A**	**86%**	**78%**
		Engagement score of employees at hotels	Maximization of engagement score at hotels	**N/A**	**8.7/10**	**8.5/10**
Diversity, Equity & Inclusion	3.3.4	Share of women in management committees worldwide	2023 objective: 40% 2025 objective: 45%	**42%**	**N/A**	
		Share of women hotel managers	2025 objective: 40%	**NA**	**28%**	**42%**
GOVERNANCE RISKS						
Business ethics	3.4.1	Share of eligible employees*** having completed the "Fight against corruption" online training in the last three years	Maximization of the share of eligible employees*** having completed the "Fight against corruption" online training	**N/A**		**54%**
Personal data protection and security	3.4.2	Share of eligible employees*** having completed the "Data protection" online training in the last three years	Maximization of the share of eligible employees*** having completed the "Data protection" online training in the last three years	**N/A**		**27%**
Respect of human rights at hotels	3.4.3	Share of hotels stating that they have deployed the WATCH program	100% of hotels state that they have implemented the WATCH program	**76%**	**84%**	**77%**
		Annual trend in the number of alerts received via the Accor Integrity Line	Encouraging the expression of alerts and improvement in the investigation of alerts	**+ 111% vs 2022**	**N/A**	
Supply chain control	3.4.4	Share of nominated suppliers having committed to respecting the Responsible Procurement Charter (or equivalent****)	2025 objective: 100% of nominated suppliers committed to respecting the Responsible Procurement Charter		**100%**	

** The Top 300 is the list of hotels whose bars and restaurants account for a significant share of the revenue of the Group as a whole.*
*** Estimated result after internal audit, validated by the Audit Committee.*
**** Eligible employees refers to employees at the Group's Head offices, and hotel directors.*
*****Procurement Charter 21, or supplier code of conduct complying with the points of Accor's Responsible Procurement Charter.*

3.1.6 *High performer in non-financial performance ratings*

Accor replies to rating agency questionnaires to assess its environmental, social and governance (ESG) performance. Accor is one of the highest performing companies in its sector, as shown by the scores below.



Accor is also listed in the following indices: CAC 40 ESG, Standard Ethics French, MSCI Europe ESG Leaders, Euronext Vigeo Europe, FTSE4GOOD and STOXX Sustainability.

3.2 Reduce greenhouse gas emissions, protect nature and preserve resources

In light of scientific reports on environmental issues, Accor is convinced of the need to renew the hotel industry, based on more sustainable travel practices. The Group takes every effort to reduce its environmental footprint to preserve the planet and resources for future generations.

The environmental actions carried out by the Group are built around three themes:

- the reduction of greenhouse gas emissions drawing on science-based objectives;
- the preservation of water resources;
- the protection and regeneration of land quality, ecosystems and habitats.

3.2.1 Climate: contributing to planetary carbon neutrality by 2050

Context

The science is clear: the world is facing an unprecedented climate challenge. Greenhouse gas from human activity are building up in Earth's atmosphere, faster than nature can absorb them. The emissions cause global warming and are the source of climate disruptions.

Each year, Accor welcomes more and more customers seeking "augmented hospitality" service. As the leader in its sector, Accor follows the latest scientific recommendations and aims to reduce its environmental footprint. In line with the Paris Agreement, Accor is committed to reducing its carbon footprint in line with a global warming trajectory of +1.5°C and has set itself the ambitious objective of contributing to planetary carbon neutrality by 2050. Accor could face risks in trying to comply with the defined trajectory. The internal and external risks are described in detail in the risk management section. They include, for example, the unavailability of low-carbon energy sources and the time needed to deploy the carbon emissions measurement tool.

In 2023, Accor was awarded an "A" rating by the Carbon Disclosure Project (CDP) "Climate Change" questionnaire, which it has been completing since 2006. This rating is recognition for the Group's status as a leader on climate-related issues, and Accor is the only leading hotel operator that obtained this score in 2023.

Accor is committed to implementing the recommendations of the *Task Force on Climate-related Financial Disclosures* (TCFD). To ensure the greatest transparency in the Group's efforts in terms of managing climate risk and reducing climate impacts, **the Group's 2023 reporting on the following pages applies the guidelines of the TCFD**:

- **governance;**
- **strategy;**
- **risk management;**
- **metrics and objectives.**

This is complemented by the 2023 presentation of action plans and results.

Governance

The Group's project management, linked to climate preservation and reducing carbon emissions, is within the framework of a governance and organizational structure designed to support actions which systematically deal with climate issues in all company functions.

The **Board of Directors** adopted three key decisions on climate issues during the past two years:

- **the commitment to contribute to planetary carbon neutrality by 2050** driven and signed off by the Chairman and Chief Executive Officer, Sébastien Bazin. This commitment was validated by the *Science-Based Targets initiative* (SBTi) and is aligned with the Paris Agreement;
- the issuance of debt securities linked to carbon-reduction criteria (**the Sustainability-Linked Bond**);
- the inclusion of non-financial performance criteria also covering carbon emission reductions in the calculation of the **variable compensation** of managers and employees.

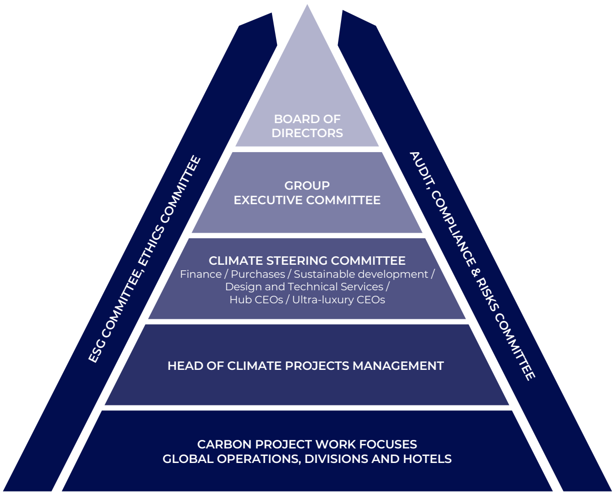
In 2020, the **Climate Steering Committee** was established by the Accor Chairman and Chief Executive Officer, Sébastien Bazin. The mission of the Steering Committee is to define climate strategy and the operational implementation of projects to reduce greenhouse gas emissions and control climate risk. It is supervised and steered by the carbon project management cell in the Sustainability Department. This cell is responsible for mobilizing internal stakeholders in implementing the carbon strategy.

The **Ethics Committee** is also responsible for strategic monitoring. It provides guidance to the Management Board and supervises processes related to ethics, compliance and sustainability.

The **Risk Department** is responsible for identifying, assessing and managing climate risks, under the aegis of the Group Risk Committee.

The diagram below summarizes Accor's climate risk governance, including data flows between the Steering Committee and the other stakeholders.

Governance of Accor's climate risks in compliance with the reporting requirements of the TCFD



The **Design & Technical Services Department** is responsible for collecting energy consumption data at the group level, under the supervision of the Sustainability Department.

The Sustainability Department then calculates carbon emissions in the different scopes in alignment with the Greenhouse Gas (GHG) Protocol reference methodology. Results are shared every year, both within the organization and publicly.

Strategy

The Group's climate strategy is based on detailed analysis of the climate risks and opportunity scenarios prepared in accordance with the recommendations of the TCFD. The priority is to reduce the Group's carbon footprint.

This is not a new focus: since the launch of the first sustainable development program, the Group has constantly striven to improve the energy efficiency of its hotels and to contribute to planetary carbon neutrality. Yet, its action levers to steer its carbon trajectory have profoundly changed due to the gradual transformation of the Group since 2016 towards an asset-light model, which involves the disposal of owned and leased hotels.

At present, Accor assumes the responsibility of a collective trajectory for all of its network to align with the Paris Agreement. The levers at its disposal include: brand standards, technical hotel standards, consistence of policies and processes with the Group's decarbonation objectives. Accor is also responsible for providing hotel owners with operating solutions to reduce the carbon footprint of their hotels. However, investment decisions (equipment, insulation, production and sourcing of green energy, etc.) are, *in fine* at the sole discretion of hotel owners.

This climate strategy is reflected in the **carbon emissions reduction program,** calibrated to respond to the needs of hotel owners as part of the Group's business model. Accor's carbon strategy is thus built on four pillars:

- **develop a "low-carbon" mindset and innovate** with hotel owners and managers, partners, suppliers and guests to collectively contribute to planetary carbon neutrality;
- **transform the current hotel base into a portfolio of "smart green hotels"**, by taking advantage of the IoT (Internet of Things), eco design and green financing, and leveraging new partnerships, to improve energy efficiency and reduce the environmental footprint of the hotels;
- **enhance the energy performance** of buildings and services to improve their resilience to physical risks and transition risks;
- **accelerate renewable energy procurement**, off-site and on-site (notably wind and solar).

Risk management

The Group Risk Department is responsible for the identification, assessment and management of climate risk and presents its analysis to the Audit Compliance and Risk Committee.

A detailed, in-depth mapping of climate change-related risks was completed in 2021. This risk mapping was extended in 2022 and enabled the identification of physical risks and their likely consequences in a world with global warming of 4°C by 2100[1], as well as the transition risks for a global scenario limited to 1.5°C by 2100[2] (see also chapter 2 – Risk factors).

In 2023, Accor joined forces with Axa Climate for the use of its Axa Altitude platform. This tool provides climate and biodiversity data which enables Accor to better identify all the physical and transition risks related to the hotel assets in its network. The risks that could affect hotels under development may also be analyzed.

(1) GIEC, RCP 8.5.
(2) GIEC, RCP 2.6.

The main climate risks identified by Accor are as follows:

Risk category	Description of the risk	Impact level	Time horizon	Management action/ risk reduction
Physical risks (4°C scenario)	Around 10% of Group hotels have a 1 to 10% probability of being impacted by flooding due to rising sea levels, unprecedented river flooding or extreme precipitation. Around one-third of the hotels could see the number of extreme heatwaves triple compared with 2019, which would lead to increased operating and investment costs, with a probable impact on room prices.	Moderate	Long term	• Analysis of the impact of physical risk on hotels joining the Accor network; • Strict energy efficiency policy focused on management of the increasing need for cooling systems linked to higher average temperatures.
Transition risks (scenario 1.5°C) New environmental regulations Pressure on building energy performance	The Group could be faced with regulations imposing new obligations in terms of reducing greenhouse gas emissions for the hotels.	Important	Short/ Medium term	• Commitment to reducing greenhouse gas emissions/net-zero trajectory by 2050; • Service proposal to hoteliers to improve the environmental performance of buildings; • Proposal of environmental certification offers to hoteliers; • Identification, monitoring and anticipation of regulatory change by legal teams worldwide.
Transition risks (scenario 1.5°C) Loss of revenue linked to decline in business travel	Policy of reduction of business travel implemented by companies to reduce their carbon footprint.	Important	Short-term	• Service proposal to hoteliers to improve the environmental performance of buildings; • Opportunity to extend Accor's market share of business clientele at the expense of rival hotels with weaker energy performance; • Development of the Lifestyle hotel segment to attract a local clientele.

Metrics and objectives

To steer its carbon trajectory, Accor has set and implemented objectives aligned with science and based on recognized scientific metrics, validated by the Science-Based Targets initiative (SBTi).

Definition of scopes

- **Scope 1** covers direct greenhouse gas (GHG) emissions;
- **Scope 2** covers the indirect emissions from the production of energy (electricity purchased, steam, urban heating and air conditioning networks);
- **Scope 3** covers the indirect emissions due to upstream and downstream activities required for the Group's direct activity. Scope 3.3 cover emissions from energy that are not included in Scope 2. Scope 3.14 covers emissions from franchised hotels.

SBTi commitment +1.5°C

In 2020, Accor set out a carbon reduction pathway that is aligned with the target in the Paris Agreement to limit global warming to +1.5 °C.

These objectives, validated by the Science-Based Targets initiative (SBTi), are defined by taking 2019 as the reference year and by establishing 2050 as the end-date by which the Group will have contributed to planetary carbon neutrality throughout the entire value chain. Accor will comply with any methodological changes to the SBTi recommendations. Changes will be made in 2024 as described in the following paragraph.

A changing methodological backdrop

As part of a continuous improvement approach and to reinforce the relevance of carbon calculations in line with new stakeholder expectations, calculation methodologies for scopes 1, 2 and 3 and the scope reviewed changed during 2023.

In 2022, Accor initiated the roll-out of an energy data collection tool for all of its scope. This tool, named Gaïa 2.0, will be deployed progressively until 2024, and will collect a wide range of ESG data. As part of this extensive project, it was necessary to change the methodology for the calculation of greenhouse gas emissions for GHG categories linked to energy (Scopes 1, 2, 3.3 and 3.14).

Accor also reviewed its scope 3 calculation methodology and scope. A significant proportion of scope 3 carbon emissions were derived from calculations based on purchasing volumes (*spend-based*), before being converted into tCO_2eq. This review was accelerated by the early publication of new recommendations by SBTi for the building sector (*Buildings sector science based target setting guidance version 1.5 - draft).*

This methodology, which has been used up to now for several scope 3 emission items, has reached its limits:

- structural, including the incapacity of the calculation to take account reduction actions. Indeed, emission factors and financial flows analyzed include macro-categories and are not sufficiently precise (for example: they do not specify where the meat comes from or how it was raised);
- economic: against an inflationary backdrop, price increases lead to an "artificial" mathematical increase in greenhouse gas emissions (as they are measured from spending volumes).

For the reasons presented above, this document includes a global update of Accor's carbon reporting. The SBTi commitment requires methodologies to be updated every five years and sent to the SBTi.

To ensure methodological consistency and comparability, the enhancements carried out to improve reliability and enrich the calculation methodology for scopes 1, 2, and 3 led, where possible, to an update of the 2019 baseline data. More information is available in the methodological note.

> This year, thanks to the methodological changes carried out, Accor can publish all of its 2023 carbon reporting in this document.

Carbon objectives

Content of scopes	Scopes 1 & 2	Scope 3	Comment
2019	Emissions reference year		
2025 **Reduction objectives in absolute terms**	-25%	-15%	Objective linked to financing tools indexed to the Group's objectives in terms of reducing greenhouse gas emissions
2030 **Reduction objectives in absolute terms**	-46%	-28%	Objective validated by the SBTi SCIENCE BASED TARGETS DRIVING AMBITIOUS CORPORATE CLIMATE ACTION
2050	Commitment to contribute to planetary carbon neutrality		Member of key initiatives in terms of business climate RACE TO ZERO BUSINESS AMBITION FOR 1.5°C Glasgow Declaration Climate Action in Tourism

Network of hotels included in the 2023 carbon footprint measurement

The Group's reporting covers the three scopes described in section 3.1.5. The scopes are described again here, so that Accor's carbon footprint is easier to understand.

- **Legal scope (A)**: this covers the hotels owned by subsidiaries of Accor, Accor's head offices and entities that are consolidated for financial reporting purposes. All greenhouse gas emissions associated with the activities of Paris Society and Le Lido, entities that are included in Accor's consolidated financial reports, are excluded from the Group's carbon footprint;
- **Voluntary scope (B)**: this covers all hotels with which Accor has entered into a hotel management contract;
- **Franchised scope (C)**: this covers all franchised hotels.

Emissions linked to energy consumption of the hotels, broken down into scopes 1, 2, 3.3 and 3.14 according to the following breakdown:

- **Scope 1** = Scope 1 of the legal scope + Scope 1 of the voluntary scope
- **Scope 2** = Scope 2 of the legal scope + Scope 2 of the voluntary scope
- **Scope 3.3** = Scope 3.3 of the legal scope + Scope 3.3 of the voluntary scope
- **Scope 3.14** = Scope 1 of the franchised scope + Scope 2 of the franchised scope.

Hotel portfolio by scope	2019	2020	2021	2022	2023
All hotels in the legal, voluntary and franchised scopes (A+B+C)	5,041	5,105	5,119	5,445	**5,584**
All hotels in the legal and voluntary scopes (A+B)	2,542	2,468	2,414	2,415	**2,410**
Total hotels in the franchised scope (C)	2,499	-	-	3,030	**3,174**
Total hotels in the legal scope (A)	-	-	-	114	**110**

Results

Presentation of data required to calculate the energy carbon footprint

The methodological changes mentioned previously regarding the carbon calculation are notably linked to improved monitoring of energy consumption. Since 2022, Gaïa 2.0 is being rolled out across the Group's hotels. The tool makes it possible to track the diversity of energy consumption more accurately, such as consumption of diesel, LPG or other minority energy carriers. Expanding the scope of our operations also increases overall energy consumption. This development is in line with ongoing updating project agreed with the SBTi.

Accor also measures the energy and carbon intensity of its portfolio with a view to improving its performance.

Energy-related indicators	2019 *Base Year*[(1)]	2023
Energy consumption (in GWh) (Scopes A+B+C)	10,755	13,712
Energy intensity (in kWh/m²) (Scopes A+B+C)	N/A	217

(1) Decisions and assumptions have had to be made in updating the data based on the new methodology. These are described in section 3.7 of the Appendix.

Analysis of Accor's energy-related carbon footprint

Energy-related greenhouse gas emissions (Scopes 1, 2, 3.3 and 3.14) increased between 2019 and 2023. This rise was mainly due to an increase in energy consumption, which was itself linked to the growth of the hotel portfolio. The hotel portfolio grew as a result of the Group acquiring new brands (Mama Shelter and 25 Hours, etc.) and entering into an agreement with the Huazhu group in 2019. Since electricity in China is generated from fossil fuels, the carbon intensity of its energy is particularly high.

The new methodology and the carbon calculation tools now allow for fine-tuned analysis of the results. It is possible to review the performance of each country and each Group brand.

In 2023, the average energy-related carbon intensity for all the Group's hotels (fossil fuels only) was 72 gCO_2eq/m^2. This indicator needs some context, as it covers a wide variety of situations.

To better understand this data, a comparison with the target values is provided below. The target values are those included in the trajectories of the Carbon Risk Real Estate Monitor[(1)], a tool that carries out projections for real estate assets on a trajectory compatible with the European Union's climate-related ambitions. The comparison is between the five countries in which Accor operates the majority of bedrooms, *i.e.* 50% of its network.

(1) Carbon Risk Real Estate Monitor: provides trajectories by type of real estate asset in accordance with the Paris Agreement. The data used is taken from the version dated 3/01/2023.

	Percentage of rooms in the Accor network in 2023	Carbon intensity (Accor, 2023)	Target value (CRREM, 2023)
France	19%	12 $kgCO_2eq/m^2/year$	19 $kgCO_2eq/m^2/year$
China	13%	92 $kgCO_2eq/m^2/year$	88 $kgCO_2eq/m^2/year$
Brazil	7%	23 $kgCO_2eq/m^2/year$	32 $kgCO_2eq/m^2/year$
Germany	6%	34 $kgCO_2eq/m^2/year$	52 $kgCO_2eq/m^2/year$
Australia	6%	103 $kgCO_2eq/m^2/year$	178 $kgCO_2eq/m^2/year$

Accor applied the recommendations of the Sustainable Hospitality Alliance's HCMI methodology. For information purposes, and with a view to being proactive, Accor sets out below the indirect emissions of franchisees, *i.e.* franchisees' scope 3 emissions.

By way of reminder, Accor's commitments in terms of its SBTi objectives cover scopes 1, 2, 3.1, 3.3 and 3.14.

The table below summarizes the methodological changes to be taken into account in order to understand the Group's carbon footprint.

Methodology summary table

	Calculation scope	SBTi scope	SHA-HCMI classification by order of importance	Previous SNFP Methodology 2019-2020-2021-2022	Updated SNFP Methodology 2023
Scope 1 – Direct emissions					
Stationary and mobile combustion sources	Offices + hotel portfolio A + B	X	Very high	Volumes	Volumes
Fugitive emissions from air conditioning	Offices + hotel portfolio A + B		Low	–	Volumes
Scope 2 – Energy-related indirect emissions					
Purchased electricity, Urban heating and cooling networks - location-based	Offices + hotel portfolio A + B		Very high	Volumes	Volumes
Purchased electricity, Urban heating and cooling networks - market-based	Offices + hotel portfolio A + B	X	Very high	Volumes	Volumes
Scope 3 – Indirect emissions					
3.1 Purchases of goods and services	Offices + hotel portfolio A + B	X			
Food and beverages	Offices + hotel portfolio A + B		Very high	Expenditure	Volumes
Outsourced laundry services (in-house services included in Scopes 1 and 2)	Hotel portfolio A + B		High	Volumes	Volumes
Chemicals (cleaning products)	Offices + hotel portfolio A + B		–	Expenditure	Volumes
3.2 Capital goods				Expenditure	Volumes
Bedroom and office furniture	Offices + hotel portfolio A + B		Very high	Expenditure	Volumes
Beds and mattresses	Hotel portfolio A + B		Very high	Expenditure	Volumes
IT equipment	Offices + hotel portfolio A + B		High	Expenditure	Volumes
Vehicles	Offices + hotel portfolio A + B		High	–	Volumes
3.3 Fuel and energy-related activities (not included in Scopes 1 & 2)	Offices + hotel portfolio A + B	X	Average	Volumes	Volumes
3.4 Upstream transportation					
3.5 Waste generated in operations	Offices + hotel portfolio A + B		High	Volumes	Volumes
3.6 Business travel	Offices		Average	Volumes	Volumes
3.7 Employee commuting	Offices + hotel portfolio A + B		High	Volumes	Volumes
3.14 Franchisees					
Direct emissions from energy (Scope 1 Franchisees)	Hotel portfolio C	X	Very high	Volumes	Volumes
Direct emissions from energy (Scope 2 Franchisees, Location-Based)	Hotel portfolio C		Very high	Volumes	Volumes
Direct emissions from energy (Scope 2 Franchisees, Market-Based)	Hotel portfolio C	X	Very high	Volumes	Volumes
Fuel and energy-related activities (not included in Scopes 1 & 2 for Franchisees)	Hotel portfolio C		Outside scope	Volumes	Volumes
All other Scope 3 categories for Franchisees (identical to those calculated for the Hotel Portfolio A+B)	Hotel portfolio C		Outside scope	–	Volumes

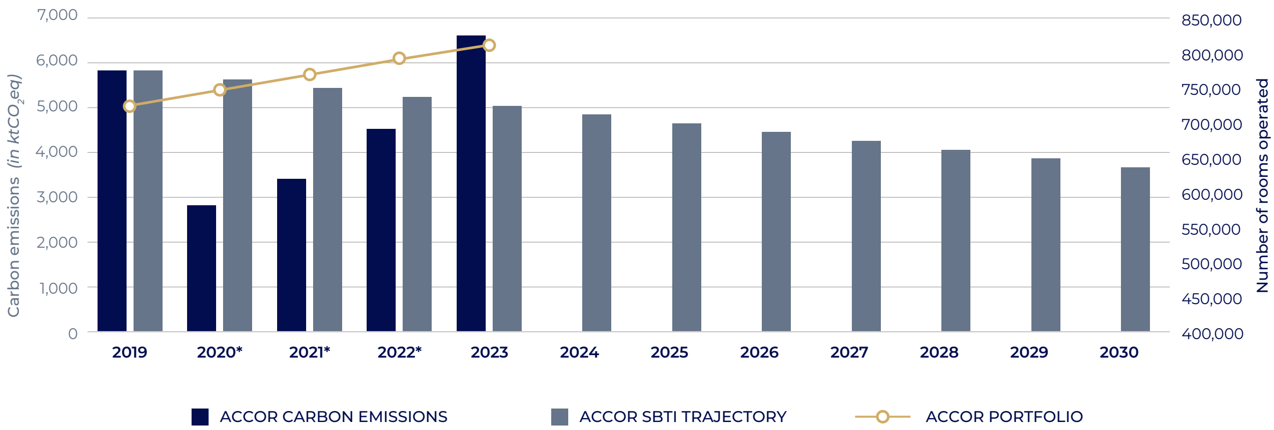
Accor's carbon footprint *(in $ktCO_2eq$)*

	Calculation scope	SBTi scope	2019 Reference year	2022	2023	2023 Legal scope
Scope 1 – Direct emissions						
Stationary and mobile combustion sources	Offices + hotel portfolio A + B	X	471	489	533	21
Fugitive emissions from air conditioning	Offices + hotel portfolio A + B		204	–	171	6
Scope 2 – Energy-related indirect emissions						
Purchased electricity, Urban heating and cooling networks - location-based	Offices + hotel portfolio A + B		2,434	2,549	2,853	70
Purchased electricity, Urban heating and cooling networks - market-based	Offices + hotel portfolio A + B	X	2,500	2,623	2,940	71
Scope 3 – Indirect emissions						
3.1 Purchases of goods and services	Offices + hotel portfolio A + B	X	1,592		1,393	61
Food and beverages	Offices + hotel portfolio A + B		1,384	–	1,194	52
Outsourced laundry services (in-house services included in Scopes 1 and 2)	Hotel portfolio A + B		173	–	168	7
Chemicals (cleaning products)	Offices + hotel portfolio A + B		36	–	32	1
3.2 Capital goods			160	–	181	0
Bedroom and office furniture	Offices + hotel portfolio A + B		130	–	141	5
Beds and mattresses	Hotel portfolio A + B		3	–	4	0
IT equipment	Offices + hotel portfolio A + B		27	–	31	1
Vehicles	Offices + hotel portfolio A + B		–	–	6	0
3.3 Fuel and energy-related activities (not included in Scopes 1 & 2)	Offices + hotel portfolio A + B	X	275	308	354	10
3.4 Upstream transportation			included in 3.1	–	included in 3.1	included in 3.1
3.5 Waste generated in operations	Offices + hotel portfolio A + B		128	–	111	5
3.6 Business travel	Offices		-	–	1	1
3.7 Employee commuting	Offices + hotel portfolio A + B		181	–	227	11
3.14 Franchisees			880	–	1,259	–
Direct emissions from energy (Scope 1 Franchisees)	Hotel portfolio C	X	185	216	263	–
Direct emissions from energy (Scope 2 Franchisees, Location-Based)	Hotel portfolio C		645	741	934	–
Direct emissions from energy (Scope 2 Franchisees, Market-Based)	Hotel portfolio C	X	695	800	996	–
Fuel and energy-related activities (not included in Scopes 1 & 2 for Franchisees)	Hotel portfolio C		69	–	105	–
All other Scope 3 categories for Franchisees (identical to those calculated for the Hotel Portfolio A+B)	Hotel portfolio C		937	–	1,088	–

Location-based: calculated using a country-specific method. The emissions factor used is the average factor for the country.

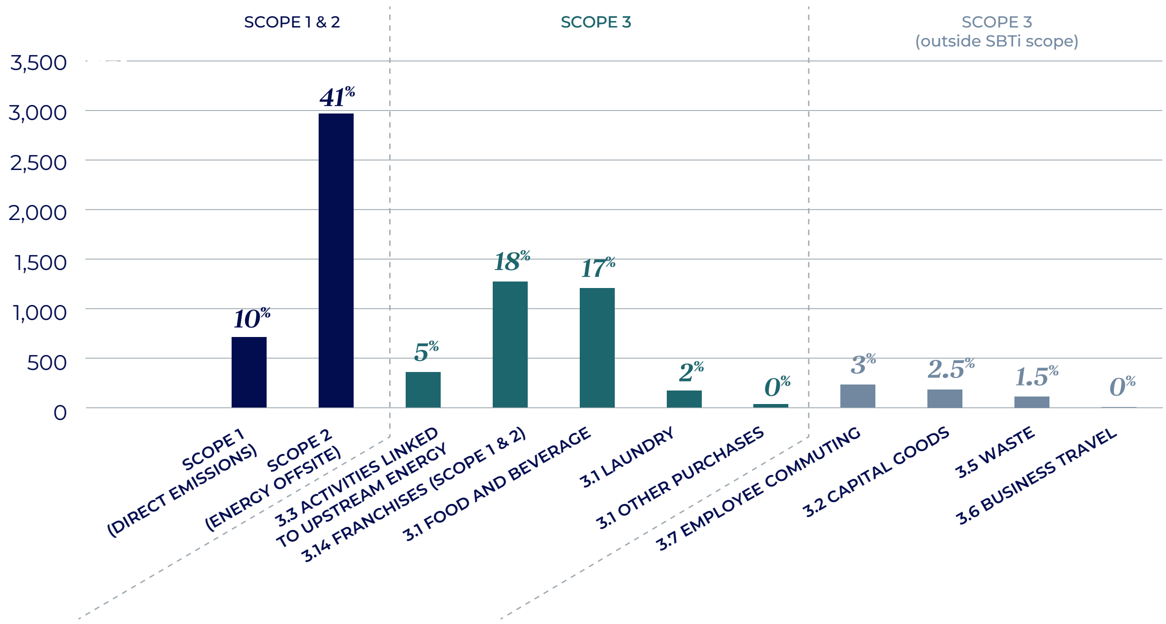
Market-based: calculated using a market-specific method. The emissions factor used is the average factor for the supplier from which the company buys the electricity.

Accor's carbon trajectory from 2019 to 2023 for the SBTi scope *(in $ktCO_2eq$)*



* *For 2020, 2021 and 2022, it has not been possible to recalculate scope 3.1 emissions using the new methodology. Accordingly, the emissions associated with this category are not represented on the chart above.*

Breakdown of Accor's carbon footprint in 2023 *(in $ktCO_2eq$)*



Breakdown by scope of Accor's carbon footprint in 2023 *(as a % of $ktCO_2eq$)*

Action plan

The climate strategy launched in 2022 was maintained and strengthened in 2023 with the launch of structuring projects and the implementation of several initiatives targeting optimization of energy consumption throughout the value chain and reducing greenhouse gas emissions (see below).

Raising awareness and training employees from head offices to the Group's Management Board

In 2023, the Group continued to roll out several strong initiatives to raise awareness and train company employees:

- information and awareness-raising sessions were held with members of the Board of Directors and members of the Group's Executive Management on issues linked to the fundamentals of sustainable development and their regulatory implications;
- the members of the Group Executive Management were invited on a *learning expedition* at the *ChangeNow* international trade fair to discover trends and innovations in favor of the climate and the environment;
- General managers and their main executive officers were made aware of climate challenges and action levers during dedicated workshops by geographical entity;
- the *School for Change* training course was followed by 93% of eligible head office employees. It offers e-learning modules dedicated to climate challenges, biodiversity and natural resources, as well as action levers to act to reduce the environmental footprint. In 2023, the new training modules offered covered Accor Group strategy in terms of sustainability, as well as the Group's social commitments in terms of Human Rights, Diversity, Equity & Inclusion;
- the SEED network (*Saving the Environment Every Day*) is a grouping of employees committed to the sustainable transition. With 200 members, including 150 at the Group's Parisian head offices, this grouping exchanges via a dedicated online network (sharing articles and contents, critical assessment of Group actions, etc.), and offers members opportunities to commit personally or professionally.

Developing standards to cover climate-related requirements

The Group is rolling out a transition plan to make hotels more sustainable by leveraging an environmental certification approach.

In 2021, Accor joined the Sustainable Hospitality Alliance (SHA), an association bringing together hotel industry companies to address key sustainability challenges.

Redefining internal standards

A new set of specifications based on the Global Sustainable Tourism Council (GSTC) and recognized external certifications (Green Key, Green Globe) was defined and is in the process of being rolled out: it aims to align hotels with fundamentally sustainable common standards, and practices.

This common base will facilitate the transition of hotels to obtaining external certification, necessary to:

- meet the growing demands of BtoB (Business to Business) and BtoC (Business to Consumer) customers;
- provide proof of the transformation of the hotels in terms of sustainability.

Supporting hotels to obtain external certification

In 2023, after an analysis phase of existing certifications, the Group announced the signature of two international partnerships with Green Key and Green Globe. These partnerships are part of the Group's desire to assist its hotels in obtaining external certification, with the objective of reaching 100% eco-certified hotels by end-2026.

These certification programs assess the hotels on the basis of four fundamental sustainable development pillars: sustainable management, environmental impact, cultural impacts and socio-economic impacts. The approaches adopted by the hotels are validated by an annual audit of their practices.

Furthermore, Accor has concluded a strategic partnership with Ecotourism Australia for the certification of Group hotels, apartments and resorts in Australia and the Pacific region. In the United States and Canada, Accor is a long-standing partner in the Green Key Global Network, notably via the Fairmont brand. Similarly, Accor participates in all regions with recognized local certification programs.

At the end of December 2023, the Group had 539 certified hotels. 561 hotels were also in the process of obtaining certification.

Testing of a prototype ESG scorecard for upstream phases of projects

In 2023, teams from the development department worked with technical teams to develop a prototype ESG scorecard to analyze the upstream phases of projects. This analysis grid included the following climate-related criteria:

- analysis of physical risks and risks linked to transitioning to the AXA Climate platform;
- analysis of energy performance in kWh/m²/year;
- a criterion related to the presence of fossil fuels.

This scorecard has been tested on various projects and will need to be extended in the event that positive feedback is received.

Investing to measure and fine-tune steering of energy

Since 2022, the Group has been implementing an improved energy management system aligned with ISO 50001.

At the end of 2023, 90% of hotels within the legal scope and 86% of hotels within the legal and voluntary scopes were using a carbon emissions measurement tool[1]. 60% of hotels in the global scope use this tool.

Monitoring hotel performance is based on:

- reporting of fluid consumption (energy, water) with the help of the Gaïa 2.0 tool based on real data;
- descriptive data relative to the features of the hotels (number of rooms, number of restaurant-bar points, technical equipment, etc.) and logs of their consumption (monitored since 2005 for energy);
- reporting of other sustainable development indicators such as waste, the elimination of single-use plastics, volumes of food waste, etc.

Parallel to the roll-out of the Gaïa 2.0 tool, Accor is focusing on establishing governance, resources and an operating model to support the system.

Identifying sources of energy efficiency within the hotels

Accor has set itself precise objectives in terms of improving the energy performance of its hotels to reduce its carbon footprint linked to energy and reach the SBTi target of -46% in scopes 1 and 2 by 2030.

In 2023, approximately 70% of Accor's total current carbon emissions stemmed from the energy consumed by hotels. Improving energy efficiency is therefore beneficial both for the planet and for the performance of each hotel.

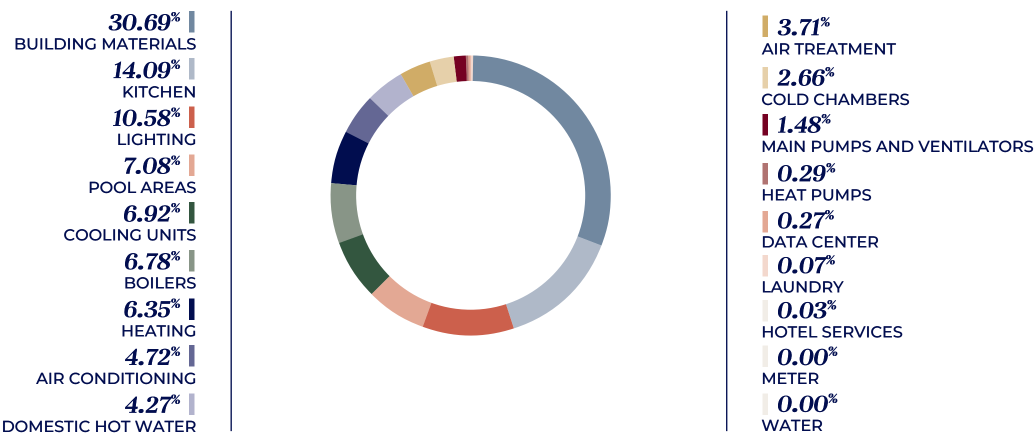
To do so, Accor strives to improve its technical standards, to take advantage of the best performance tools and latest technologies to prepare the future of new hotels. In parallel, the Group must assist existing hotels in the transition to an economy of lower carbon emissions thanks to electrification and new options in green energy supply.

In 2022, the Group carried out an unprecedented survey of its network to identify the possibilities of improving hotel energy efficiency. It is based on technical assessment of hotels to identify and compare current performance, and to determine the potential of improvement for each hotel.

The structure of the building, including insulation of the roof and facades, as well as the windows, were identified as categories offering the greatest potential in terms of reducing carbon emissions. Furthermore, the survey revealed that with currently available market technology, hotels could reduce their emissions by 19.4% and generate as much as €1 billion in energy savings by 2030.

Bolstered by this survey, revealing the energy efficiency and energy savings potential of the hotels, in 2023, Accor launched a pilot project with volunteer hotels to formalize their investment plans to unlock this potential.

Illustration of the relative importance of energy efficiency levers for a hotel



Results of the survey on the possibilities of hotel energy efficiency improvements

175 million euros by 2025	€1 billion by 2030	€900 million to €1.3 billion	5 to 6 years	19.4%
Savings on energy bills for owners		Investments to improve hotel energy efficiency	Average return on investment delay (yield of 17-20%)	Opportunities to reduce carbon emissions linked to energy identified in the hotels

(1) *The relevant scope for this KPI is the hotel network as at July 31, 2023.*

Building a turnkey solution to improve energy efficiency

Hotel owners do not always have the necessary capital to finance large-scale energy efficiency projects, Accor is committed to developing a turnkey energy renovation and financing solution. This solution allows hotels to avoid direct investments. It is part of the energy efficiency program aimed at accelerating self-funded energy efficiency.

To do so, in 2022, Accor signed global strategic partnerships, rolled out in 2023, with three internationally recognized service providers, a first in the hospitality sector. An additional local partnership was signed for the European market. The partners each contribute significant technical, financial, and operating capacities to the program. They are responsible for steering the process through to implementation and the audits, and can coordinate installation of the appropriate technology to meet the specific needs of the establishment.

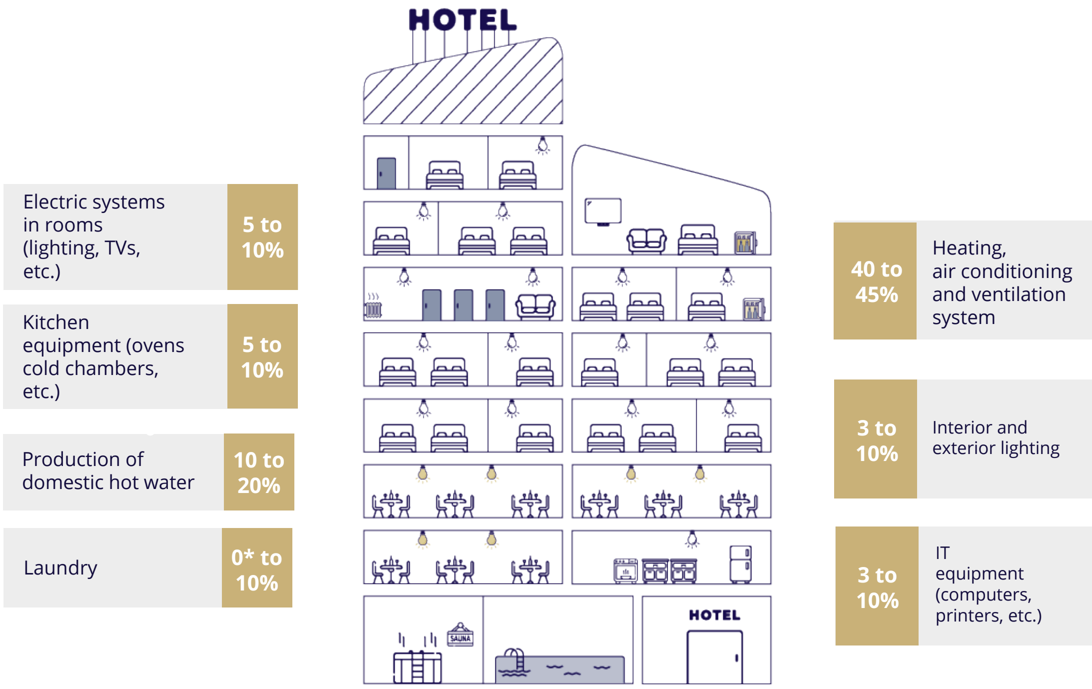
The Accor program partners will work with each hotel to assess, design and implement the optimum solution in terms of energy efficiency, capable of generating immediate savings. The program adopts a global approach to energy efficiency and takes into consideration all of the performance aspects of the building, notably insulation, heating, ventilation and air conditioning, hotel room control solutions (GRMS), lighting, solar PV energy. This global approach enables the unlocking of additional synergies which can be overlooked in traditional hotel maintenance and technical system update projects. Via the related performance guarantee, the partner commits to the amount of savings targeted by the contract. Risk exposure for the owner is therefore very low; they benefit from immediate savings on operating costs and increase the value of their hotel asset.

At end-2023, more than 300 hotels throughout the world had been identified to participate in the program, including more than 60 ongoing projects.

At the end of 2023, the following potential was identified for the 45 hotels audited since the start of 2023:

- annual savings: €10,300,000/year;
- total investment required: €77,500,000;
- average energy savings: -20% vs baseline;
- reduction of annual emissions: - 45 ktCO_2/year.

Main sources of energy efficiency in a hotel



*0% if absent from hotel

Energy sufficiency plan

Enshrined in the French energy transition law (LTECV) since 2015, energy sobriety is one of the pillars of the transition. The short-term objective is to halt non-essential energy spending and to reduce by 10% energy consumption by 2024 (compared with 2019) via the implementation of selected savings.

Accor has defined its energy sufficiency plan, in line with the Group's carbon strategy, after exchanges in summer 2022 with professional organizations in the hospitality sector, partners and operating teams, under the impetus of the French government. The plan was presented to all hotel managers in France and more largely in Europe.

Twenty-three actions were implemented in the hotels, including nine actions shared by all the sector and fourteen actions specific to the Group. Indeed, Accor preferred to implement stronger measures than the sector in terms of controlling the biggest consumption items (air conditioning and heating, water heating, lighting, cooking and cooling).

The tertiary decree in France

Drawn up within the framework of the ELAN law (housing change, development and digital), the tertiary decree published in 2019 in France obliges hotels of more than 1,000 m² to make annual declarations and reduce their energy consumption by 2030, 2040 and 2050 by respectively 40%, 50% and 60% compared with a reference year after 2010.

Since 2022, the Group has established a catalog of providers recognized for their expertise to accompany the hotels at each stage: from the initial declaration phase, then annually, with energy consumption data on the OPERAT platform of ADEME (French energy transition agency) through to the drawing up of action plans (reviews, analysis and projections) and monitoring work on savings and energy performance by 2030.

Accelerating procurement and production of renewable energy

Renewable energies are essential to decarbonize Group emissions in scopes 1 and 2, and a part of scope 3. Accor leverages two main actions to enact its transition to green energies: procurement and production of renewable energies.

Procurement of renewable energy (off-site)

A quantitative off-site green energy procurement objective was defined in 2023, in line with the 2030 carbon trajectory. This objective will be validated in 2024, factoring in the new organization of the Group.

The Procurement Department provides hotels with the terms and conditions governing energy procurement on deregulated energy markets. Since 2017, the Department has been actively committed with suppliers to offer hotels green energy procurement options.

During 2023, the Group continued its work on defining a transition program on renewable energy markets which covers twenty-one countries and represents 87% of Accor's Scope 1 and 2 emissions.

Given the regulatory differences between the various energy markets worldwide, the Procurement Department this year launched a review on the possibility of investing in one or more Power Purchase Agreements, long-term renewal energy contracts. A tender bid for procurement services for Renewable Energy Certificates (EAC – *Energy Attribute Certificates*) detached from energy supply contracts has also been considered.

In 2023, the head office sites in the Paris region (Sequana and Évry) switched to 100% renewable electricity contracts.

Regarding Accor hotels: default electricity contracts for Switzerland and Austria are renewable energy contracts and renewable electricity options are offered in all regulated countries where the Procurement Department has an energy supply offering (in all major European countries, Brazil and Australia).

The Procurement Department in Australia finalized a tender offer for the supply of electricity for 2024-2026. Local regulations require hotels to subscribe, from 2024, to sourcing 18.56% of their electricity consumption from renewable energies and 33 hotels have already committed to using much more renewable energy by subscribing to an additional green energy option for the term of the contract. In total, this new contract will enable the supply of 70 GWh/year in the form of green energy and avoid annual atmospheric emissions of more than 64 ktCO_2eq.

Renewable energy production (on-site)

At present, 18% of the 3,575 hotels having reported this action in the Gaïa tool declare being equipped with an on-site renewable energy production system (solar, thermal or wind).

For the numerous hotels located in low-density building and land occupancy regions, it is possible to develop on-site renewable energy production, but possibilities are more limited for those located in highly built-up urban areas. The reduction of costs and the increased efficiency of photovoltaic systems have nevertheless increased the opportunities for the installation of solar panels.

Group technical standards favor the systematic installation of renewable energies on-site when site conditions allow. The survey carried out as part of the energy efficiency program was also an opportunity to assess the viability of renewable solutions.

Control of scope 3 emissions committing suppliers

Emissions linked to the procurement of products and services account for approximately 20% of Accor's carbon footprint. For some time, the Group has been mobilizing suppliers to reduce their indirect emissions. The Responsible Procurement Charter issued in 2023 includes requirements that were not in the previous charter, which, for example, require partners to annually measure and publish their carbon footprint in accordance with a standard such as the GHG Protocol.

In 2021, Accor was the first international group to join CDP supply chain program (formerly the *Carbon Disclosure Project*). CDP is a not-for-profit international organization which acts as an online platform to publish company environmental data.

Participation in the program enables communication of the increasing requirements of Accor vis-à-vis its suppliers and supports the reinforcement of the capacities of the latter. The Procurement Department also uses the CDP data to fuel the development of its supplier commitment strategy.

ALMOST 500 SUPPLIERS INVITED BY ACCOR TO RESPOND TO THE CDP WITH A **RESPONSE RATE OF 51%** *(+22PTS VS 2022)*

62%	39%	20%	39%	54%
of suppliers having answered the questionnaire and having declared operating emissions.	of suppliers having declared active objectives in terms of reducing carbon emissions.	of suppliers having answered the questionnaire and having validated SBTi objectives short term.	of suppliers having answered the questionnaire declared using renewable energies.	of suppliers having answered the questionnaire declared having committed their own suppliers on carbon issues.

Raising guest awareness during international events

At COP (Conference of the Parties) 28 organized in Dubai from November 30 to December 12, 2023, Accor once again demonstrated that collective action is vital to developing a more sustainable hospitality sector.

Accor is the leading hotel operator in the United Arab Emirates (UAE), the country in which COP 28 was held. This event was, therefore, the ideal showcase to present the Group's efforts on sustainability to stakeholders at the event, and especially those welcomed in the Group's 61 hotels in Dubai (82 across the UAE). This COP was also an opportunity for the Group to position itself as the key partner for all those who would like to join hands and step up the ecological transition. Indeed, it is at such international events that it is essential to demonstrate innovative strength, and to test new initiatives to accelerate our transformation.

Among the measures taken at the local level, these addresses now offer:

- air conditioning in collective areas limited to 25°C (+ or - 3°C) instead of 20°C, *i.e.* reduced air conditioning in hot countries;
- a new composition for breakfast buffets to reduce food waste;
- the gradual elimination of single-use plastics from the guest experience (plastic bottles, teabags and coffee capsules, milk portions, etc.);
- lastly, the elaboration of vegetarian options (40% of the offering) and "low carbon" menus designed by our local chefs.

All of these initiatives implemented by Accor hoteliers, driven by the dynamic of COP 28, represent ambitious challenges for this region of the world. They again demonstrate that collective mobilization provides results on the ground.

3.2.2 *Preserving water resources and ecosystems*

3.2.2.1 Preserving water resources

Context

Accor was a pioneer in the hotel industry in terms of carrying out detailed life cycle analysis of its hotel operations, including assessments of water demand. This data not only forms the basis for an operational approach with hoteliers to effective and sustainable water management but also for engagement with policymakers.

The water footprint measures the net water consumption (*i.e.* the difference between water withdrawals and discharges) related to the Group's activities over the entire life cycle of products and services.

Accor carried out an analysis of its water footprint in 2019. This analysis revealed that around 60% of this footprint was concentrated upstream in its value chain mainly due to purchases of foodstuffs (coffee, cocoa, tea, fruit and vegetables, meat, cereals, oilseeds, etc.) for hotel restaurants and bars, which have significant water requirements. These needs are mainly related to crop irrigation and livestock watering.

The remaining 40% of this water footprint is directly related to the hotel network and its direct operations. These include water usage by our guests in rooms and in common areas but also all operations and daily services specific to managing a hotel: room cleaning, on-site restaurant and laundry services, water activities (pools, spas, jacuzzis), watering green spaces, etc.

Governance

2023 saw the structuring of water governance within the Group. A project manager in charge of Water and Biodiversity was appointed in July within the Environment team, in the Sustainability Department. A review was carried out to enable the formal launch of a specific project at the start of 2024, with the support of sustainability leaders.

Furthermore, the steering of issues relative to water management follows the development, operating and renovation cycle of the hotels by Design & Technical Services teams at the operating level.

Beyond direct consumption by the hotels, issues relative to water are assessed by the Sustainable Development and Procurement Departments to take advantage of their operating capacities to reduce water consumption in the value chain.

Policies

Preservation of water resources is a major concern for Accor and for its stakeholders.

As a result, at the end of 2023, the Accor Group adopted a water policy presenting its pressures and dependencies on water resources and defining its priorities and action levers. This is supported with Water Sobriety Charters rolled out at regional levels. A first regional Water Charter was defined and rolled out within the Europe and North Africa (ENA) region during summer 2023. This Water Sobriety Charter also included commitments for the entire hospitality sector in France including a series of concrete measures to reinforce existing ones.

Monitoring hotel performance in terms of water is based on:

- reporting water consumption using the Gaïa 2.0 tool;
- knowledge of the hotels (number of rooms, restaurant-bar sales outlets, technical equipment, etc.) and of their consumption (monitored since 2005);
- a thorough analysis of the ratios and occupancy rate for comparability over several years;
- comparative data by brand and by region.

In the downstream part of its value chain, the policy is backed by the Procurement Department. All nominated suppliers have committed to complying with the Responsible Procurement Charter (or equivalent[1]), which requires them to take into consideration water stress and to promote agroecology in their practices. Monitoring the water footprint of high-risk suppliers occurs via the EcoVadis platform.

Lastly, Accor has been reviewing the geographical exposure of its hotels to water stress and flood risk since 2014. This work was carried out with the Aqueduc tool from the WRI (World Resource Institute). The results of risk linked to water are added to the Gaïa reporting tool to increase awareness, and are not communicated to hotels. The most affected establishments are encouraged to step up their action plans to reduce water consumption.

In 2023, Accor subscribed to the Axa Altitude platform which enables assessment of its existing hotel portfolio as well as that of projects in development, to identify physical, and transition risks linked to climate change. This analysis adds a predictive dimension notably to the assessment of water stress.

Action plan

Regarding the direct consumption of water by hotels, the Design & Technical Services Department monitors the implementation of technical standards in terms of construction and renovation that impacts water management. The operational management of water is ensured in the hotels by the engineering and maintenance teams under the supervision of the divisions' engineering teams. Sink and shower taps must comply with flow rate standards.

Furthermore, Accor is committed to promoting water recycling solutions whenever possible. The roll-out of rain water recovery and water recycling tools is ongoing. The Group is also initiating pilots with suppliers of cleaning products using ozone technology, thereby minimizing the use of aggressive chemical products for laundry and reducing water pollution.

Lastly, 2023 saw the launch of a consolidation action plan to avoid systematic room cleaning for guests staying more than one night in Accor Group hotels. This initiative, which was spontaneously rolled out by the hotels, is currently being normalized. According to an initial impact evaluation estimate, 12% of water consumption could be avoided if guests choose not to have their rooms cleaned on a daily basis.

(1) Procurement 21 Charter, or supplier code of conduct that complies with the items covered by Accor's Responsible Procurement Charter.

Results

In 2023, after the structuring of governance and expertise and governance, and the improvement in measuring and monitoring tools, an increase in absolute water consumption was observed between 2022 and 2023.

This increase stemmed from the growth in the hotel network in the MEAPAC region and the Luxury-Lifestyle division's brands, characterized by a significant water footprint in terms of both volume and intensity.

Water withdrawals *(in millions of m³)*	**2022**	**2023**	**Change**
ENA	18	19	+6%
MEAPAC	48	56	+18%
Americas	5	5	+2%
Premium, Midscale & Economy	**71**	**80**	**+14%**
Luxury	14	17	+20%
Lifestyle	4	7	+76%
Luxury & Lifestyle	**18**	**24**	**+33%**
Total water withdrawals	**89**	**105**	**+18%**
Average withdrawal in liters per occupied room	**473**	**466**	**-2%**

In 2023, the water reporting scope was the same as the overall scope.

Total water withdrawals for the Group and its 5,584 hotels were 105 million m^3 for the year ended December 31, 2023. This figure was 16 million m^3 higher (18%) than in 2022. This increase breaks down into a rise of 14% for the Premium, Midscale & Economy division and a rise of 33% for the Luxury & Lifestyle division, in line with the growth in the hotel portfolio and the number of rooms.

The average withdrawal in liters per occupied room slightly decreases. This evolution is explained by several factors. The slight decline is consistent with the increase in representativeness rate between the two exercises, that is to say the reliability of the methodology especially in the MEAPAC region and in the Luxury & Lifestyle division. The latter were in strong development in 2023 and presented the highest intensity factors. The water sobriety charter could also have a positive effect on the average withdrawal in liters per room. Finally, the increase in the occupancy rate mechanically reduces the average fixed share of hotel water withdrawals per occupied room. Note that maintaining pipe hygiene standards requires regular circulation of hot water, even when rooms are not occupied.

19% of hotels declared reusing grey water and 19% declared they collected and reused rain water, with numbers remaining relatively stable versus 2019.

3.2.2.2 Preserving biodiversity and ecosystems

Background

The hospitality sector is strongly dependent on nature, via the use of natural resources, but also because nature is an attraction for guests. According to the World Travel and Tourism Council (WTTC), close to 50% of travel and tourism is based on nature.

Protection of ecosystems, natural habitats and resources in the different Accor sites is essential for the preservation and enhancement of the appeal of tourist destinations. Deeply rooted in their communities and local environments, the hotels strive to limit their direct impact on biodiversity and land use. Direct hotel operations (energy consumed and infrastructure) account for around 15% of occupied land linked to the Group's activities. Most of the Group's impact on land use is derived from its upstream and downstream value chains and, in particular, the purchase of raw materials, products and services. It principally relates to the volume of agricultural land required to produce foodstuffs served in the Group's bars and restaurants.

Governance

Governance of biodiversity-related subjects evolved in 2023, with the appointment of a project manager in charge of Biodiversity and water-related subjects. The project manager works within the Environment team, in the Sustainability Department. A review was carried out, with a project being launched in 2024 that will demonstrate the Group's ambitions for controlling its impact on biodiversity and ecosystem services.

Finally, biodiversity-related issues are monitored mainly by the Sustainable Development, Development and Purchasing Departments, in close collaboration with the operational teams, with the common aim of reducing the footprint mentioned above.

Policies

In 2023, all Accor's internal stakeholders (Development, Purchasing and Sustainability Leaders) initiated the development of a Group-wide Biodiversity policy. This policy, including Accor's principles and commitments as well as its main levers for action, will be distributed Group-wide in 2024.

The main action levers identified are the responsible procurement policy (notably food procurement) and the promotion of sustainable and local food in its hotels and restaurants.

More generally, Accor's aims to be part of the process to draw up a reference framework to preserve biodiversity, the Taskforce on Nature-related Financial Disclosures (TNFD).

Accor's commitment to protecting natural resources is also reflected in its implication in several collaborative programs:

- Accor has been a member of the World Travel & Tourism Council (WTTC) S*ustainability Taskforce* since 2021. In this respect, the Group supported the 30x30 for nature campaign. This campaign involves the tourism sector encouraging governments to renew their commitment to protect 30% of the world's land and 30% of its oceans to halt the critical decline in biodiversity;
- Accor is a signatory along with 1,000 companies as part of the Business for Nature coalition, with the objective of having the voices of companies heard to promote initiatives, propose solutions and communicate to raise awareness and to influence. This organization hopes to halt erosion of biodiversity and restore the planet's vital systems.

Furthermore, Accor acts at the Group level and at the level of each hotel, in favor of the protection of ecosystems and local communities.

In this way, the Group supports the work of the UICN, the International Union for the Conservation of Nature. The UICN is the world's largest provider of scientific data on the state of biodiversity and the necessary measures to preserve it.

Furthermore, the Group is actively involved in protecting biodiversity in Africa. Thus, with Mantis, it created the Community Conservation Fund Africa (CCFA), aimed at developing the autonomy of communities to protect fauna and wild African nature, the pillars of the tourist economy of the continent.

These commitments reflect the desire of Accor to promote more sustainable tourism which protects nature, for the benefit of local communities.

Action plan

In 2023, the Group continued to pursue the following actions within its hotels:

- the development of urban agriculture via urban vegetable gardens. The gardens are most often put in place and maintained by hotel teams, and they are the subject of emulation in all regions of the world;
- rational management of gardens and use of ecological products for landscaping and elimination of chemical treatments;
- waste management.

Upstream in its value chain, in particular in agriculture, Accor leverages its procurement policy, via the following initiatives:

- favoring healthy and sustainable food in its restaurants (see section 3.2.3.2);
- favoring responsible procurement with committed suppliers (see section 3.4.4);
- developing environmentally-responsible products such as those using certified wood.

Local initiatives recognized

Fairmont was among the pioneers in placing the environment at the heart of its practices. Various programs relate to reforestation, the reintroduction of pollinating bees and the preservation of water resources were rolled out in 2023.

Mayakoba in Mexico teamed up with the Oceanus AC charity to protect the Mesoamerican Barrier Reef which is home to more than 500 marine species.

Results

In 2023, the results of the Group in terms of managing its impacts on biodiversity were built on two parameters: land usage (direct and indirect) and the use of products hazardous to biodiversity.

In relation to the second parameter, the following two actions are managed using the Gaïa tool.

The use of environmentally-friendly maintenance products is reported by 99% of hotels that reported on this action, *i.e.* 4,437 hotels.

The prohibition on using chemical products for garden maintenance is reported by 52% of hotels that reported on the action, *i.e.* 2,018 hotels.

3.2.3 Favoring healthy and sustainable food

Context

The commitment to sustainable food is an essential focus of the Group's sustainable development strategy as this represents 17% of its carbon footprint and is a strong stakeholder expectation.

Societal change in favor of healthier food habits which are more respectful of the planet are leading to the pursuit of better quality products, from organic farming or short supply chains. For the Group, the opportunity is to accelerate the shift in its food and beverage offering.

As a major player in catering, the Group must set an example in terms of regulatory changes which can impact its restaurant offering (for example: decarbonation, imported deforestation, etc.). It must also play an active role in the transition from the conventional food model towards a more sustainable model. The Group therefore commits to offering healthy food to combat public health problems, to support the shift in the agricultural food production model that enables protection of biodiversity and water, that is closer to the places of consumption. In this way, the Group plans to reduce the meat offering on its menus and to source more locally and favor food from organic farming or other sustainable production methods.

Policies

For several years now, Accor has been implementing actions for more sustainable food based on precise commitments (prioritizing local and seasonal sourcing, favoring sectors which integrate animal welfare criteria, offering organic products, etc.).

In the restaurants, for example, this means using local and seasonal products or refraining from offering fish species threatened with extinction.

Thanks to the actions rolled out in the hotels, the Group strives to promote better food habits and works every day to ensure greater sustainability of the millions of meals it serves every year in its restaurants, hand-in-hand with its stakeholders: owners, partners, *Heartists*®, local communities and guests.

Indeed, certain Accor brands have been recognized for their varied and responsible culinary offerings. Mercure strives to offer meals elaborated from produce to its guests with a local identity. The greet brand also bases its restaurant offering on short supply chains and the circular economy, at the heart of its positioning.

Action plan

The action plan is focused on the implementation of concrete actions on healthy and sustainable food in the hotels.

Initiatives in favor of animal welfare also continued, within the Group and in certain regions and brands.

Identify the sustainable suppliers for eggs from cage-free hens

Right from 2016, Accor pledged to offer free-range eggs or eggs from cage-free hens (shell and liquid forms) in its restaurants. This commitment should have been achieved by end-2021 in areas where supply chains are developed (Europe, Pacific, North America) and by 2025 in markets where supply chains are still in development (Southern Asia, South America, Africa). In France and Australia, Group hotels had already been getting a significant part of their egg supply from cage-free hens.

Since mid-2021, the Accor procurement platform in France, Italy, Spain and Portugal offers only eggs (shell and liquid) that are free-range, cage-free or organically farmed to hotels in the Accor network. In Canada, in the Fairmont hotels, 83% of eggs were produced organically, from free-range or cage-free hens.

71% of the hotels that reported on this action offers eggs produced by cage-free hens. The Global scope rate for the Group's hotels as a whole, including hotels that did not respond, is 48%.

Results

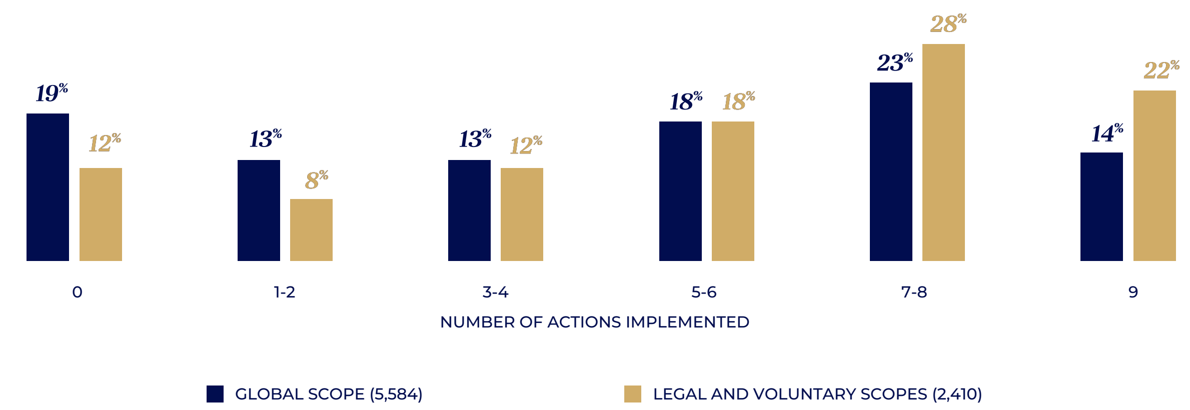
Accor has set itself the objective of 100% of its hotels that report using the Gaïa tool implementing at least half of these nine initiatives on healthy and sustainable food.

At end-2023, 69% of hotels of the legal scope had declared they had implemented more than five of the nine healthy and sustainable food commitments.

The proportion of hotels having declared the implementation of more than five of the nine actions stands at 68% for the legal and voluntary scopes, which corresponds to owned and leased hotels, as well as hotels under management contract.

On the global scope, 55% of hotels have implemented more than five of the nine healthy and sustainable food commitments.

Breakdown of hotels based on number of declared initiatives completed



Deployment of the commitments for healthy sustainable food at end-2023	Initiatives	Number of hotels responding[1]	% of hotels having adopted the initiative
Favor local and seasonal supplies	Provide at least 10 regional products with three quarters of the offering consisting of in-season fruits or vegetables.	3,902	67.3%
Expand the offering of organic products and support agroecology	Offer two major organic or certified agroecological products	3,793	71.5%
Favor sectors incorporating animal well-being criteria	Offer eggs (in-shell and liquid forms) from free-range or cage-free hens	3,734	71.3%
Ban endangered species of fish and promote responsible fishing	Ban endangered species of fish	4,548	99.1%
	Supply wild fish or fish raised with responsible practices	3,630	56.1%
Eliminate controversial additives and limit fat and sugar	Eliminate controversial additives in five products and limit fat and sugar	3,454	69.3%
	Eliminate palm oil or use sustainable palm oil	3,571	74.9%
Offer responsible coffee or tea	Offer responsible coffee or tea at breakfast (certified: Rainforest, Bio, Fair trade)	3,754	86.7%
Meet different food needs	Meet different food needs (vegetarian, etc.)	4,069	72.1%

(1) This reporting is based on a declaration of the hotels, which can lead to a certain level of uncertainty in spite of the controls carried out, in particular for the more complex commitments.

3.2.4 *Reducing waste and fostering the circular economy*

3.2.4.1 Measuring and reducing food waste

Background

Reducing food waste is a global challenge. The Sustainable Development Goals of the United Nations call on all countries to reduce food waste by 50% by 2030 (SDG 12 – Ensure sustainable consumption and production patterns). Accor, as a major player in commercial restaurants with its 10 000 restaurants and bars throughout the world, has a responsibility and a key role to play.

In 2023, food waste represented around 53% of operating waste and close to 20 tons per year per hotel, on average[1].

Reducing food waste is therefore a priority for the Group. To implement this project, Accor equips its hotels with smart weighing solutions, is working on manual measurement and assessment tools for food items and takes advantage of sharing best practices to change behaviors of employees and chefs in kitchens.

Governance

The challenge of food waste is steered by the Sustainability Department, which notably ensures consolidation of results reported by hotels and head offices.

Food waste is among the sustainability subjects monitored as part of performance reviews with the members of Accor's Executive Management.

It is part of the individual objectives of hotel managers and Group management.

Dedicated governance has been introduced with regular operational committee meetings and bi-monthly steering committee meetings.

The operating committees are made up of both members from the Sustainable Development teams and the region and brands Food & Beverage teams to facilitate steering in the hotels.

Policies

To create a collective dynamic around this challenge, hotels mobilize around three pillars: Reduce, Reuse, Recycle.

- reduce: measure and identify waste, adjust recipes and buffets;
- reuse unsold products: products not served to guests are donated to charities or food banks;
- recycle: biowaste is collected and recycled for compost or methanization.

(1) Data extrapolated on the basis of hotels declaring their waste in the Gaïa tool (1,182 hotels).

Action plan

In 2023, a project was launched mobilizing players in the Sustainable Development and Food and Beverage departments in the regions and brands.

In 2023, this project involved 300 hotels, representing a significant portion of 2022 Food and Beverage revenue.

These 300 hotels were monitored and assisted in implementing measurement methods to define reduction action plans.

Regarding measures to reduce food waste, the first stage of the program, the hotels had the choice of several solutions:

- smart weighing tools;
- manual measurement methodology;
- the use of measurements provided by biowaste collectors.

Smart weighing solutions thanks to new technologies

The Group has identified several smart weighing solutions to measure food waste using a digital scale and a connected touchscreen tablet. The tools provide regular reporting enabling kitchen teams to analyze the origin and nature of their food waste and to define personalized action plans.

Manual measurement methodology

As a complement to this, the Group has introduced a manual measurement methodology which also enables hotels to analyze in depth the origins of food waste, over short periods.

This method is suitable for small hotels or as a complement to a smart solution.

Measurement via bio-waste collection

Measuring biowaste in-house at the hotel or via a collection service provider enables teams to be aware of the volumes wasted and to track trends. This measuring methodology provides less information on the waste origin. In parallel, the hotels must analyze waste to reach reduction objectives.

Furthermore, data on food waste are collected in the Food Waste Management module of the Gaïa tool developed by Accor. This tool enables hotels to monitor the weighing of food waste and enables the Group to both monitor hotels measuring their food waste and the reduction curve.

As part of the logic to enhance the reliability of reporting, the Group worked on migrating the reporting of food waste to a market tool, already used in hotels for energy, carbon and water: the Gaïa 2.0 tool. This migration will be effective from 2024 and will facilitate data collection from the hotels as well as data analysis.

Diffusion of best practices and training

In 2023, the Group developed and made available to the hotels online training modules as well as a tool box.

Training modules cover the following topics:

- Module 1: Understanding food waste issues on a global scale. Understanding why the Group is committed to reducing food waste;
- Module 2: Understanding the sources of food waste in hotels (preparation, overproduction, storage, plate returns) and learning how to measure food waste;
- Module 3: Identifying and implementing ways to reduce food waste (coming in 2024).

The tool box provides a range of documents aimed at helping hotels to measure waste and implement reduction action plans.

By way of example, the Sustainability Department has made available an operational guide containing a series of tips and concrete actions to help hotels define their action plan to combat food waste. This document, drawn up with expert advice, helps hotels to implement concrete solutions.

Via the regions and brands, the Group has also identified the hotels that have implemented best practices and has shared them in the same tool box.

Partnership with Too Good To Go

As part of the fight against food waste, Accor also has a long-standing partnership with *Too Good to Go*: the application that puts citizens in touch with restaurants and businesses offering unsold items at reduced prices. In 2023, 999 hotels redistributed 345,188 meals in 12 countries, bringing to over one million the number of meals saved from waste since the partnership began. To date, according to information shared by *Too Good To Go*, the partnership between Accor and *Too Good To Go* has saved the equivalent of 2,846 tCO_2eq.

Results

In 2023, 90% of Top 300 hotels[1] reported a food waste baseline.

862 hotels have measured and reported their food wasted. These hotels represent the diversity of the Group's hotels, in terms of segment and geography.

By leveraging the data from these 862 hotels, which represent a significant portion of the Group's scope, Accor defined its baseline, which amounts to 283 grams/cover.

This baseline is now set and will be used to monitor food waste reductions from one year to the next.

(1) The Top 300 represent a significant proportion of the Group's Food and Beverage revenue

Results of the two specific actions to fight food waste

	Action 1: Resale or donation of food items	Action 2: Recycling of food waste
Percentage of hotels stating in Gaïa that they have set up the action	56%	60%
Number of hotels reporting on the action in Gaïa	3,900	3,820

3.2.4.2 Eliminating single-use plastic from the guest experience

Context

Environmental pollution caused by single-use plastic in nature and oceans prompted Accor to make a strong commitment in early 2020 to eliminate single-use plastic from the guest experience in 110 countries. Furthermore, in early 2023, the Group reinforced its commitment by integrating the elimination of back-office single-use products by end-2025. It is essential for Accor to be at the vanguard of the fight against plastic pollution and to make its greatest possible impact on natural ecosystems and the oceans.

To reduce this risk and meet its commitments, the Group has dedicated specific governance to it, rolled out a global action plan in head offices and hotels and mobilized teams and suppliers to eliminate single-use plastic or offer alternative eco-responsible alternatives, in line with strict rules governing the use of materials.

Governance

Governance, largely reinforced in 2022, is grounded at all hierarchical levels of the Group. The Group's Executive Management has been involved in monitoring the objective on ending the use of plastics. This objective, along with other sustainability-related objectives, is also a factor in the variable compensation of the members of the Executive Management, officers and those in operational roles.

The Plastic Steering Committee is a body which brings together the Sustainability Leaders and the Directors of Accor's Sustainable Development, Procurement and Marketing Departments. Its role is to analyze results each month and monitor action plans at a strategic level.

The "Support" Committee meets the needs of the regions and brands and helps them in implementing alternatives and in reporting. This committee brings together the managers in charge of rolling out the project within their region and brand. The bodies involve their own Management Committee to ensure the appropriate roll-out at the hotels.

Policies

In 2020, Accor committed to eliminating single-use plastic from the guest experience in hotels. In early 2023, the Group reinforced its commitment by integrating the elimination of back-office single-use products by end-2025. This relates, for example, to single-use plastic products found in the kitchens. In 2020, Accor also joined the UN Global Tourism Plastics Initiative, founded by the United Nations. Governments and companies are committed to achieving ambitious targets by 2025 related to the elimination of unnecessary plastic items or taking steps to move from single-use models to reusable alternatives, for example.

In early 2023, the Group also joined the Business Coalition for a Global Plastics Treaty (a business coalition lobbying for an ambitious treaty and managed by the Ellen MacArthur Foundation). With this treaty, Accor aims to support the elimination of single-use plastics and believes in a binding global treaty.

With these commitments, Accor intends to define a new standard in the hotel business.

Action plan

2023 was a year dedicated to the elimination or replacement with more sustainable alternatives to plastic of 57 single-use plastic products, *i.e.* 10 more products than in 2022, including single-use water bottles.

The list of articles includes straws, stirrers, cotton buds, bottles for toiletries (shampoo, shower gel, etc.), goblets, accessories (such as toothbrushes, razors, sewing kits, etc.), plastic items in meeting rooms, restaurants, on buffets or at the reception, as well as single-use plastic water bottles (in rooms, common areas, meeting rooms, etc.).

The approach taken by Accor targets more sobriety in consumption habits and goes beyond merely seeking alternatives. Each product was reviewed based on its usefulness in the guest experience. Superfluous items were eliminated or are now only supplied on request rather than by default, to reduce excessive waste. This led to a shift in perceptions and meant we could offer new more sustainable and higher quality product lines. The 3Rs approach (Reduce, Reuse, Recycle) was applied.

The 2023 action plan is built around three focus areas:

- **elimination of products, or search for alternatives to plastic:** reusable alternatives are favored. Wood-based materials are recommended, with environmental label and standards applicable (ex: FSC – *Forest Stewardship Council – label).* For other materials, the *OK Compost HOME* label is required. An operating guide on single-use plastic is available to teams with an information sheet per product category. This guide is adapted within the regions and brands. Work was also initiated by laundry services on microplastics that can be released during washing of hotel sheets and towels.

- **roll-out:** this is based on supporting change in the elimination or replacement of plastic in the hotels. Eliminating certain products implies adding operational tasks for the teams (e.g.: breakfasts to be set up with food in reusable containers, water to be supplied in washable containers in each room, or reusable shower gel dispensers to be refilled). Several pilots were conducted to test alternatives with the Marketing, Purchasing and Sustainable Development operational teams. The elimination of back-office products has been initiated, particularly in kitchens.
- **monitoring of indicators and on-site audits:** this area focuses on the integration of plastic in the brands standards, and monitoring of key indicators. Each month, the Sustainability Department produces specific reports from information provided by the hotels in reporting tools. These reports are shared with the Management Board. Internal and external audits are also carried out to monitor roll-out to the hotels.

All the necessary support packages were created to enable the regions and brands to roll out the action plan on the elimination of single-use plastic.

For the hotels that have not eliminated certain products and do not have access to alternatives free of disposable plastic (owing to the lack of an available market solution for example, or hygiene issues), a very limited number of exceptions were defined in 2023. These exceptions are, for example, a milk portion in certain English-speaking countries, or products from automatic distributors. The proportion of hotels covered by these exceptions is set to decrease, and fell during 2023.

Results

79% of the Group's hotels eliminated single-use plastic products from the guest experience (with a few exceptions)[(1)]. To comply, a hotel must have eliminated or replaced the 57 single-use plastic products, *i.e.* 10 more than in 2022, including bottles of water.

Within the legal scope, 94% of the hotels have eliminated single-use plastic products from the guest experience (with certain exceptions).

The proportion of hotels declaring that they have eliminated single-use plastics is 92% for the legal and voluntary scopes.

The strong mobilization of teams at all levels, from support and operating teams to the Management Board, meant that progress was made towards achieving the objective set for end-2023. This objective was defined as 80% of hotels being compliant, in order to rally employees around an ambitious target. Setting the objective at this level meant that very rigorous compliance criteria could be imposed (if just one of the 57 disposable plastic items is not eliminated, the hotel is non-compliant, other than where exceptions have been pre-approved). The objective also reflects the fact that hotels may be unable to comply due to external factors outside the Group's control (hotels in conflict zones, delivery failures, etc.).

In certain regions or for certain brands, the results considerably surpassed the objective, with more than 90% of hotels compliant. That was the case, for instance in the Europe & North Africa and MEA APAC regions.

For the personal hygiene category (shampoo, shower gel, conditioner, etc.), at least 300 tonnes of plastic have been avoided every year thanks to the replacement of small single-use plastic bottles with larger format dispensers. The 300 tonnes are linked to the reduction of 70% of the weight of plastic, *i.e.* the equivalent of 30 million individual 30ml bottles. It is estimated that 980 tCO_2eq are avoided in this way.

Regarding single-use plastic water bottles, according to an estimate for a hotel with 100 rooms and 70% occupancy, over 29,000 bottles per year per hotel are not produced, transported and recycled. The impact is huge at the Group level.

In 2023, Accor was recognized for its work on eliminating single-use plastics, winning awards from external bodies: the Silver "Good Economy" Grand Prix and joined the "Succeeding with Responsible Marketing" ranking.

3.2.4.3 Management of operating waste

Context

The increased scarcity of resources has prompted the Group to rethink its historical usage of materials and waste management. The Sustainable Development Goals of the United Nations calls on all countries to reduce food waste significantly by 2030 through preventive actions, reductions, recycling and reuse (SDG 12 – Ensure sustainable consumption and production patterns).

Accor generates waste linked to:

- the renovation and construction of hotels;
- hotel operations.

Waste linked to hotel operations is estimated at an average of around 200,000 tons of waste per year. This corresponds to an average of around 37 tons of waste per hotel per year, reflecting various realities depending on the segment: "economic" with around 22 tons/hotel/year, "midscale" with around 42 tons/hotel/year, "premium" with around 58 tons/hotel/year, and "luxury" with 60 tons/hotel/year[(2)].

Accounting for more than 60% of waste, food waste (including used oils and greases) from restaurants is Accor's main waste production item.

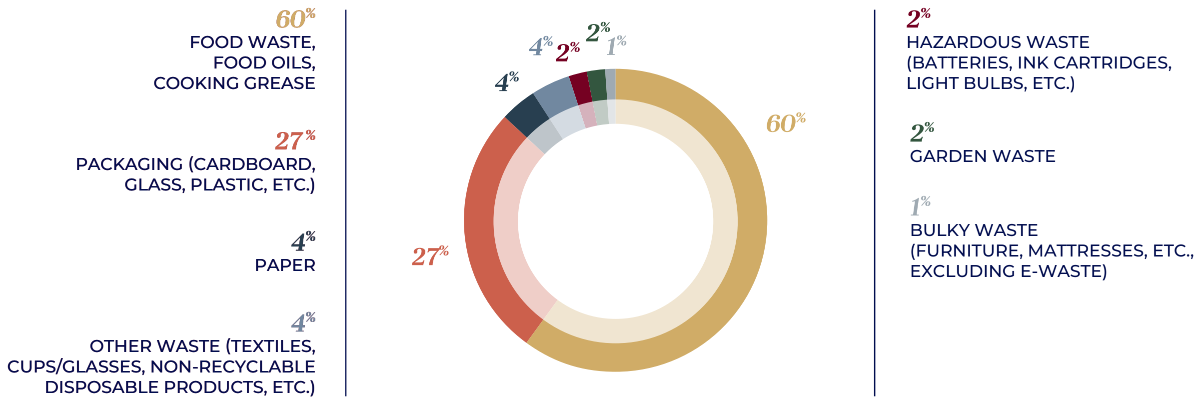
(1) *Estimated result after internal audit, validated by the Audit Committee.*
(2) *Data extrapolated on the basis of hotels declaring their waste in the Gaïa tool (1,182 hotels).*

The second largest item identified relates to packaging (cardboard, glass, plastic), representing around 25% of waste from operations.

The flows of the remaining non-hazardous waste are less significant: 4% for paper, 2% for garden waste, etc.

To conclude, hotels do not produce much hazardous waste: batteries, ink cartridges, bulbs and compact fluorescent tubes, etc. account for just 2% of total production of waste from operations. At the Group level, this represents a quantity of hazardous waste estimated at 4,000 tons in 2023.

Breakdown of operating waste produced by the hotels in 2023 (1)



Regulatory requirements are becoming stricter on recycling of primary products, including paper and cardboard, organic food materials, plastics, hazardous waste and electronic waste.

The risks identified regarding waste within the Group can relate to improper waste management (lack of sorting, non-compliance with local regulations, etc.) or a relative increase in waste volumes generated by hotels.

Governance

Waste management within the Group is part of a global resource valorization approach and circular economy, at all stages of the hotel life cycle: development, operations and renovation.

Several actors are involved:

- the Design & Technical Services (D&TS) Department ensures the implementation of technical standards during the construction and renovation of hotels. During the design phase, emphasis is placed on ensuring that an appropriate waste management and recycling infrastructure is in place, with appropriate storage areas within each new hotel. Accor's technical standards are also aligned with best practices in terms of building design to reduce waste production. These standards are integrated in Accor's technical standards, implemented by the owner assisted by the D&TS project manager as part of their support contract;
- the Sustainability Department carries out waste analysis and reporting, and distributes its reporting to the regions and brands;
- Procurement managers for the regions and brands select and reference service providers for sorting and collection and make framework agreements available to the hotels;
- the operational management of waste and recycling is carried out by hotels by the housekeeping, catering, engineering and/or maintenance teams, and reported within the Gaïa tool;

Policies

Having defined its first waste policy in 2016, for hotels and restaurants, Accor aims to define its priorities regarding waste management in accordance with the 5Rs rule:

- refuse what is not needed;
- reduce what is needed;
- reuse whenever possible;
- recycle whatever cannot be refused, reduced or reused;
- return to the earth what can be composted.

This will reduce the amount of waste produced and increase the recycling rate of residual waste, thus limiting the proportion of waste sent to landfill or incineration.

This means raising awareness among hotel employees and guests alike.

Accor also wants to ensure that hazardous waste produced in the Group's hotels is properly treated at approved facilities and that hotels comply with the laws applicable in their countries.

(1) Construction and demolition waste is not included.

Action plan

The first stage of implementation of a waste policy is the measurement of quantities. One of the priority actions is therefore improving the reliability of data concerning waste.

Waste monitoring has been integrated in the Gaïa reporting tool since 2019 and is accessible to the vast majority of hotels. This tool enables the definition of a comprehensive mapping of the waste produced within a hotel: reconstitution of sorting and recovery channels, monitoring of waste data and dashboard restitution, to fuel environmental and economic performance at the hotel network and Group level.

In 2023, the Sustainability Department worked on migrating Waste reporting to the Gaïa 2.0 tool. The migration is scheduled to take place at the beginning of 2024. It will simplify input work for hotels and enable the collection of more comprehensive data, while also facilitating reporting at Group level.

In 2023, Accor also produced operational guidance for hotels, with three objectives: raising their awareness of the environmental impacts of different categories of waste, informing them about existing waste recovery sectors, and sharing best practices with them.

The roll-out of the program and the waste management tools continues in hotels. Accor continues to seek solutions to reduce the amount of waste, improve recycling rates and encourage a circular economy policy, specifically related to calls for tender.

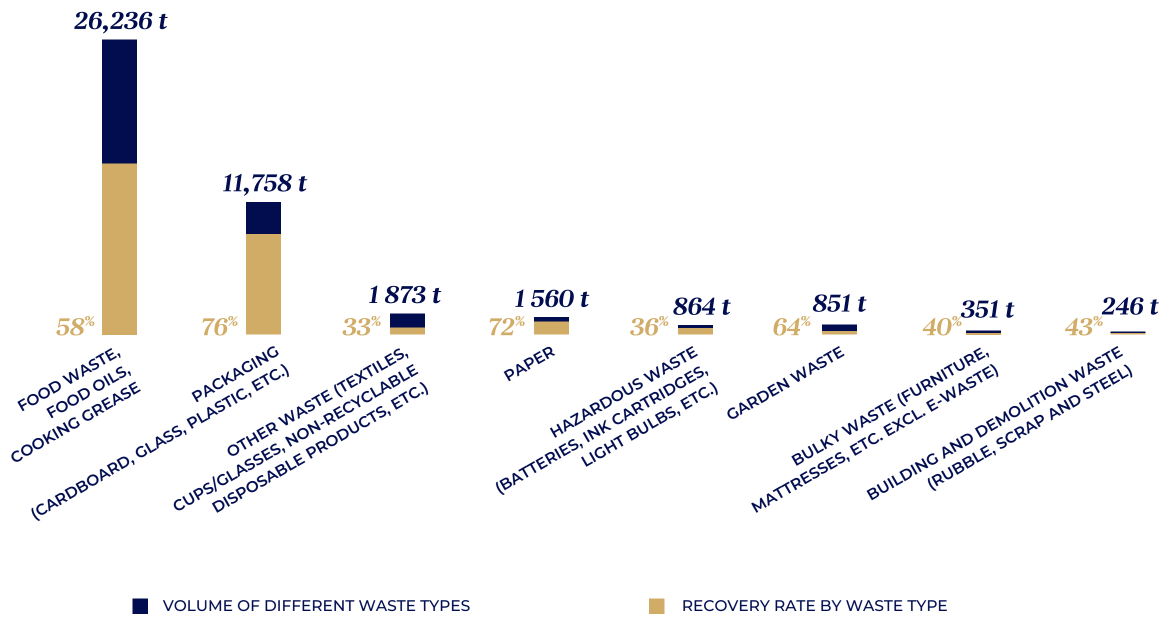
Results

At end-2023, 1,182 hotels were using Gaïa to monitor their waste and provide detailed data. This reporting is based on declarations by hotels, using weights and recycling rates, which may cause uncertainties.

On this basis, the overall waste recovery rate of hotel operations was 62%, stable compared with 2022.

The estimated recycling rate is detailed by waste category in the table below:

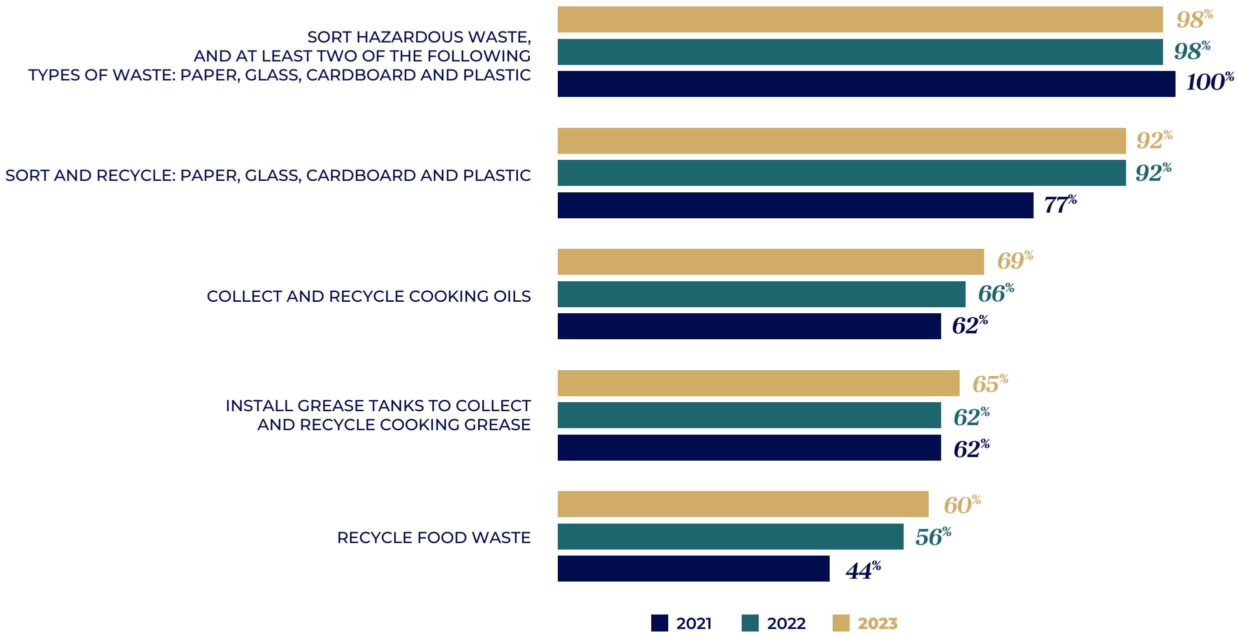
Breakdown of operating waste products and recovery by category



The hotels are implementing several actions to improve waste management:

- 92% of the hotels indicate they have implemented sorting of paper, glass, cardboard and plastics (based on the 4,058 hotels having reported this action in Gaïa)
- 69% of hotels indicate they have implemented the collection and recycling of cooking oils (based on the 4,013 hotels having reported this action in Gaïa)
- 65% of hotels indicate they have implemented the use of grease tanks for the collection and recycling of cooking grease (based on the 3,982 hotels having reported this action in Gaïa).

Hotel mobilization on waste



3.2.4.4 Circular economy initiatives

Context

August 2, 2023, also known as Earth Overshoot Day[1], calculated by the Global Footprint Network, corresponds to the date when humanity has consumed all the resources the Earth can generate in one year. "1.7 Earths" would therefore be required to satisfy and regenerate human consumption. 2023 also saw the confirmation of a sixth planetary overshoot: fresh water.

The real and growing pressure on natural resources therefore requires changes to production and consumption practices today, going beyond the implementation of waste reporting and a waste performance improvement project. To guarantee sustainable development, Accor aims to promote the implementation of a circular economy approach by acting at every stage of the value chain, both during hotel construction/renovation phases and during hotel operations. Production, consumption and end of life of goods and services offered are therefore overhauled with a circular economy logic. Innovation and responsibility therefore find their rightful place in Group reflections on reinventing consumption habits and the guest experience in the hotels by offering more sustainable services.

Governance

The Sustainability Department coordinates and steers circular economy initiatives with the regions and brands and the other Group Departments.

The Procurement Department includes circular economy criteria in tender offers, either via:

- sustainable resource procurement (integration of bio-sourced and/or recycled materials, for example);
- the eco-design of products;
- the repairability of products;
- the recyclability of products at the end of their life cycle.

The Design & Technical Services Department integrates circular economy principles in the design of its rooms.

(1) *Global Footprint Network, 2023.*

Policies

The Sustainability Department reviews the product of waste by the hotels and their environmental impact to identify circular economy opportunities. It works with a selection of priority sectors to implement action plans and launch pilot initiatives.

Each sector must be analyzed through the following lens:

- reduction opportunities, for example, by promoting responsible consumption by extending the life cycle of goods, as part of a functional economic logic which weighs the leased value of the product against the cost of purchasing it or sharing products with other sites (mutualization);
- reuse opportunities, by offering products a second lease of life (donations to charities notably);
- recycling opportunities, by finding the right players to recover materials.

Action plan

In 2023, Accor identified priority waste sectors and chose in 2024 opportunities to explore, with the help of its internal partners and, where appropriate, relying on external partners.

Alongside organic waste, which already constitutes one of the Group's waste reduction priorities, the four priority areas are textiles (which includes bed and bathroom linen, carpets, curtains and uniforms), furniture, cardboard and plastic packaging, and cooking fats and oils.

Results

Accor hotels are already engaged in a circular economy approach.

76% of hotels declared they donate end-of-life products for reuse or recycling (based on 3,890 hotels reporting this action in the Gaïa tool).

In addition, Accor created greet in 2019, a Group brand whose model is based on the circular economy, notably through the use of salvaged and second-hand objects that give each hotel its specific identity. This committed brand already has more than 30 hotels open in France, Germany and Austria, representing over 2,300 rooms, and aims to reach a network of 300 hotels by 2030.

3.3 Reinventing hospitality with our employees

Hospitality is fundamentally linked to human relations. Reception, service, connection with individuals and cultures, emotion, the creation of unique, authentic guest experiences, are all part of the Group's DNA. The richness and diversity of *Heartists*® contribute to the creation of the Accor values which shape the hospitality of tomorrow.

To look after others, Accor focuses on the ownership and commitment of its teams. This includes the attention given to freedom of expression of each employee, regardless of profile or cultural origin. This is also about giving everyone the means of shaping their own career pathway.

Each employee under the Accor brand is recognized as a *Heartist*® who masters the art of welcoming guests with heart and passion. It unites the Talent & Culture policy within what is a decentralized and international Group. The combination of the words heart and artist demonstrates the desire to create unique experiences that elicit emotions as a result of the creativity and personality of employees. The term *Heartist*® also conveys a sense of belonging, the care offered to guests, the valuing of personalities and individual expression.

Heartists® are referred to, without any distinction, by the terms Talent, colleagues and employees.

3.3.1 HR strategy at the service of the Group's transformation

The Group's human resources strategy focuses on several key drivers:

Promoting a common culture

It is fundamentally important for Accor to unite and value all its teams around a common philosophy that expresses the unique personality of the Group. As the hospitality sector and Accor undergo profound transformation, it is important to ensure that any changes continue to respect our shared heritage. The *Heartist*® culture must guide day-to-day operations and employees are encouraged to be completely themselves.

At Accor, the leadership culture is built on empathy, cooperation and performance. People are at the heart of all considerations. A large number of training sessions are provided to disseminate and uphold this culture.

Strengthening the Group's brands

The Talent & Culture teams contribute to the brand-specific design of Talent experiences and career paths, helping to make them unique. The Talent are proud to work for the Group and belong to an ecosystem of strong brands.

Developing and diversifying our leadership

The teams are constantly identifying high-potential Talent to develop a pool of future leaders. Diversifying the leadership team is a priority for Accor, which recognizes the differences in each of its *Heartists*®, promotes gender diversity and equal opportunities, and encourages each employee to "be themselves", valuing their own personality, history and culture. This commitment is part of an open approach in favor of the promotion of professional equality and social cohesion at the service of individual performance for the common good.

Supporting and accelerating development of Talent

Training programs available to all our Talents via our Academies are being constantly developed. This training provides the Talents with numerous opportunities to deepen their knowledge and enhance their skills.

Close attention is paid to Talent retention, with the development of succession plans.

Building Accor's new organization

Since the announcement of the reorganization of Accor in July 2022, the Talent & Culture teams have been mobilized to build a more agile and focused organization, aligned with the respective challenges of the two new division: Premium, Midscale & Economy and Luxury & Lifestyle. This new organization was effective in 2023. The Talent & Culture teams paid particular attention to the development of teams within the new organizational structure. To ensure that everyone can seize the opportunities existing within their ecosystem, managers were supported during the reorganization, and numerous internal mobility opportunities were offered to Talent.

Transforming and digitizing the HR function

In 2023, a key tool in the function's transformation and digitization became operational. This new human resources information system is for head office employees. At the same time, moves to improve and roll-out the HR platform dedicated to recruitment challenges, internal mobility and development within hotels are continuing with the implementation of a new recruitment tool ensuring greater efficiency and speed in selecting and recruiting new Talent.

The HR strategy also strives to bring to life the Group's employer brand: "Be Limitless". A value proposition that embodies Accor's unique character, its values, its vision of augmented hospitality and that provides each employee with a clear message regarding the range of career and development opportunities that await them. The Be Limitless promise is defined as follows:

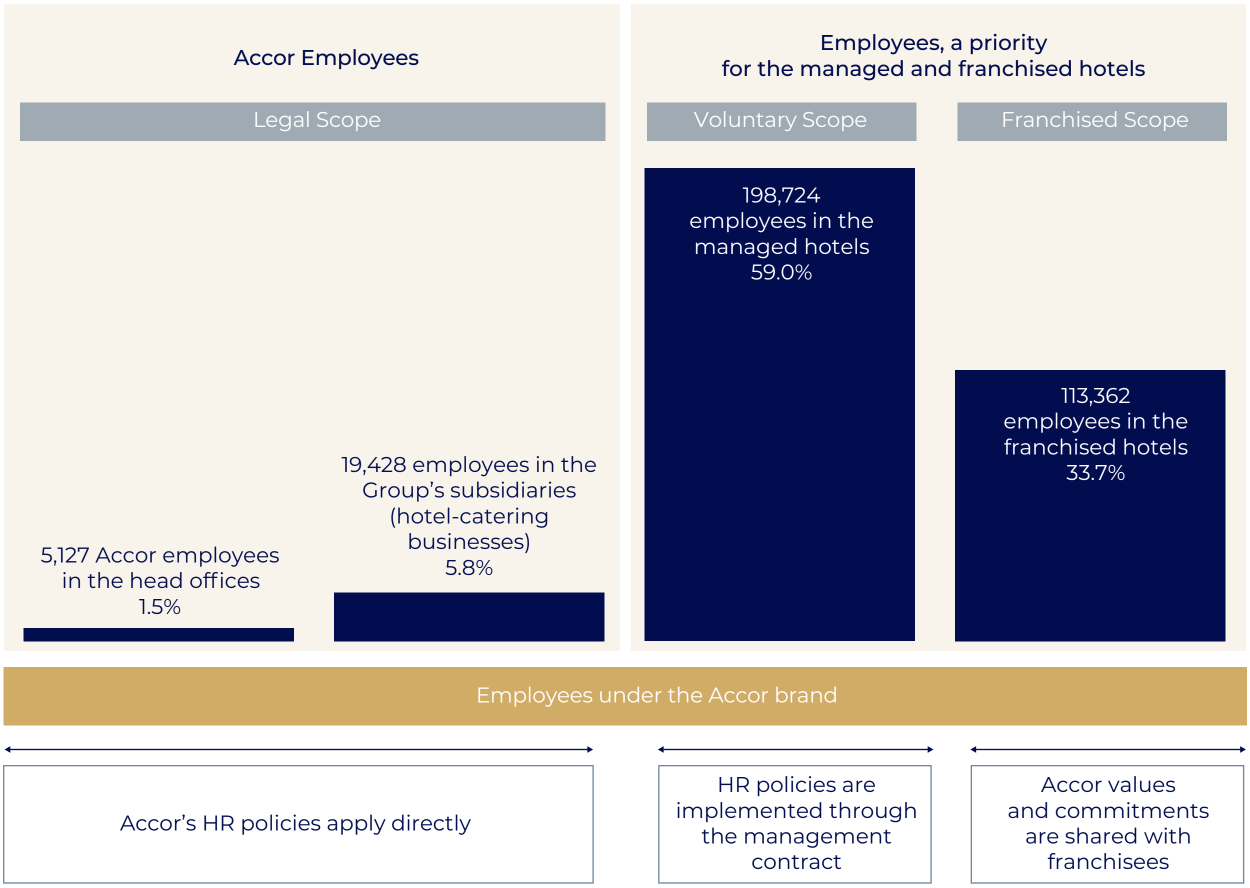
- *Be ALL you are* – develop an inclusive corporate culture;
- *Grow, learn and enjoy* – give access to attractive training and career plans;
- *Work with purpose* – provide the opportunity to engage with the Group and act as a social elevator;
- *Explore limitless possibilities* – offer attractive employee benefits.

Accor's value proposition

IN BRIEF	**Be Limitless**
VALUE PROPOSITION	Do what you **love** / **Care** for the world around you / **Dare** to challenge the status quo!
SUB-PILLARS	*Be yourself* / *Grow learn and appreciate!* / *Give meaning to your actions* / *Explore infinite possibilities*
CULTURE	**WE ARE HEARTISTS®** → **Our values:** Passion for hospitality; Sustainable performance; Spirit of conquest; Innovation; Trust; Respect

3.3.1.1 A social model reflecting the Group's business model

Accor's business creates and maintains many jobs in 110 countries. At end-December 2023, the global workforce made up of Accor employees and employees under the Accor banner was estimated at 336,641.



Accor's HR policies apply differently to these populations, whether they work directly or indirectly for the Group:

- 24,555 persons directly employed by Accor, within the legal scope, representing a 44% increase from 2022, as a result of new businesses being brought within the Group's scope. Of these employees, 5,126 (1.5% of the total) work at Group and country head offices (tertiary sector jobs), 19,430 (5.8% of the total) work in the Group's owned and leased hotels (hospitality industry jobs and other businesses). Within this scope, Accor assumes its employer responsibilities. Its values, managerial principles, compensation, social dialogue and talent development policies are directly applied, along with all the employee-relations responsibilities inherent to its position as a direct employer;
- 198,724 people (59%) employed by the owners of "managed" hotels that have entered into a management contract with Accor. Under these contracts, the Group's HR policies can be applied in these hotels, which comprise the voluntary scope;
- 113,362 people (34%) employed in franchised hotels. Daily management of wages is part of the responsibilities of the franchisee. Accor strives to share its values and commitments and its communication across all the network.

Employees of managed and franchised hotels are also referred to as "Accor-branded employees". The vast majority of these people work in the hotel and restaurant industries.

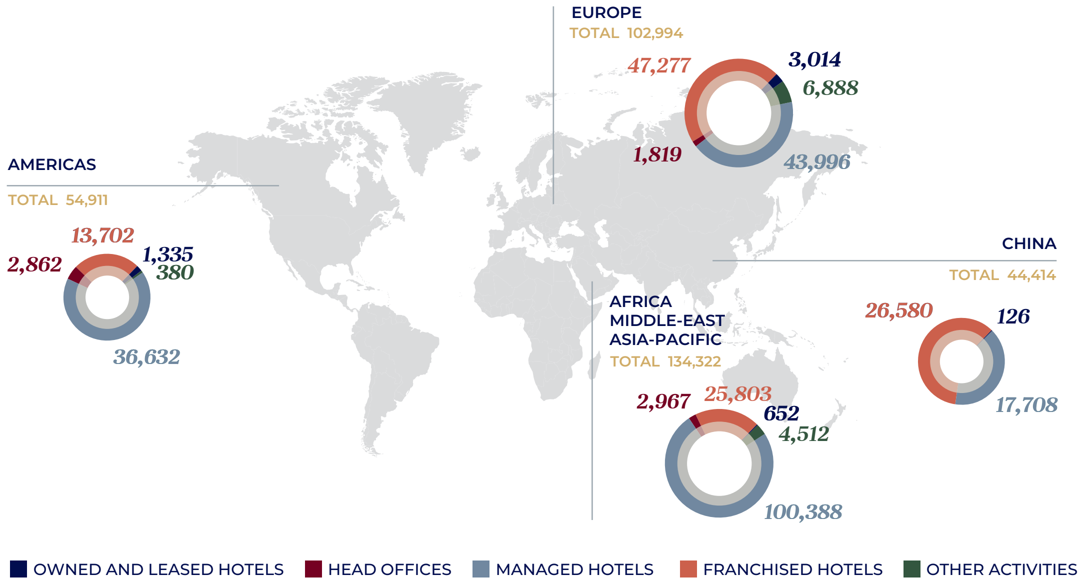
In addition, the Group's activities rely on tier 1 suppliers and subcontractors (for example temporary employees, laundry services, housekeeping and grounds maintenance staff, etc.), as well as the rest of the supply chain (tiers 2, 3, 4, etc.). For tier 1 suppliers, social risk management is supervised by Accor's responsible procurement policies and vigilance plan.

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 subcontractor employees in such areas as laundry services, housekeeping, landscaping, and call centers. It was estimated at about 380,000 people in 2021. The control of social risks and the Group's commitments shared with suppliers and subcontractors are described in section 3.5.4.2 – Vigilance Plan.

3.3.1.2 Accor's human capital

Employees by region

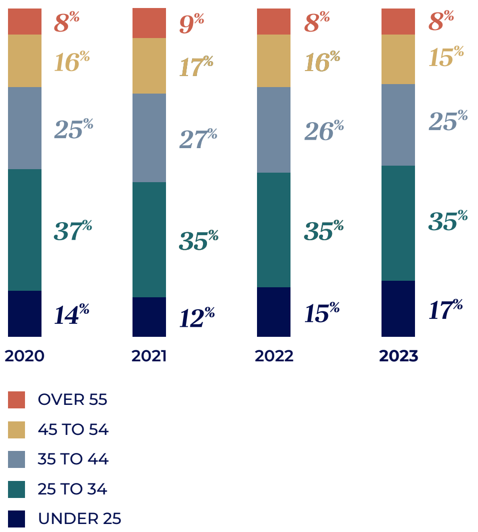
The number of employees working for Accor brands worldwide is estimated at around 336,641 in 2023, compared with 290,500 in 2022. This increase is due to the growth in the Group's hotel portfolio.



Age pyramid

The Group has a young workforce: 52% of employees are under the age of 35.

Breakdown of Group headcount by age group



Gender diversity

Women represent 49% of the headcount of the legal scope and 42% of the headcount of the legal and voluntary scopes. **42% of hotel managers in the legal scope and 28% of hotel managers in the legal and voluntary scopes are women.**

New hires and departures

Resignations, also known as voluntary departures, are monitored closely by the Group. To limit this risk, Accor leverages skills development and employability of teams via training programs and an internal mobility system. The employer promise communicated in-house and externally is also a key strength for Talent recruitment and retention.

In 2023, within the legal scope, the number of new hires was 11,606 and the number of departures was 9,414.

In 2023, in its legal and voluntary scope, 139,418 people were hired by Accor and 98,257 left the Group. This trend is not specific to Accor, but rather to the hotel industry as a whole.

	2019	2020	2021	2022	**2023**
Turnover rate (legal and voluntary scopes)	34%	38%	33%	40%	38%
Total turnover rate (legal scope)				43%	33%

Separations by reason, worldwide

These departures are largely due to the turnover of Talent in the hotel sector, which all operators in the sector have to contend with. This may be due to resignations, layoffs or other reasons, including departures due to the end of non-permanent contracts, retirement, etc.

Separations by reason

Voluntary separations

The Group recorded a resignation rate of 31% in 2023 in its legal and voluntary scopes.

	2019	2020	2021	2022	**2023**
Resignation rate	27%	22%	30%	33%	**31%**

In 2023, 68,299 people employed by Accor and under the Accor brand resigned: these resignations represent 70% of all the Group's departures from the legal and voluntary scopes.

In relation to employees in the legal scope, resignations as a percentage of total departures was 63% (5,940 out of 9,414).

Absenteeism

The group reported an average number of days absent per employee of 5.6 in 2023. This number was relatively stable compared with previous years. In accordance with the measures taken to deal with the pandemic, childcare at home, assistance to vulnerable relatives and unpaid solidarity days are counted in absences for medical reasons.

Average number of days of absence per employee categorized by cause	**2019** *(legal and voluntary scopes)*	**2020** *(legal and voluntary scopes)*	**2021** *(legal and voluntary scopes)*	**2022** *(legal scope only)*	**2023** *(legal and voluntary scopes)*
Medical leave	4	4.5	4.8	4.7	**4.5**
Workplace accidents	0.5	0.3	0.5	+0.3	**0.4**
Unauthorized leave	0.5	0.4	0.4	0.2	**0.7**

3.3.2 *Attracting Talent*

3.3.2.1 Multiplying targets and attracting the best talent

Context

For several years now, Accor has been transforming itself in response to radical changes in its ecosystem: new segments and concepts are emerging (hotel, co-living and furnished residences offering services etc.); many digital players are investing in the hospitality market; businesses are changing; expectations of guests and employees are more demanding and diversified.

To recruit in a market under pressure, in a context of strong intra-sector competition and to face the risk of a talent shortage making integration times longer and with more significant cost, the Group relies on its strong employer brand and culture, is constantly optimizing its recruitment methods to make them more innovative, flexible and responsive, and has structured the candidate journey further to accelerate the integration of young recruits but also limit the loss of key Talent.

Policies

Accor recruits talent from very diverse backgrounds: hospitality professionals, hotel management graduates, rookies with no prior experience in the hotel industry, people changing careers and experts. The 300 roles offered by the Group provide all the more opportunities for career development and learning for any candidate looking to contribute to the hospitality of tomorrow.

To counter the risk of a shortage of talent that is affecting all professional sectors, and the hotel industry in particular, Accor is seeking to multiply its targets and is deploying a global policy with local variations.

Communicating on the Accor Heartist® culture and the employer brand "Be Limitless"

Thanks to the signature *Heartist®* program, Accor is building a corporate culture that is shared by all employees. Every employee is recognized as a *Heartist®*, who masters the art of welcoming and serving others with heart, curiosity and ingenuity. This signature program grew out of the Group's DNA, consisting of common elements across all regions, business lines and brands, and specific features for each brand. It unites the Talent & Culture policy within what is a very decentralized and international Group, through a sense of belonging, the care offered to guests, the valuing of personalities and the expression of Talent.

The Group's employer brand positioning was defined in 2019: "Be Limitless: Do what you love. Care for the world around you. Dare to challenge the status quo!" It is supported by four pillars that make up Accor's differentiating features as a recognized and trusted employer.

The employer value proposition constitutes the foundations common to all geographies, brands and Group entities. Used in external recruitment activities, it ensures coherence in communication addressed to all candidates, enabling them to identify the advantages of Accor, regardless of the hotel, office or team they integrate. Activated in-house with our employees, this value proposition brings us together around a shared work culture and recalls the unique benefits of a job at Accor, thereby reinforcing engagement and boosting Talent retention.

The Group's employer value proposition also provides brands flexibility by encouraging them to onboard both their message and its visual expression. Each brand builds its employer brand campaigns around these four pillars. Brands then tailor their campaigns to their specific needs and marketing positioning. These campaigns have a role to play in attracting and retaining Talent. Candidates can gain a more precise understanding of the work environment specific to the brand they wish to join. Employees, for their part, develop a close relationship with the brand, and a sense of pride in belonging to it.

Developing partnerships with training institutions to attract young graduates

Accor has strong partnerships with over 250 institutions, schools and universities worldwide covering all levels and specializations. Ambassadors promote the Group through speeches and by sharing recruitment opportunities. Several student challenges are also organized.

Accor Day: a day dedicated to hospitality students

Accor's ambition is to raise awareness of the opportunities offered by the sector, which are often overlooked by young Talent. As part of its partnership with the École hôtelière de Lausanne, Accor created a new event in 2023, the Accor Day, to offer 3,000 students an immersive day around Accor's "Augmented Hospitality" universe.

During the day, students were invited to take part in a multi-stage experiential journey, including sporting challenges; immersive experiences around Accor's history and the latest innovations in welcoming people with disabilities (Smart Room); networking with experts, partners, hotel representatives and Accor's Talent & Culture teams to discuss future career paths and employment opportunities, as well as the chance to meet several Accor leaders.

Boosting visibility on career sites

The recruitment process is built around the *Accor Careers* website. This digital platform makes it possible to create an optimized experience for every candidate and to apply a homogenous Talent selection methodology across the organization, internationally, and for all the Group's brands.

The candidate has access to personalized content (language, location, history, connection to LinkedIn, etc.) and can apply in less than five minutes. In each geographic area, the content of the Accor Careers website can be adapted to the specific characteristics of the local labor market.

Face & Places, an innovative event on social media

Accor seeks to attract talent from all horizons by communicating with a wider audience via social media. Featuring the *Heartists*®, the "Faces & Places" series was broadcast live on Facebook, YouTube and LinkedIn in November 2023. In this first episode designed as a TV show, the interactive session drew on the perspective of those working in the field and explored strategic topics related to our industry such as:

- career diversity;
- innovative recruitment and retraining opportunities;
- the meaning of hospitality professions.

The proximity afforded by these platforms gives Accor the opportunity to adopt a relaxed tone, allowing it to speak to viewers more easily, before directing applicants to the Accor Careers website.

Streamlining recruitment thanks to digital tools

One of the keys to successful recruitment depends on the responsiveness of the operational process. A new tool for managing job applications and recruitment processes was rolled out in 2023 to head offices and nearly 900 hotels. The deployment is continuing in hotels that would like to access this service. This enables directors to manage resumes more quickly and efficiently and optimize the candidate journey.

Online evaluation tools based on the Accor Leadership Capability Framework also enable recruiters to ensure that the candidate's behavioral capabilities match the position for which they are being considered.

In addition, recruitment interview guides have been developed for each brand. These guides help managers assess the candidate's skills, the suitability of the profile for the position, and the expected level of performance, while also offering advice to overcome unconscious bias.

Developing skills and supporting career development

To attract talent, Accor must also communicate on the resources the Group puts in place to develop and retain its employees. These means are detailed in the following section, section 3.3.2.2 Developing and retaining Talent.

Results

In 2023, the conversion rate of unique visits to the Accor Careers site into job applications was 33%. One in three people therefore decided to apply for a job after visiting the website.

The average conversion rate observed in the market in accessible studies was 10-15%, demonstrating our efficiency in attracting Talent, for the right job, at the right time, while ensuring a fast application experience.

3.3.2.2 Developing and retaining Talent

Action plan

Communication campaigns are regularly deployed on social media and tools are made available to hotels to help them stand out as an employer and improve the visibility of job openings. For example, testimonials on employees' career paths and videos on "Learning as a way of life", "Why join Accor?" or "Becoming a *Heartist*®", were produced and published online.

To speed up the recruitment process, "Recruitment fairs" were held, especially in France, with the aim of offering selected candidates an employment contract within 12 hours of the interview. Finally, internal mobility processes have been simplified.

In 2023, the Group also participated in career fairs in the major global hospitality and business schools (*École hôtelière de Lausanne,* Glion, Les Roches, LYFE, the schools within the Swiss Education Group, ESSEC and EM Lyon). Accor was also present at local schools. The main objectives - to attract and identify talent from these schools - were achieved through corporate projects (Graduate Program, CSR Actions) and networking events. A training and integration program for hotel supervisors, called Inspire - Be the future of Hospitality, was also redesigned and deployed in all regions of the world. This program allows passionate young graduates to start their professional career within the Group, while continuing their training.

The global student challenge Take Off! *2023* puts digital and innovation in the spotlight!

As the first player in the industry to have its own dedicated Digital Factory, Accor is a pioneer in the digital transformation. The theme of this new challenge edition is perfectly in line with the Group's digital strategy and ambitions. In March, 324 students from more than 170 schools and 32 countries answered this question: "What memorable, digital and innovative experiences could Accor offer to its guests to boost loyalty?".

This challenge invited young students with innovative profiles to shift the lines in the sector, to attract future high-potential digital professionals. The participants also stand a chance to be invited to join Accor, which already recruits close to 80,000 people each year.

Last year's winners coached the five finalists of this edition as they prepared to present their projects to the jury, and to the Group "Chairman and Chief Executive Officer, Sébastien Bazin, at the final which took place on June 13, 2023. The competition was intense, but the "D'accord" team finally led the pack. The three students from the Toronto Metropolitan University Canada presented their project using artificial intelligence (AI) to revolutionize the travel experience. More precisely, they devised an AI that creates multi-day itineraries in just one click. As well as a trip to Paris, all finalists were offered a first career interview to take their first steps at Accor and embark on their hospitality careers at a leading global company.

Key figures

Two student challenges worldwide: Take Off! and the Accor Design Awards, which bring together more than 300 designers from design, architecture and interior design schools.

South Europe: Jobs au Talent! by Accor!

In 2023, Accor ran the "Jobs au Talent!" campaign across France, Italy and Portugal. This initiative consists in a one-day recruitment process, in the style of job dating, and Same Day Hire, based on recruitment without a resume and rather on the candidate's skills and personality. The latest sessions took place in 2023 in Marseille, Nice and Paris with, 1200 participants for the session in the capital and more than 200 job vacancies. Visibility on these activities was raised by the local media and social media with targeted audiences.

3.3.3 *Retaining and engaging employees*

3.3.3.1 Developing and retaining Talent

Context

Against a backdrop of talent shortages that continues to impact the hotel market, retaining Talent is a key challenge for the hospitality sector and a risk for the Group. As a result, this means ensuring that employee career paths reflect their aspirations and their career development plans at all times.

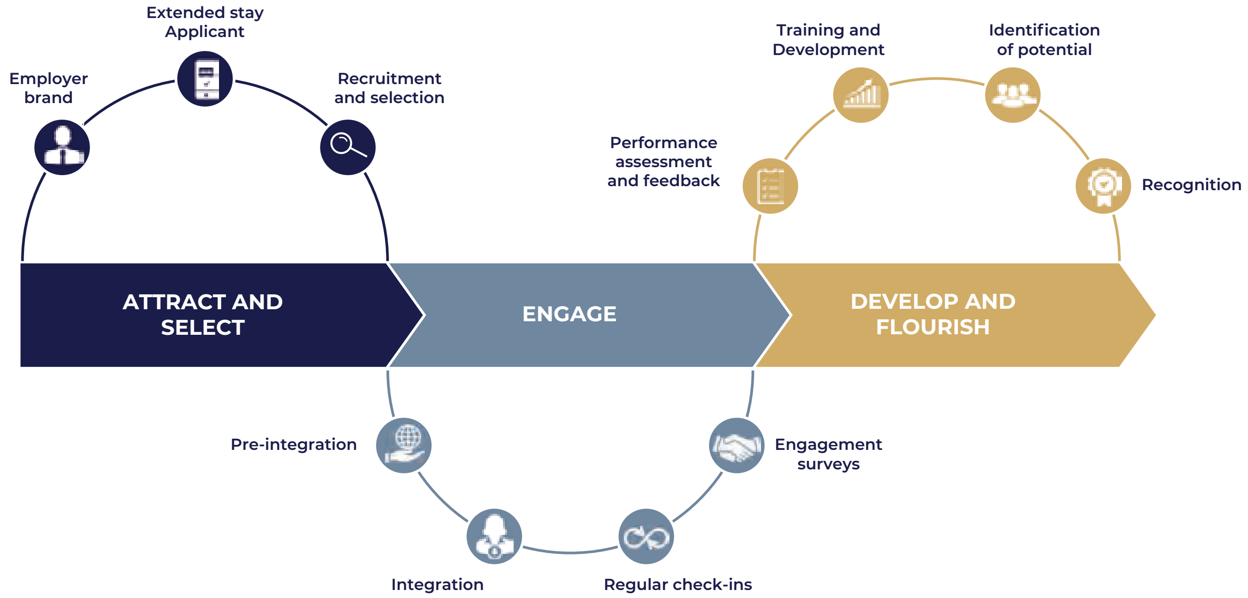
A listening culture, skills development, career support, and a caring and inclusive work environment are thus central to the HR strategy, with a simple but ambitious objective: that everyone should feel free and responsible in their position in order to be able, collectively and individually, to offer the best guest experience. Accor is looking to continually enhance the hard and interpersonal skills of its employees and to support them throughout their career.

Policies

Talent and performance management

The top focus of the employee retention policy is based on talent and performance management through the Talent Journey. The Talent Journey draws from the guest experience, placing the employee at the heart of HR attention and processes. It details the steps management should take at each stage of the employee experience life cycle (employer brand, orientation, skills development, etc.).

Accor's Talent Journey



Accor has a Talent Management process that enables junior or experienced employees, with or without diplomas, to progress rapidly with a personalized development plan, as well as meetings and exchanges throughout the year.

All talent are evaluated according to the same approach, the same methodology and the same criteria guaranteeing overall consistency. In 2023, the Group Talent & Culture teams worked together on a revised and simplified process to place greater emphasis on the conversation between a Talent and their manager and concentrate on their development.

The performance and development interview is a discussion between the employee and his/her manager. The discussion provides an opportunity to review the employee's past year, measure their skills, analyze their achievements over the course of the year, and detail development prospects for the year ahead. The interview gives employees the opportunity to discuss their career plans and training needs, and to seize new career opportunities.

Continuous feedback is at the heart of the Talent Development strategy, and as part of this, regular interviews or check-ins are organized at the initiative of the manager or at the request of the employee. This conversation between employee and manager provides a regular opportunity to take stock, based on the following questions: "What went well during the quarter? Do you have the support you need or can I provide additional support?“. The objective of these regular meetings is to maintain a constant level of exchange throughout the year.

All of these conversations are then fed into the Talent Review. During this exchange, managers, accompanied by Talent & Culture employees as moderators to guarantee maximum objectivity, evaluate the potential, the ability of an employee to evolve into another position and the risk of departure. This process of identifying and assessing Talent enables the construction of coherent individual development plans and succession plans, as well as the proactive management of opportunities and skills.

Focusing on the continuous development of talent by enriching the training offer

Accor's Learning & Development strategy is the second focus of the Talent Retention policy. It is an integral part of the employer promise and places talent development at the center of its priorities, with the objective of making learning a “lifestyle”.

It is embodied by the Accor Academy, which has been offering training programs in a wide range of fields for over 30 years. For example, the Academy offers job-specific sessions, brand immersions and leadership training in several languages. These courses are designed to help teams develop and acquire new skills throughout their careers at Accor. The four regional academies offer qualitative, dynamic and tailored learning experiences to meet individual needs, in collaboration with schools, universities, institutes and professionals. An international network of certified trainers ensures the development of each *Heartist*® and the awakening of talent, reinforcing the Group's position as a leader in training.

The Group is committed to offering its employees a variety of learning formats throughout the year, both functional and business-related, most of which are developed in-house.

Training is provided by Group employees as part of a new talent onboarding, upskilling and leadership progress, or on themes specific to each brand. These compulsory sessions are designed to have a direct impact on service quality and culture. The creation of specific programs gives employees the opportunity to acquire new skills and/or hone their expertise in fast-changing businesses.

- The Group, via the Accor Academy, continued to roll out leadership training programs, aimed at all levels of management. The "*Global* Leadership *Program (GLP)*". This blended, innovative, experience-based, human-centered program was designed by the Academy teams from different regions, with support from partners such as LinkedIn Learning, Gallup and Cornell. The program enables all employees to benefit from leadership training, suited to their roles, and to share the key elements of the Accor leadership culture. These training sessions are organized remotely, and give employees from different countries and businesses the opportunity to share this training together. This interactive program is translated into 19 languages and lasts between four and 10 months depending on the profiles involved. As at December 31, 2023, this training had been completed by more than 3,200 head office and hotel employees since its launch.

Promote integration of new employees

Accor recruits Talent from very diverse horizons, some are rookies with no prior hospitality industry experience. In this context, it is essential for the Group to make hospitality industry training courses available within very short timeframes.

In 2023, new easy, quick and highly visual e-learning training modules in business techniques were offered for hospitality industry basics such as making a bed or a cocktail. This online training is very beneficial for new employees who do not yet have any experience in hospitality.

In 2023, the *Heartist®* training module was overhauled to refocus the program on Group culture, and develop the feeling of belonging within the Accor Group. This module which lasts 2.5 hours will be integrated into the induction process for new employees.

A digital training program called Luxury Onboarding is offered to all employees joining Luxury brands within the Group to review the fundamental codes of luxury hospitality.

Apart from these programs, modules dedicated to the presentation of brand DNA and service culture are deployed for all employees joining a hotel/brand.

Amplifying the social elevator

The social ladder is already a reality at Accor and is also a lever for retaining talent. Employees with or without diplomas can progress and climb the ladder quickly. The Group's international presence, its portfolio of diversified brands and the tools made available to its teams (training, mentoring, sponsorship) help make this value proposition a reality on a daily basis. By way of example, 27% of hotel managers in the legal and voluntary scopes have no higher education qualifications.

Like every year, Accor conducted an engagement survey among its hotels in the legal and voluntary scopes. This reflected strong employee satisfaction with the support offered by their employer: "employees are satisfied with their professional support (development and training) regardless of their education level", shown by a score of 8.7/10.

Action plan

In 2023, Accor launched Reveal Talent, an international program for the hotels. This international program is dedicated to the career development of *Heartists®* with no higher education, to support them in assuming their first management roles or in moving to more senior positions if they are already managers. In this way, Accor seeks to guarantee equal opportunities by reducing the impact of diplomas on access to positions of responsibility. This program lasts between six and ten months and includes training sessions, mentoring and experience alongside managers. The first year of Reveal Talent brought together more than 370 participants.

Developing the leadership of tomorrow

As part of talent and performance management, a 360° assessment process was made available to hotels and head offices in 2022. This process allows employees concerned to build their own personalized, targeted career path. It is a transformational process through which employees receive confidential feedback of the perception of their leadership skills and abilities from those around them at work. This assessment enables the employee to exchange on areas of development with their manager and Talent & Culture contact, to define a personalized training program.

Two dedicated development programs for High-Potential employees were launched in 2023. These two programs are aimed at improving leadership skills and boost participants business knowledge, to give them visibility and direct contact with the Management Board, to develop their strengths and enable them to work as a team on a strategic project and, lastly, to expose them to an international environment.

- The HighPo program, dedicated to employees under 35 at Senior Manager or Manager levels (cohort of 14 employees). On top of focusing on areas of development, the specificity of this nine-month program is participation to the One Young World Summit, which enables the cohort to develop leadership as well as ethical/sustainability skills.
- The Strategic Global Leadership Program, dedicated to VPs and Hotel Managers (cohort of 20 employees). The highlight of this 10-month program is immersion in the Cornell University Campus in New York to build on their knowledge and strategic mindset.

Also, this year, the cohort of 30 international participants is taking part in the EVE inter-company event. The EVE program is a leadership seminar for women, with the objective of helping women break through the corporate glass ceiling. The EVE program is aimed at building strong and inspiring individuals, in sufficient numbers to enable them to enact change. Created in 2010 by Danone, EVE currently represents a community of more than 4,200 alumni from 30 partner companies, including Accor.

To prepare the leadership of tomorrow for the hotels, dedicated development programs for department managers have been implemented in each region. Bloom is a prime example:

In 2022, Accor launched a program for Department Heads positions in hotels. Entitled Bloom in Europe, this 12-18 month training program for managers was hugely successful. The major stages of this journey are the following:

- fundamental learnings which are mandatory for all participants (Bloomers) are based on four key themes: *Culture*, *Business*, *Leadership and Legal;*
- Pick & Choose modules built around four key themes: *Business, Hotel Management Strategy, Team Strategy Management, Personal Development.*

Immersions

Two three-month missions in two different hotels, based on two different themes: the first focused on "Customers and Teams", and the second on "the Hotel's Strategic Plan". Each Bloomer are required to roll-out a good practice in their hotel following these immersions.

Coaching

Eight hours of personal coaching with an outside partner to work on areas for development relating to the immersions.

Mentoring

With an internal Group contact, participants are guided to the right person to talk to. This mentoring enriches their networks, and enables them to benefit from the experience and best practices of an experienced mentor.

Raising employee awareness about sustainable development issues through the School for Change program

Global warming, the collapse of biodiversity or future social challenges are shaping the world's ecosystem, and impacting corporate strategy. All stakeholders are facing new external pressures and expectations: companies, candidates, investors, owners and customers.

This context has led Accor to place sustainability at the heart of its operating model. To drive this change and involve its teams in its contributive approach, the Group launched an innovative training program in 2022. Its objective: to make employees aware of the causes and consequences of climate change by making a common diagnosis based on scientific evidence.

School for Change is a global learning path, available online and on mobile, where every *Heartist®* can learn about the fundamentals of sustainability and find solutions to take action. Understanding and grasping the complexity of these issues is essential to make employees the actors and leaders of change and to give them the keys to integrate these developments into the operational roadmaps of all the departments. All over the world, all head office employees have been invited to attend School for Change, a mandatory six-hour training course on the themes of climate change, biodiversity, the depletion of natural resources and their impact on human societies, etc. The training was deployed in French, English and German, then in Portuguese, Spanish and Chinese, thanks to a network of 50 ambassadors.

In summer 2023, new additions were made to round out the training module:

- Accor's sustainable development strategy;
- better understanding of social commitments: Diversity, Equity & Inclusion and Human Rights

The vast majority of head office employees (93%) took this training in 2023. All new head office employees joining the group follow these compulsory training sessions to understand the significant challenges in terms of social and environmental responsibility right from their first steps at Accor.

Results

The training efforts made by the Group also allows to evaluate the means implemented to retain talent, the objective being that 100% of employees attend at least one training session per year.

In the legal scope, 19,085 employees were trained in 2023, *i.e.* 78% of the *Heartists®*, for 116,686 hours of training completed. 21% of training hours were provided by Accor managers.

In relation to the legal and voluntary scopes, this figure is 86%, representing 192,939 people trained and 6,173,950 training hours.

3.3.3.2 Piloting through the engagement survey

Context

The engagement survey is an excellent tool for taking the pulse of employees, assessing the sense of belonging and identifying areas for improvement in order to implement corrective measures. A strong employee engagement is an indicator of a healthy climate and a feeling of belonging to the Group. In contrast, a deterioration in engagement would represent a risk for Accor, with a possible impact on the quality of service for guests, on the rise in staff turnover, and on financial results.

Engagement is the complex result of several dimensions: corporate culture, management style, social climate, working conditions, recognition, compensation, etc.

While one of the Group's promises is to recognize the value of each employee and to make them proactive in their professional development, employees want to be better informed about the strategy, to be recognized professionally and to be able to make recommendations.

Policies

Managing employee engagement requires a robust measurement tool. For several years, Accor has conducted an annual engagement survey, enabling it to measure changes in engagement of its different employee populations and to have a general overview.

On this basis, the Group's Talent & Culture teams identified priorities that have an impact on the level of engagement and defined concrete action plans.

Action plan

In 2022, Accor changed the way it conducts the engagement survey.

The Group's annual engagement survey is based on a connected and autonomous tool. Global and worldwide, this online survey is anonymous and voluntary. Available in 35 languages, it is intended for all employees under the Accor banner with at least three months' seniority in the legal and voluntary scopes.

Through three questions on the level of engagement and 42 questions about the main drivers of engagement, the results help define action plans. Respondents gave each question a score between 0 and 10.

With instant access to results, hotel managers can track team participation.

The results for 2023 were positive, with little variation by department, age, seniority, position or management level.

In 2023

The 2023 survey of the legal and voluntary scopes reached 91% of respondents, a 2% increase relative to 2022.

The 2023 survey of head office employees reached 87% of respondents, a 1% increase compared with 2021, when the last head office survey was carried out.

Results

The results of the engagement survey are a good indicator of the Group's ability to retain and motivate its employees.

Scores from the 2023 hotel engagement survey were up:

- 163,648 of hotel employees (91%) expressed their opinions by completing the hotel engagement survey – including 1,588 hotel managers (81%);
- 664,032 comments were received, an average of 4 comments per employee;
- **the engagement score of *Heartists*® in hotels in the legal and voluntary scopes is 8.7/10;**
- **the engagement score of *Heartists*® in hotels in the legal scope is 8.5/10.**

Scores from the 2023 head office engagement survey were up:

- 5,075 of head office employees (88%) expressed their opinions by completing the head office engagement survey, up 0.1% compared with the survey carried out in 2021;
- 43,048 comments were received, an average of 8 comments per employee;
- the overall engagement score was 7.7/10.

3.3.3.3 Ensuring workplace health, safety and quality of life

Context

In the hotel sector and more generally in all the businesses and services of the Accor ecosystem, emotional balance is essential. Burnout is a major risk, especially in hotels, due to variable working hours, customer satisfaction requirements and sometimes difficult working conditions. Working conditions and work-life quality are a major focus of the Group's concerns.

Policies

In all areas of health, safety and quality of life at work and working conditions, Accor has a decentralized policy that complies with local legislation and obligations. The improvement of working conditions is therefore implemented at the regional and local level and in consultation with the hotel-owner partners, for their employees in order to:

- prevent accidents in the workplace, repetitive strain injuries and other work-related health and safety issues, by identifying risks and deploying specialized training modules;
- limit the impact of the hospitality business and its unusual working hours on employees' health and personal lives, to enhance Accor employer appeal and increase employee commitment;
- set up a work organization that is more agile while complying with each country's regulations in order to promote employee initiative, autonomy, and responsibility.

Local bodies, such as the Health, Safety and Working Conditions Commissions (CSSCT) in France, are also essential players in improving working conditions and preventing accidents and occupational illness.

Accor is also supported by experts, such as the occupational health department, to protect the health of its employees.

Action plan

Prevention of workplace accidents and illness

Although the claim frequency rate is average, the hospitality industry is not exempt from risks regarding health and occupational safety.

Accor pledges to identify and assess the short- and long-term risks associated with each business, department or workstation; Training courses are offered and may cover the risks that exist within the Group, such as 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.

In France, a risk assessment is carried out at each site for all departments, which is used to identify and categorize the risk and, where appropriate, suggest improvement plans.

Local managers are notably in the front line when it comes to health and safety and must seek to identify and mitigate risks on a daily basis and implement action plans to ensure safety in the workplace and improve working conditions.

In the Europe and North Africa (ENA) region, numerous "gestures and postures" and "heavy lifting" training courses are offered by the Accor Academy around the world to prevent the risk of injury. These training sessions, often carried out during the induction process but also throughout their professional lives, are designed for kitchen employees, members of technical and maintenance departments, waiting staff and housekeeping staff. These training sessions enable employees to practice the right gestures to preserve their health in work situations but also to learn more about the causes of back pain, to gain knowledge of vertebral physiology, identify harmful gestures in work situations and learn the right gestures and be aware of personal prevention tools.

Accor takes care to protect the health and safety of its employees and makes the appropriate training tools available to them.

Accor offers a broad range of training solutions (notably relative to health and safety, wellness and working conditions) addressing the needs of a large number of its employees: first-aid (workplace safety wardens), psychosocial risks (PSR), chronic diseases, nutrition, gender violence, AIDS/HIV prevention, sleep, managing emotions, etc.

Furthermore, preventive measures are taken notably with the intervention of ergonomists to provide advice when furniture is designed, hotels are renovated, and new room concepts and themed restaurants are created, etc. In France, for example, various equipment is gradually being introduced: motorized trolleys to refill minibars, trolleys with removable bases for breakfast trays, dishwashers with automatic safety housings, standing seats for receptionists, anti-fatigue mats in reception areas, and even hydraulic bed-lifting systems.

Accor does not have any quantitative indicators concerning occupational illness. Indeed, the notion of occupational illness, as understood in French law, is not applicable to all countries where the Group operates.

Workplace accidents in the legal scope

	2022	**2023**
Number of days of absence due to workplace accidents	4,370	7,465
Number of workplace accidents with lost time	616	2,158

The significant rise in the number of workplace accidents and associated days of absence is due to the increase in the number of employees in the catering sector, where the accident rate is structurally higher.

Lost-time injury rate and severity rate of workplace accidents

	2019	2020	2021	2022	**2023**
Lost-time injury rate*	1.26	0.22	0.94	1.56	0.85
Incident severity rate for workplace accidents*	0.10	0	0.08	0.1	0.05

* *Since 2018, the frequency and severity rates include only the head offices.*

Preventing stress and psychosocial risks

Psychosocial risks (PSRs) are defined as all risks to workers' physical and mental health. They are caused by employment conditions, factors related to work organization and labor relations. Various measures are in place to take psychosocial risks into consideration and adapt management methods. Questionnaires or e-learning courses are regularly offered concerning management and prevention of stress-related risks, but also working conditions and quality of life. These modules include work/life balance, aggression management and prevention, resilience and emotional management, etc. In addition, individual and group coaching is set up to support employees.

Listening and alert lines are defined locally. Specific medical follow-ups are set up with the occupational medicine department. In France, medical visits with the Occupational Health Department are proposed after an employee's long period of absence.

More specifically at the level of the Corporate France head office, in 2023 the focus was placed on the detection and prevention of PSRs which will continue in 2024. Accordingly, a compulsory webinar for all employees on PSRs in times of change, watched by 797 employees, was provided.

The company wanted to assist all employees in understanding the psychological and emotional mechanisms that take place during periods of change, as was the case with the implementation of the Turbo organization. As a result, in 2023, 26 manager workshops were held, with 128 managers participating. The managers took part in a compulsory interactive workshop on workload management. As part of the implementation of the Turbo project, management of priorities and the related workload was and continues to be of prime importance to guarantee the health and safety of the employees. This group workshop welcomed eight or fewer participants and was steered by psychologists with expertise in these areas. Managers worked on organizational methods to better prioritize, eliminate, automate, delegate and optimize the work of their teams. Furthermore, workshops with the CSE expert will take place to round out and fine-tune action plans and assistance for departments most exposed to psychosocial risks according to the survey carried out by the SEC. Overall, the results of the engagement survey carried out in fall 2023 fuel and confirm the relevance of targeted action plans.

Listening and support line system

Accor offers employees at its French head office personalized support in the event of professional and/or personal difficulties. This listening and support line is a free, independent and strictly confidential service. It offers both psychological support and managerial counselling. Bound by professional secrecy, the experts are mainly psychologists and are available 24/7.

Thus, for example, information on this listening measure is available on the intranet and provided to new employees when they are recruited. There is also a training platform to enable the avoidance of certain risks and to raise employee awareness.

Expansion of teleworking

Concerned about the well-being of its employees, Accor introduced a teleworking scheme in 2015, which has been continued and accelerated, particularly in France and Europe, for functions performed in the head offices and administrative and sales functions of certain hotels. A good work/life balance is indeed a strong employee expectation and significantly boosts appeal for employees. Employees who want to be able to work from home, at the office, in a hotel or in a remote venue. In 2022, the Group launched an experiment in hybrid working methods with the development of shared workspaces for certain departments at Group head office. This experiment was continued in 2023.

Development of sports activities

Accor has always promoted sporting activities with its employees and never more so than in 2023 as Accor is a premium partner for the Paris 2024 Olympic Games.

For example, the Paris head office in Issy-les-Moulineaux have a gym and equipped changing rooms to facilitate sports activities in the workplace.

Furthermore, a sports association is also present with six sports proposed (Cycling, Football, Golf, Tennis, Running and Yoga), which welcomes 140 members and carried out more than 120 training sessions, tournaments, and sports meetings. The sports association also takes part in many intra-company and inter-company sporting events or for charities. For example, the sports association organized a sporting event which brought people together with a bicycle trip from the Sequana head office to Evry. This event, which involved 46 employees, was organized in the spirit of sharing and fun, with, among other objectives, the promotion of soft mobility as well as physical exercise. Furthermore, the corporate head office developed a partnership with a network of sporting and wellness activities throughout France for employees via a subscription with no time commitment. 287 employees have signed up and 3,500 sessions were carried out over 12 months.

The development of sports activities has not been identified as a material risk for the Group.

3.3.3.4 Recognizing performance: compensation, profit-sharing and employee savings

Context

Recognition of performance through the compensation system is one of the levers of employee commitment. Accor defines a global compensation policy for employees in the legal and voluntary scopes (66% of the Group's total workforce). Each year, the Group participates in compensation surveys on the market in general, and the hotel market in particular, with nominated service providers in most of the countries in which it operates. This work enables the Group to establish compensation grids which are applied by the Talent & Culture managers to define the compensation of employees.

Policies and action plan

The compensation policy is based on five principles adapted to each country's specific practices:

- consider 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.

In order to ensure the proper application of its compensation policy, the Group organizes internal training sessions with the Talent & Culture community on the following topics: job classification and evaluation method, short-term and deferred compensation tools (performance shares), employee benefits, etc.

All base salaries (corresponding to the fixed part of the compensation) are reviewed annually. The basis for salary raises is defined locally, in accordance with the cost of living, market practices and annual results. Each local unit is tasked with properly managing its own payroll and with collecting the related data and analysis.

Management receives a base salary as well as variable compensation. They may also receive long-term compensation in the form of performance shares that are awarded based on potential and individual performance.

In France, in 2023, the target amounts of variable compensation were revised and harmonized to align them with market practices and in this way ensure greater transparency of the measure. In this connection, 560 head office employees benefited from partial reintegration of the variable portion of their compensation into their base salary. This approach is being deployed to all head offices in Europe.

Discretionary profit-sharing and employee savings in France

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 France, in 2023, employees received an average gross amount of €2,260 per person under the collective profit-sharing scheme.

In France, employees benefit from profit-sharing as part of a Group agreement including 16 companies for 2023. In 2023, 3,673 employees benefited from this scheme, worth approximately €904,406, *i.e.* an average gross amount per employee of €246.

Accor employees in France have access to a Corporate Savings Plan (PEEG) and a Group Retirement Savings Plan (PERCO). These vehicles enable employees to invest in different corporate mutual funds and benefit from a contribution from Accor. Note that, in 2022, the Group integrated a corporate mutual fund invested in shares of companies committed to limiting their impact on climate change.

The "Épargne Avenir" plan, introduced on January 1st, 2015, comes on top of the traditional Corporate Savings Plan (PEEG) and offers an exceptional matching contribution for a payment into a fund consisting solely of Accor shares. Its aim is to involve employees in the Group's development.

In 2023, 2,284 employees invested in a Corporate Savings Plan (PEEG) for savings purposes and 1,839 employees invested in a Group Retirement Savings Plan (PERCO) to top up their retirement income (including days of rest not taken). Among those who invested in 2023, 1,683 invested in the PEEG and the PERCO.

3.3.3.5 Maintaining an open social dialogue

Context

The quality of social dialogue is a key factor in strengthening internal cohesion and preventing and managing crises to which Accor may be exposed. The reorganizations, acquisitions and disposals that punctuate the Group's transformation, and the rapid evolution of working methods, can affect the involvement of teams.

The use of responsible practices, particularly in the context of restructuring, and open dialogue with social partners are essential to maintain internal communication and ensure the Group's competitiveness, both in terms of social guarantees for employees and in terms of additional resources granted to social partners so that they can carry out their employee representation missions.

In addition, in 1995, Accor signed an agreement with the International Union of Food Workers (IUF) on trade union rights, affirming its commitment to preserving employees' rights and the freedom and commitment of trade unions. In a spirit of continuity and social dialogue, Accor holds regular meetings with the IUF in order to deal upstream with situations that could be difficult in certain countries.

More particularly, at the level of Group head office functions, a trade union rights agreement exists, reinforces the rights of employee representatives and facilitates combining union representation duties with professional life. It also aims to guarantee union representatives equal treatment with other employees in access to promotions and careers.

In 2023, the Group reaffirmed its commitments in favor of social dialogue and freedom of association as part of its Human Rights Policy. This policy was presented to the bodies and was largely disseminated to all employees.

Governance

The European Works Council, set up on May 31, 1996, is co-chaired by the Chairman & Chief Executive Officer and an employee representative. The IUF (International Union of Food Workers) coordinates this body. The European Works Council meets at least twice a year and deals with the Group's organization, strategy and results as well as subjects of a transnational nature.

In the case of owned and leased hotels and head offices, social dialogue is ensured by local bodies in application of national laws. In France, the Group Committee (also an information and sharing body) brings together the national head offices and the subsidiaries twice a year.

In 2023, out of a consolidated scope of 92 countries and 2,126 hotels that responded to the questionnaire, 49% have an employee representation body in their hotels that meets regularly.

In addition, in 2023, out of a consolidated scope of 92 countries and 2,126 hotels that responded to the questionnaire, 54% of managed and franchised hotels are covered by a collective agreement specific to their activity or business lines, the provisions of which are more favorable than domestic laws.

Policies and action plan

The Group is reorganizing and optimizing its asset-light model to remain competitive in an intensely competitive environment. At the end of the second half of 2022, the Group's new transformation project, known as Turbo, began to provide information to the employee representative bodies wherever necessary. As of July 2022, social partners were informed in advance of this new project which concerns the entire Group. This reinforced social dialogue continued in 2023 with consultation of employee representative bodies at the level of the European entities notably.

The organization is being deployed and implemented in all regions. Furthermore, as part of the "Turbo" transformation project, specific entities dedicated to luxury were created.

Regarding France, in November 2023, a new employee representative consultation was launched on the planned creation of new legal Luxury entities to align the legal organization with the operational organization and the project to transfer the employees concerned. This project to reorganize the legal entities is accompanied by communication actions, with awareness raising and information, notably to support employees in coming to terms with the changes (PSR avoidance measures, etc.).

Main collective agreements signed in 2023 at the Corporate France head office:

- a mandatory annual agreement to support employees in dealing with inflation, with notably the payment of a value-sharing bonus;
- a new profit sharing agreement with the integration of a new indicator related to taking a diversity and inclusion course covering "identifying and fighting against racism at work" and "disabilities at work, how to adopt the right attitude";
- an extension agreement for terms of office of members of the SEC postponing the next professional elections to the second half of 2024;
- an extension to the employment and career path management agreement (GEPP) enabling the finalization of the presentation of business mappings at the Corporate head office;
- an amendment to the teleworking agreement enabling employees to benefit from up to 12 days of teleworking per month.

Main collective agreements signed in 2023 for France Operations

The agreements signed in 2023 are as follows:

- a mandatory annual agreement to support employees in dealing with inflation, with notably the payment of a value-sharing bonus;
- a new profit-sharing agreement, with the inclusion of a new indicator relating to following a training in cultural identity;
- an amendment to the teleworking agreement enabling employees to benefit from up to 12 days of teleworking per month;
- an extension agreement for terms of office of SEC members postponing the next professional elections to the second half of 2024;
- an agreement in favor of professional equality between women and men and quality of life at work within SMI.

3.3.4 *Promoting Diversity, Equity & Inclusion*

Context

Promoting Diversity, Equity & Inclusion is one of the Group's key drivers of performance, innovation, and ensuring job satisfaction. This is a historic and voluntary approach that was structured in 2007 and that has continued to grow over the years. It is also one of the founding principles of the Group's managerial ethics to fight against discrimination and all forms of inequality. Finally, it is a lever for attracting Talent, recruiting in a tight market and nurturing team commitment.

This proactive Diversity, Equity & Inclusion (DEI) approach is structured around four key pillars:

- gender diversity and equality;
- integrating people with disabilities;
- richness of social, ethnic and cultural diversity;
- inclusion of the LGBTQI+ community.

More generally, the Group firmly believes that diversity and inclusion are essential components of its performance because:

- being an open and inclusive company is a strength that fosters employee well-being and fulfillment, cultivates innovation and builds organizational resilience;
- it is a factor of innovation and success: independent studies converge on the importance of diversity and inclusion in the success of a group. The Harvard Business Review concluded that companies are 70% more likely to capture a new market if they are diversified;
- this is a growing criterion of appeal for employees, especially the younger generation.

The results of the 2023 employee engagement survey testify to Accor's efforts, with a score of 9.0 out of 10 on the question: "I am satisfied with Accor's efforts to support diversity and inclusion (e.g., in terms of gender, ethnicity, disability, socioeconomic status)".

Promoting inclusion

- **2007**: Signature of 1st agreement on diversity
- **2010**: Creation of online training on diversity
- **2011**: Global roll-out of the Diversity Charter, now called **"Diversity, Equity & Inclusion Commitment"**
- **2012**: Creation of WAAG network (Accor gender diversity network)
- **2015**: Signature of WEPS and involvement in the **HeForShe movement**, Impact 10x10x10 / Signature of **ILO**'s global business and disability charter
- **2016**: Implementation of a DEI Committee and **DEI champions** in the regions and brands
- **2018**: The WAAG network becomes **"RiiSE"** / Diversity integrated in **talent management processes**
- **2021**: Co-leader of the action coalition on **gender-based violence** convened by UN WOMEN / New DEI pillar: **LGBTQI+ Platinum Partnership** / Disability: member of ***The Valuable 500***
- **2022**: Signature of the ***ONEINTHREEWOMEN*** charter to put an end to gender-based violence
- **2023**: Creation of online training on **Diversity Equity & Inclusion** and on **gender-based violence**

The Group's commitments are structured on a global scale and translated into targeted local initiatives to best meet the specific needs of each community.

Throughout the year, Accor celebrates and raises awareness among its employees around key dates and events: International Women's Day on March 8, Accor Diversity, Equity & Inclusion Week in June, Pride Month in June, European Week for the Employment of People with Disabilities in November, International Day of Persons with Disabilities on December 3, etc.

Governance

The dedicated Diversity, Equity & Inclusion governance of the Group is built around an international community that meets every four months to share best practices and relay its commitments. The Group also ensures that Diversity, Equity & Inclusion are adopted at the highest managerial level, with the support of the Executive Management.

The Diversity, Equity & Inclusion community is structured around champions whose primary role is to roll out the strategy across regions and countries and to ensure that action plans are implemented.

Policies

The policy has been formalized in the Group's Diversity Commitment since 2011 and is translated into more than a dozen languages. It is divided into eight commitments which serve as the foundation of Accor's Diversity, Equity & Inclusion policy:

- to combat all forms of discrimination related to ethnic, social or cultural origin, gender and gender identity, age, physical characteristics or disability, as well as religious beliefs, sexual orientation, family status, trade union activities or any other criteria prohibited by law;
- to provide all employees the opportunity to succeed by placing skills at the heart of managerial and human resources policies, with the objective of welcoming, nurturing, and developing all talent in an equitable way;
- to 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;
- to disseminate Accor's commitments to promote Diversity, Equity & Inclusion by informing employees and all Group partners of the policy and actions implemented;
- to act as engaged diversity ambassadors with guests and Group partners (suppliers, hotel owners, investors, etc.) with the goal of fostering a shared ethics commitment;
- to integrate diversity in the service offerings by adapting to the diversity of guests;
- to encourage dialogue and assess initiatives while ensuring that Accor's management teams worldwide conduct in-depth diversity assessments based on internal opinion surveys, quantitative criteria, or qualitative findings;
- to report to the Group Executive Management on the diversity programs underway across the Group, to obtain the Committee's guidance and recommendations for pathways to improvement.

Accor relies on training and the implementation of best practices to promote diversity and combat stereotypes.

Over the years, many general and thematic tools have been developed. They provide access to reference documents and guidelines, allow for the understanding and mastery of these issues and promote practical application:

- the Group Diversity, Equity & Inclusion Intranet site;
- the Group Recruitment Charter;
- the Disability Guide;
- the ILO Business & Disability Charter;
- the guide for recruiters and managers "Recruitment Without Discrimination".

3.3.4.1 Gender diversity and equality

Context

The Group is committed to promoting parity between employees at all levels of the hierarchy, as this step is essential to achieving its diversity objectives. This commitment also allows the Group to attract and retain talent by focusing on diversity. *Heartists®* from all walks of life are united around strong common values: inclusion, trust and respect for the diversity of all.

Diversity and gender equality are one of the four key pillars of Accor's Diversity, Equity & Inclusion approach. The Group is committed to ensuring that no woman's ambitions are limited, restricted or capped through concrete commitments. It is particularly committed to promoting professional opportunities for women, with a strong desire for equal pay, representation and empowerment of women.

Policies

From 2015 to 2020, Accor was involved in the HeForShe solidarity movement led by UN Women, the United Nations entity dedicated to gender equality and the empowerment of women. For five years, the Group has made commitments regarding equal pay and the representation of women in management bodies. As part of this commitment, the Group has, since 2017, carried out an annual study of pay gaps.

In 2023, the salary gap for roles with comparable levels of responsibility was **1.2%**. This gap was calculated for 35 countries and 5,200 employees in head office and hotel management roles. As it is below than 5%, it is considered to be non-significantl.[1]

RiiSE, Accor's international diversity network with nearly 20,000 members, aims to make diversity a key lever for collective performance. To do this, it relies on transmission and empowerment (revealing the potential of Talent by guiding them, inspiring them and nurturing their personal development) and the elimination of all forms of discrimination, harassment or violence by helping, listening and acting to eradicate unacceptable behaviors.

(1) Additional information: see section 3.7.1.2

2023 priority: Women on governing bodies

The Group is pursuing a proactive policy. In 2021, Accor set ambitious targets, supported by dedicated action plans, to promote diversity and gender equality:

- women on the Group Executive Management: 40% by 2025;
- women on Management Committees: 45% by 2025;
- women hotel general managers: 40% by 2025.

Results

In 2023, 36% of the members of Accor's Group Executive Management were women.

The percentage of women on Management Committees worldwide as of December 31, 2023 was 42%.

This was in line with the target set in the short-term variable compensation plans. This indicator includes Group Executive Management members as well as the members of the Management Committees of Group Executive Management members.

The percentage of women hotel managers is 42% in the legal scope and 28% in the legal and voluntary scopes.

Percentage of women employees

	2020	2021	2022	2023
Total women	43%	42%	42%	42%
Female hotel managers (legal and voluntary scopes)	29%	30%	31%	28%

3.3.4.2 Violence against women

Context

The Group has made the prevention and the fight against gender-based violence one of its priorities. This is a natural extension of its businesses and activities: welcoming and caring for others.

Policies

Accor works with organizations involved in this fight: associations, governments, international or local organizations and coalitions. The Group acts to protect the dignity and safety of people, fundamental values for each *Heartist®*, thus demonstrating its ability to move the boundaries.

In December 2018, Accor, EY and L'Oréal created #StOpE, Stop Ordinary Sexism in the Workplace, the first inter-company movement with the goal of fighting so-called "ordinary" sexism at work. Numerous initiatives have resulted from this within Accor, for example, the deployment of online training sessions and targeted awareness campaigns to change behaviors, and communications campaigns supported by an Accor guide on sexism. Today, 270 organizations are part of the #StOpE movement in France.

In 2021, the Group joined one of the six Generation Equality Action Coalitions of UN Women Worldwide. Accor is the global co-leader of the Gender-based Violence Action Coalition, with a strong commitment to action on three key topics sexism, sexual harassment and domestic violence.

In December 2022, Accor also joined the first European network of companies committed to fighting violence against women: *OneInThreeWomen*, which name alludes to the fact that one woman in three is a victim of violence in her lifetime.

To raise awareness among international teams, Accor launched an online training course on gender-based violence, covering sexism, sexual harassment and domestic violence. It was initially launched at the Group head office in July 2022. It has been available since February 2023, for all employees worldwide (head offices and hotels). The course is available in over 15 languages, and attendance is regularly measured.

Action plan

More than 30 concrete initiatives have been identified and deployed around the world, including:

- **Brazil:** co-creation by Accor and the Avon Institute of the ACOLHE program for housing and training women victims of violence. Since 2021, the ALL *Heartist* Fund has financed temporary shelters, food baskets and social and psychological support. In August, 6,000 nights for 500 women and 700 children were funded. An internal hotline has been set up to support Accor employees who are victims of domestic violence;
- **United Kingdom:** Accor is a signatory partner of the Employer's Domestic Abuse Covenant to support women who are victims of domestic violence. As part of this partnership, Accor launched the For Women By Women mentoring program in 2021 to help these women develop skills that can make a lasting difference. The program includes workshops to encourage self-discovery, acceptance and resilience;

- **France:** Continued commitment to the *Fondation des Femmes* which promotes women's rights and the fight against violence against women. In 2022, Accor and Fondation des Femmes launched a platform dedicated to Abri d'urgence (Emergency Shelter), an initiative to house and provide safety for women and children who are victims of violence within Accor hotels. Financed by Accor, this platform should make it possible to provide emergency accommodation more quickly and more securely. The "Abri d'urgence" program is an extension of the emergency program set up by Accor during the Covid-19 pandemic, which provided access to hotel nights at cost;
- **Spain:** partnership with the French-Spanish association *Mujeres Avenir* and *Integra Fundation* since September 2022. A mentoring program has been set up to support women victims of violence and accompany them back to work;
- **Portugal:** economic support to a hostel located in the Lisbon area near Group hotels *(Casa Abrigo de Sintra)*. Accor contributes to improving the quality of life in the refuge with a space for children;
- **Australia and New Zealand:** implementation by Accor Pacific of a paid leave policy (20 days) for family and domestic violence. This policy is effective in all hotels, lounges and business units since October 2022. Additional support can be provided: flexible work arrangements, emergency accommodation, etc.;
- **Worldwide support:** support for Lila.help, a platform that publishes a worldwide directory of domestic and sexual violence support services.

3.3.4.3 Inclusion of people with disabilities

Context

The inclusion of people with disabilities is one of the four pillars of Accor's Diversity, Equity & Inclusion approach. Training and raising the awareness of all Talent in welcoming and integrating people with disabilities is essential to change the way people look at disability and to raise awareness of stereotypes, prejudices and decision-making biases. This allows to facilitate recruitment and promote the professional development of all employees with disabilities.

Policies

In 2015, Accor signed the Charter of the International Labour Organization's (ILO) "*Business and Disability*" Global Network. The Group is also a member of the *Valuable 500* global initiative, which aims to make the inclusion of people with disabilities an explicit part of the roadmap for multinational companies.

In France, the Group is a signatory of an agreement for the employment, inclusion, integration, retention and advancement in employment of people with disabilities. The actions are based on six major themes: developing employment, maintaining and changing jobs, access to vocational and skills training, increasing awareness, using companies in the sheltered sector and self-employed disabled workers, and supporting employees who are caregivers.

In France, the Group is also a signatory of the "Manifeste Inclusion", a Manifesto for the inclusion of people with disabilities in economic life and is committed to implementing a proactive policy.

Action plan

The Diversity, Equity & Inclusion team organizes several international events for *Heartists®* each year.

For the past five years, Accor has been offering volunteer *Heartists®* the opportunity to share their jobs and activities disabled people. First launched in France, this initiative became global with the World DuoDays. All employees in the head office or in the hotels have the opportunity to organize or participate in this event which took place from November 20 to December 3, 2023.

A collaboration between Mission Handicap[1] and the Procurement Department has been implemented to develop the use of the protected sector and adapted companies. All calls for tenders include a mention of diversity & inclusion, either directly or via co-contracting to the protected sector.

Accor is a member of the Business Collective and sponsor of the working group on inclusive procurement. In this respect, Accor has signed a manifesto to increase inclusive purchasing by 30%.

The Group is a partner of the GESAT network, a pool of 2,500 vocational rehabilitation centers (ESATs) and Adapted Businesses (EAs), that together have 170,000 disabled employees. Accor also works with Linklusion, a network of disabled self-employed workers.

The Group factors disabilities into its model: The brand standards have been adapted to include disability criteria and head office employees have received training on disabilities.

Accor is a Premium Partner for the Paris 2024 Olympic & Paralympic Games. This global event will provide an opportunity to improve the accessibility of hotels and the reception of customers with disabilities and to highlight the Group's commitment to inclusive and accessible games.

(1) *Accor France scope.*

To that end, a working group has been created with representatives from Accor's various business lines and disabled employees. Ambassador hotels have also been designated for the Paris 2024 Olympic and Paralympic Games. Major focus areas for action were defined:

- raising awareness of employees in France on how to welcome guests with disabilities via an e-learning module in video format;
- completing self-testing of all hotels in France to target the action plan and implement improvement actions with the help of a guide;
- certifying hotels with the recognized State label, *Tourisme & Handicap* (Tourism & Disabilities) as a guarantee of quality and autonomy for guests and a competitive advantage for hotels.

Lastly, the athlete team for Paris 2024 is made up of very committed athletes, such as Michael Jeremiasz, Group ambassador who contributes to promoting the hotel industry's commitments to accessibility.

Accor continues to develop the *Smart Room*: an innovative inclusive room

The *Smart Room*, accessible to a variety of disabilities, was designed by the Group's *Design & Innovation* department in collaboration with *Heartists*® with disabilities. It is now included in all technical specifications for Accor hotels. This room combines the best of functionality and design to offer an optimized welcome to all guests.

The Group is developing or encouraging numerous local initiatives:

- **in Greater China**, Accor has partnered with schools to offer an internship program for students with disabilities;
- **in Saudi Arabia**, local teams launched a pilot training and certification program in partnership with IBCCES, to educate teams on interacting with individuals with autism spectrum disorders;
- **in Brazil**, launched in 2023, the "My Inclusive Job" program by the government of São Paulo aims to promote the professional development, inclusion and maintenance in employment of people with disabilities, as well as offering technical and entrepreneurial qualification classes;
- **in France**, Accor is introducing a class of 15 work/study students with disabilities on digital businesses with the Simplon organization and also with the Thransition association in accommodation businesses, and with the *Apprentis d'Auteuil* for hospitality businesses.

Numerous awareness-raising actions to break down stereotypes and change the perception of disabilities have been carried out:

- organization of the Ensemble race with other companies, 5 km event disabled-valid;
- broadcast of the film "*Hors Normes*" at the head office and partnership with association, *Le Silence des Justes*;
- organization of round tables on the role of careers, returning to work after a long absence, neurodiversity and digital accessibility;
- broadcast of the "*Onze de légende*" and the "We Are People" documentaries;
- participation with a stand and Disabled Sports demonstration and contributions to roundtable at Inclusiv'Day;
- organization of a Foot'Inclusif event;
- involvement in the TousHanScène video challenge on disability;
- organization of sign language coffee breaks to discover the French sign language;
- involvement in DuoDay, with more than 100 Duos created in the head offices and hotels, starting with members of the Group Executive Management;
- partnership for a "Disability Referent" online course with a partner, so that employees can follow the course to develop their skills.

Several recruitment campaigns have been organized, including:

- the implementation of an interface between the recruitment site Accor Careers and specialist sites such as Agefiph in France;
- participation in numerous recruitment fairs dedicated to disabilities, online with Hello Handicap, Tremplin Handicap and Thalent Handicap and face-to-face with the Employment Forums on Disabilities & Sports by the French Handisport Federation.
- the mention in all recruitment offers of the possibility of communicating specific needs during recruitment interviews.

These actions resulted in the recruitment of people with disabilities.

Results

The rate of employment of people with disabilities at Accor in France, in the legal and voluntary scopes, was 4.38% in 2022, versus 3.5% on average in France in private companies.

In the legal and voluntary scopes internationally, the rate of employment of people with disabilities is 1%. The Group is aiming to double this rate.

3.3.4.4 Social, ethnic and cultural diversity

Context

As a major global employer with strong roots in the local economic fabric, Accor has an essential role to play in contributing to social, ethnic and cultural diversity. Around the world, teams are committed to implementing pioneering initiatives through mentoring programs, sponsorships and partnerships with associations to address the specific challenges and key priorities of each local community.

Policies and action plan

To make the hotel industry a social elevator and make a positive contribution to society, the Group is implementing the following initiatives:

- **in Australia**, Accor promotes the inclusion of Indigenous peoples in the *First Nations* employment program. More than 340 people from Indigenous communities are part of the Accor workforce;
- **in France**, Accor participates in the PaQte program (Pacte Avec les Quartiers pour Toutes les Entreprises) for the professional integration of young people from priority urban areas. In 2023, Accor welcomed 400 youths for a few days internships. Since 2018, the Group has hosted more than 2,600 youths on internships within the Group's head offices or hotels;
- **in Kenya**, the Group launched the Accor Kenya Youth Empowerment Program (AKYEP) in 2022, a six-month mentoring program at the Fairmont Mara Safari Club that hosts interns and young adults from local communities; In 2023, 11 people were trained in two Fairmont hotels in Kenya;
- Accor is also a member of the Refugees Are Talents collective, which recently became the steering committee of the *TENT France Coalition* and has established partnerships and initiatives (professional meetings, conferences, programs) to facilitate and promote the recruitment of refugees. Other local initiatives are also underway in Brazil, Australia, Portugal, France and Northern Europe to promote the inclusion of refugees;
- in 2023, Accor signed a partnership with SINGA, which aims to strengthen and encourage the entrepreneurial spirit of new arrivals (refugees and migrants), by promoting economic emancipation via the creation of companies in Europe.

3.3.4.5 Inclusion of the LGBTQI+ community

Context

In 2021, Accor officially incorporated LGBTQI+ inclusion as a new pillar of the Diversity, Equity & Inclusion strategy, reaffirming its commitments to the LGBTQI+ community to make every employee and guest feel welcome, safe, valued and equal.

Policies and action plan

The Group has made strong commitments to this community:

- **internationally**, Accor is a Platinum Partner of the IGLTA, the International LGBTQ+ Tourism Association. The Group has also supported the *United Nations' Global LGBTQI Standards of Conduct for Business* since 2018;
- **in South America**, Accor has played a pioneering role. As of 2017, the Group joined the *Fórum de Empresas e Direitos LGBTQI+* in Brazil, an organization aimed at promoting LGBTQI+ rights and their inclusion in companies. The initiative was followed by Argentina in 2018, Colombia the following year and more recently by Chile and Peru;
- **in Brazil**, the Group implemented LGBTQI+ friendly actions: pedagogical trainings, and an innovative transgender recruitment process to support this community. Accor has also been an official hotel partner since 2018 for the São Paulo Pride March. In 2023, the head office in Brazil received the HCR Certificate, which rewards companies engaged in favor of equality for LGBTQI+ people, by adopting policies and practices crucial to the integration of LGBTQI+ people in the workplace;
- **in France**, since June 2022, the first LGBTQI+ community and allies within Accor has been launched: an ERG (Employee Resource Group) called TOGETHER. Under the impetus of TOGETHER, a 10-week parental leave scheme has been made available to same-sex families in France since January 2022. The TOGETHER collective works closely with the DEI team on draft guides, awareness tools and organizing events, notably for key days;
- **in Pacific**, since October 2022, Accor has introduced a new gender identity policy in the workplace. Full-time employees can benefit from a support and coaching plan, up to 20 days of paid leave and up to 12 months of unpaid leave. They also have the ability to choose the uniform that best represents them, enter first and last name changes into Accor's information systems, and request additional training for managers and colleagues if needed.

This year, Accor took part in numerous Pride marches throughout the world: Lisbon, Milan, Munich, Madrid, Sydney, San Francisco, São Paulo, Athens, Mexico, Peru, Chile, Colombia, etc.

3.3.5 *Solidarity and support for local communities*

3.3.5.1 *Accor Heartist Solidarity* endowment Fund

Context

Making it possible for employees to work with local NGOs and associations on solidarity projects is a way of spreading hospitality from the heart, wherever the Group operates.

Since 2008, Accor, through its *Accor Heartist Solidarity* endowment fund, has been committed to supporting local communities. The projects supported have a direct and immediate impact, enabling strong links to be created with associations that act in favor of populations with broken social ties and in precarious situations. For employees, it is an opportunity to act in favor of the most disadvantaged, to participate in the life of local communities and to give meaning to their actions, which is one of the promises of the Group's employer brand.

Governance

The *Accor Heartist Solidarity* Endowment Fund has its own governance:

- a Board of Directors, chaired by the Group's Chairman and Chief Executive Officer, meets at least twice a year to approve strategy and projects over €20,000;
- a Selection Committee, made up of involved employees, meets several times a year to select projects under €20,000.

The endowment fund is managed by a team of three people. It commits €1,000,000 provided each year by Accor, supplemented by donations from employees and clients, which are themselves doubled by the Group, for a total budget of approximately €1,200,000 per year.

In line with the Group's Ethics and CSR Charter and the regulatory context of endowment funds, donations are directed to associations and NGOs, and control and compliance procedures make it possible to control the support provided.

Policies

The mission of the *Accor Heartist Solidarity* Endowment Fund is enshrined in its statutes: to support and help people in difficulty through social and professional integration. The fund also has a capacity to respond to humanitarian emergencies.

The selected projects are a way to act in favor of the general interest, with the objective of distilling solidarity to the greatest number of people and allowing each Accor employee to get involved. The endowment fund is in line with the Group's mission to provide a social elevator by promoting training, access to employment and entrepreneurship for the most vulnerable.

Action plan

2023 saw major natural disasters, including multiple earthquakes, in Turkey and Morocco. In support of the outpouring of generosity from *Heartists*® present on location, Accor *Heartist* Solidarity committed to contributing to the emergency response:

- in Turkey, the Fund initiated and carried out, from February 14, 2023, a collection of funds from employees of the Accor brand who wished to contribute their support. The amount collected, matched by Accor, enabled the payment of more than €146,000 to the UNHCR in favor of in-the-field actions to help victims.
- in Morocco, the response of the endowment Fund took the form of several different campaigns: a call for donations from *Heartists*®, a campaign offering ALL – Accor Live Limitless loyalty program members the possibility of contributing using their loyalty points, as well as direct support from the Fund via approval of an exceptional payment from the Board of Directors. All told, the contribution from the Fund enabled the provision of support of more than €180,000 to NGOs in the field, notably *SOS Villages d'Enfants* Morocco.

Focus on some of the projects supported by the endowment fund *Accor Heartist Solidarity in 2023*

Skola: creating encounters with young people alienated from the workplace and companies who want to recruit operational profiles in professions under pressure

This training program, imagined and driven by the Apprentis d'Auteuil since 2017, aims to create encounters with young people alienated from the workplace and companies who want to recruit operational profiles in professions under pressure. The structure sets up career paths dedicated to the targeted professions with short training sessions in real situations, reinforced socio-professional support and numerous encounters with the corporate world.

This project enabled the development of the Skola model applicable to the hospitality industry. An initial version of the project was rolled out in January 2022, involving a number of Accor teams involving numerous Accor teams active in employment and training in the Aix-Marseille metropolis. The program continued in 2023, providing support to two classes of 12 young people between 18 and 30, with the participation of hotels in the Marseille area.

Other projects were also supported in several countries

- in **Melbourne:** *Scarf* and the Pullman Melbourne work on the socio-professional integration of 40 new arrivals, offering them internships and setting up mentoring actions;
- in **Sao Paulo, Brazil:** the *Unibes* association trains and prepares the professional insertion of 80 young people from the favelas in hospitality industry jobs with the help of Accor teams;
- in **Cambodia:** Friends has set up a program to promote the professional insertion of 50 underprivileged people by offering them training in the Pnomh Penh & Siem Reap centers.

Results

More than 470 solidarity projects have been supported by the *Accor Heartist Solidarity* Fund over the past 15 years.

3.3.5.2 *All Heartist Fund*

Context

The ALL *Heartist* Fund was established in 2020 in the midst of the health crisis. The Group has taken proactive measures to support hotels, employees and partners in the face of the pandemic and successive lockdowns.

Governance

Each region has a budget allocation per category of need. This envelope is defined by the Group Steering Committee, which votes on the amount of the allocations, after validation by two members of the Group Management Board.

In order to manage in a structured and regular manner the requests for assistance received in the form of formalized files, each region has a local Steering Committee which is generally composed of the HR Director of the region, the Financial Director and the Legal Director.

Action plan

Initially created around three beneficiaries profiles, employees, individual partners and professionals involved in the field (medical staff in particular), the *All Heartist* Fund has expanded its scope of intervention to be able to support *Heartists*®directly hit by the consequences of exceptional events.

It is in this way that the *All Heartist* fund offered assistance to people who suffered from greater vulnerability following the pandemic. For example, it supports NGOs who help women victims of domestic violence.

In parallel, following the invasion of Ukraine in February 2022, the *All Heartist* Fund financially supports NGOs helping Ukrainian refugees as well as *Heartists*® directly impacted by the war via a direct financial endowment.

Results

At December 31, 2023:

- €36.6 million was funded to respond to more than 106,000 requests, of which €30.3 million (83%) allocated to employees in financial or medical difficulty;
- €1.4 million invested to fund 500 student interns.

Support to *Heartists*® financially impacted by natural disasters

Right at the start of 2023, following the earthquake in Turkey and Syria, the Board of Directors approved the proposal from the Chairman and Chief Executive Officer to open a new category to provide financial assistance to employee victims of natural disasters (loss of a loved one, destruction of homes, loss of jobs, etc.). During the year, this new category was activated for the *Heartists*® who were direct victims of disasters in Hawaii (fires at Maui) and in Morocco (earthquake in Marrakech).

3.3.5.3 Support for the local economy and culture

Context

Worldwide, the Group wants its business to benefit host territories and communities. Accor contributes greatly to the socio-economic development of the countries where it operates. Thus, one direct job created in a hotel supports four outside (at suppliers, in public services, etc.). 83% of the wealth created by hotel activity remains in the country where it is located.

Policies and action plan

A key event, *Solidarity Week* unites *Heartists*® around the same objective of sharing the values of humanity and solidarity through citizen initiatives: solidarity workshops, Christmas markets, clothing collections, charity lunches, snacks, donations, visits to associations, meal distributions, etc.

Internationally, a deployment kit is sent to local teams who are invited to organize a solidarity action alongside a local association. This year again, many initiatives were carried out and relayed on social media with the hashtag #AccorSolidarityWeek;

At the Group head office , an event was organized on the engagement theme, highlighting the work of *Heartist*® for Good, a volunteer platform set up in 2023 for employees. It was the opportunity for several associations to present their needs in terms of volunteers and the different actions they can accomplish with different populations: city youths, the homeless, people in difficulty, the unemployed, etc.

3.4 Acting ethically and responsibly with our stakeholders

3.4.1 Ethics and compliance: the foundation of Accor's activities

Context

Respect for business ethics, compliance and applicable laws and regulations are essential to preserve the sustainability of the Group's activities and its reputation.

Accor places integrity, trust and responsibility at the heart of its values and actions. To this end, the Group is deploying a compliance program applicable to all its activities and countries of operation.

Governance

The compliance program is supported by a network of Compliance Officers, reporting to the Head of Compliance. She reports to Accor's Chief Legal and Compliance Officer and Secretary of the Board of Directors, and has access to the Group's governance bodies. The compliance program is implemented in conjunction with the Ethics Committee, under the supervision of the Group Management Board and the Audit, Compliance and Risk Committee of the Board of Directors (see section 4.4.1).

Ethics Committee

The role of this Committee, which has been in existence since 2014, is to guide the Group in meeting its commitments in terms of business ethics and compliance, as well as in its social, societal and environmental responsibility. The bureau of the Committee is composed of the Group General Counsel and Board of Directors' Secretary, the Chief Talent & Culture Director and the Chief Sustainability Officer.

The position of Committee chair revolves among the bureau members. In 2023, the Chief Talent & Culture Officer, Steven Daines, chaired the Committee.

The composition of the Ethics Committee was restructured in 2023 to better represent the diversity of activities of the Group's two divisions.

The main missions of this Committee are to:

- make recommendations to the Group Management Board on ethics, compliance and sustainable development issues and monitor action plans;
- ensure compliance with the principles and practices set out in the Ethics and CSR Charter and all commitments and procedures;
- discuss any issues relating to ethical business conduct;
- analyzing any shortcomings and recommending specific additional controls if and where necessary;
- oversee the implementation of the Group's ethics, compliance and sustainable development procedures;
- monitoring the management of ethics-related whistleblowing and following up on related action plans, where necessary;
- review and monitor the ratings obtained from non-financial rating agencies.

This Committee meets on average every three months. In 2023, this work notably covered the human rights policy, the Responsible Procurement Charter, new regulatory obligations and the Group's purpose.

Network of Compliance Officers

The Compliance Managers and the Compliance team at the Group's head office are responsible for the seamless deployment of the compliance program across the Group. They are placed under the responsibility of the Compliance Director. The role of these experienced lawyers is to support the culture of business ethics, deploy policies and procedures and provide specific training. They are the privileged local interlocutors for all questions in this field.

Policies

Compliance program

The Group's policies and procedures apply to all its employees. Accor's Compliance program is aimed at preventing any conduct within the Group or through its partners that could intentionally or unintentionally expose it to legal action, damage its reputation or the lasting nature of its business.

This program has seven main components:

- a dedicated and centralized organization;
- periodic assessment of major risks;
- the implementation of appropriate policies and procedures;
- awareness-raising and training for employees and partners;
- a whistleblowing system open to all;
- internal controls and audits;
- disciplinary action for violations of the compliance program by the Group's employees.

While this system covers all the rules governing business ethics, Accor has identified four priority areas:

- preventing corruption;
- preventing conflicts of interest;
- respecting competition law;
- respecting international sanctions.

Ethics and CSR Charter

Accor's Ethics and CSR Charter sets out the Group's commitment to business ethics and sustainable development and provides a framework for its responsibility approach. It applies to all employees, *i.e.* permanent and occasional employees of Accor and its controlled companies. The Charter also applies to all full-time and part-time employees of properties operated under the Accor brand.

Rolled out in all the active locations, it is available internally on the various Group Intranets and externally on Accor's website.

The Ethics and CSR Charter is the founding document of the Group's compliance program. The following policies and procedures complement it:

- prevention of corruption and influence peddling;
- third-party assessment (*Know Your Counterparty*, KYC);
- sponsorship;
- donations and patronage;
- sponsorship;
- the Responsible Procurement Charter;
- managing conflicts of interest;
- managing Whistleblowing line;
- training in compliance.

Prevention of corruption-related risks and influence peddling

In the fight against corruption, the founding principle of Accor's policy is zero tolerance. The Group has implemented a dedicated system to prevent and detect corruption and influence peddling, based on:

- a mapping of corruption and influence peddling risks (see methodology in Risk Factors chapter 2);
- an anti-corruption code of conduct represented by the Group's Ethics and CSR Charter, which defines and illustrates the behaviors that could constitute acts of corruption and influence peddling specifying the conduct to be adopted in such a scenario;
- an internal warning system, with the *Accor Integrity Line*, available on Accor's Intranet site and via a permanently available link on the Internet (as described in section 3.5 – Vigilance plan);
- a system of training on risks of corruption and influence peddling, based both on a general e-learning module for all employees and on a classroom-style in-person training module for staff specifically exposed to these risks;
- third-party integrity assessment (KYC) procedures;
- accounting controls defined on the basis of the corruption risk map and its corruption scenarios, integrated into the Group's Internal Control framework;
- a control system, based on an internal control framework and an internal audit system. The latter participate in the prevention and identification of corruption risks through audits of certain processes or instruments considered potentially more exposed;
- and a system of disciplinary action specified by the rules of procedure to which the Ethics and CSR Charter is appended.

Action plan

In 2023, Accor carried out or continued the actions listed below.

Training in competition law

A training measure aimed at preventing restrictive competitive practices which is based on a general online training module for all employees.

Internal communications

Several communications targeted at all employees were published on the Accorlive internal social network in 2023, including:

- Compliance Week: between November 5th and November 11th 2023, Compliance and Business Ethics Week was the opportunity for companies for all over the world to recall their Compliance commitments;
- International Anti-Corruption Day, December 9th, 2023.

Results

As anti-corruption awareness is a key focus of its policy, Accor aims to maximize the number of employees trained.

Over the past three years, 54% of eligible employees within the legal scope[1] have completed the "Anti-corruption" online training course.

Changes in the use of the Accor Integrity Line alert line is another indicator monitored annually by the Group. **In 2023, the number of alerts submitted through the *Accor Integrity Line* whistleblowing hotline increased by 111% compared to 2022**. The increase in the volume of alerts since the implementation of the system reflects increased awareness of the warning line by employees and stakeholders.

3.4.1.1 Prevention in tax matters

Context

Worldwide, the Group's business generates significant taxes of various kinds. In addition to corporate income tax, Accor pays other taxes in its various host countries, such as local taxes, customs duties, stamp duties and social security contributions.

As a multinational company, Accor is committed to conducting its business in strict compliance with applicable tax regulations. Its first responsibility is to pay taxes and file related tax declarations in compliance with the deadlines established by the different tax authorities. Tax risks are managed to preserve the integrity and reputation of the Group.

Governance

Within Accor

The Group's Tax Department is responsible for coordinating the above best tax practices by introducing the appropriate audit mechanisms, rules and procedures to ensure compliance with the regulations in force.

The roll-out of these practices necessarily covers all the countries and territories where the Group operates and all the business activities carried out to enable coherent and consistent management of tax risks.

(1) Eligible employees within the legal scope are employees at the Group's head offices and the managers of hotel within the legal scope.

Relations with tax authorities

Accor also aspires to develop and maintain open, transparent and collaborative relations with tax and government authorities.

Whenever possible, Accor requests pre-approval on complex matters or with respect to transfer pricing policy. This same open and co-operative approach is also applied to the regular tax audits the Group is subject to in most countries where it operates.

Accor also participates either directly or via professional organizations, MEDEF, AFEP, IACF – *Institut des Avocats Conseils Fiscaux*, A3F *(Association Française des Femmes Fiscalistes),* in initiatives to improve legal certainty and encourage sustainable growth, with national and international legislators and governmental organizations.

Policies

Accor's tax policy is applicable to all Group entities. It sets out the guidelines and governance framework, subject to validation and adoption in accordance with local regulations. It complies with the Group's values and principles of commitment (team spirit, integrity, respect, openness, diversity), as well as its sustainable development policy and its Ethics and CSR Charter. It advocates a fiscally responsible attitude by ensuring that good practices are put in place to limit tax risks.

Through this policy, the Group aims to create value for its shareholders, guests, employees and any other relevant third parties. Accor also aspires to develop and maintain open, transparent and collaborative relations with tax and government authorities.

The Group tax policy is based on four pillars:

- tax compliance;
- tax risk management;
- assistance for operational functions;
- tax transparency.

Tax compliance

Accor ensures that the various entities comply with all international laws, regulations and treaties, and keeps a close watch on regulations. This involves filing the necessary tax returns and paying the taxes due on time.

Use of artificial structures with no link to the business activities of Group entities for the sole purpose of reducing the tax burden, avoiding taxation or hindering the work of tax administrations or tax authorities in each country is strictly prohibited by the tax policy applied by Accor.

Certain complex issues are also formally validated with external, independent, recognized and reputable tax advisors and, when possible and necessary, through correspondence with the relevant tax authorities (*i.e.*: use of advanced rulings or approval procedures).

Tax risk management

Tax risk management is handled by the Tax Department. This is managed by the Chief Tax Officer, who reports to the Deputy Chief Financial Officer, who in turn reports to the Chief Financial Officer.

The Tax Department works through a network of skilled employees worldwide. It ensures that they benefit from continuous training as well as requiring them to comply with the company's Ethics and CSR Charter and its procedures, like all other Group employees.

Tax risk is managed so that the reputation of Accor is protected. This means:

- complying with all applicable regulations and paying taxes;
- mitigating tax risk through fiscal monitoring and the use of external advisors when necessary. Thus, any reform that has an impact on the Group's activity is analyzed;
- closely monitoring tax audits and disputes.

In addition, the impacts that tax policy could have on the relationship between the Group and its stakeholders are studied and discussed by the Audit, Compliance and Risk Committee.

The Audit, Compliance & Risks Committee is responsible for the quality and completeness of financial disclosure and for managing the Group's risk exposure. It has oversight to ensure that the fiscal risks are fully understood. It is therefore periodically informed of the impacts that tax policy could have on the relationship between the Group and its stakeholders. The Internal Audit Department and the external auditors also monitor compliance with the policies and procedures in force and ensure that tax risks are managed within Accor.

Assistance for operational functions;

The Tax Department is organized around a central team which works closely with the operational teams. The Tax Department ensures that the most relevant tax options are implemented in accordance with the various regulations. As such, Accor promotes the analysis of financial, legal, accounting and commercial impacts that may arise pursuant to recurring and extraordinary operations through the introduction of appropriate means of communication between the different Departments.

In particular, the Group:

- ensures that investments and transactions which may have a considerable tax impact are correctly assessed in advance, and related financial, accounting, legal and tax impacts are documented appropriately;
- carries out audits and analysis of all transactions involving acquisitions of assets, entities and significant businesses to identify and monitor any potential tax risks;
- clearly defines the decision-making framework governing appropriate transfer pricing for all types of transactions, as well as the introduction of audit mechanisms to ensure that such transactions comply with the arm's length principle. Accor is committed to complying with transfer pricing documentation and reporting requirements in accordance with various tax laws. The Group ensures that its transfer pricing policy is regularly updated and reviewed in compliance with regulations in force and operating circumstances.

Tax transparency

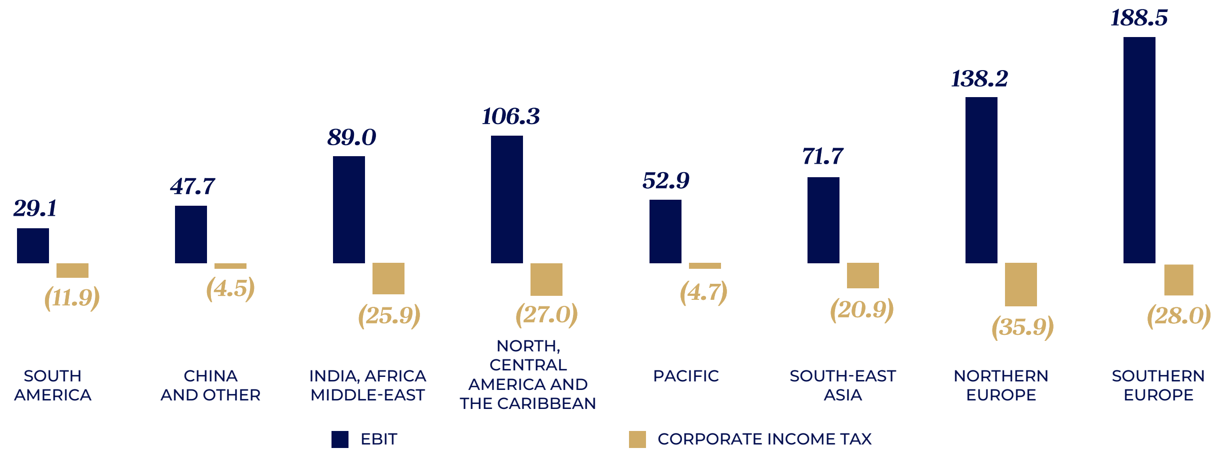
Accor complies with the international tax standards established by the OECD and ensures that its intercompany transactions comply with the arm's-length principle.

Furthermore, the Group meets its *Country-by-Country Reporting* (CBCR – Pillars 1 & 2) obligations and sends the required information to the French tax authorities in accordance with French law.

With respect to transfer pricing, Accor applies the principles defined by the Organization for Economic Co-operation and Development (OECD) and national regulatory bodies and seeks to apply pricing that reflects arm's length principles for all intra-company transactions. The Group's transfer pricing policy is documented and supported by economic analysis.

Accor books corporate income tax in line with IAS 12 – Income taxes.

Details of Accor's corporate income tax by geographical area
(€ in million)



Based on its consolidated net profit in December 31th, 2023, Accor recorded an income tax charge of €39 million, including a current tax charge of €141 million and a deferred tax income of €102 million. Therefore, the effective tax rate is 6.1%. In 2022, the tax gain totalled €76 million, *i.e.*, an effective tax rate of 17.8%.

As well as corporate income tax, Accor pays many other taxes and levies. Most of these are deducted from the profit generated by the Group as well as from the profit subject to corporate income tax. Accor also responds each year to the survey on mandatory levies conducted by the AFEP *(Association Française des Entreprises Privées)* in France.

In this respect, the Group favors a responsible attitude to taxation, taking into account the interests and the sustainable economic development of the territories in which it operates in compliance with local and international tax regulations. Tax risk is therefore not considered material for Accor.

3.4.1.2 Relations with public authorities

Context

Accor has relationships with the government and public authorities in most of its host countries.

This can take the form of a constructive and transparent contribution to the development of public policies on subjects relevant to the Group's activities.

Policies

The *lobbying* activities implemented by the Group are conducted within the framework of and in compliance with the OECD guidelines and French and European standards relating to the supervision of interest representation practices. They are developed in line with the principles underpinning its strategic actions and its sustainable development policies.

Accor has made the following commitments, which are included in its Ethics and CSR Charter:

- to have a voice to ensure that its position on topics of general interest affecting its business is 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 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.

The Group's positions are always expressed by the Chairman and Chief Executive Officer, members of the Executive Committee, members of the Public Affairs Department, and professional groups or organizations of which Accor is a member:

- on an international level: *World Travel Tourism Council* (WTTC), *European Hotel Forum* (EHF), *Hospitality Europe* (HOTREC);
- on a national level: Groupement National des Chaînes hôtelières (GNC), and the Union des Métiers et Industries de L'Hôtellerie (UMIH), Confédération des Acteurs du Tourisme (CAT), etc.

In addition, in France, under the law of December 9th, 2016 on transparency, combating bribery and economic modernization, Accor entered the names of its authorized spokespersons in the transparency register managed by the Haute Autorité pour la Transparence de la Vie Publique (the French authority for transparency in public life).

Lastly, in the context of the European Hotel Forum (EHF), the Group benefits from external assistance to manage relations with European institutions.

Action plan

In 2023, Accor accompanied growth in the tourism sector at the national level and worked with public authorities and professional organizations in implementing an ambitious public policy.

In particular, this was based on five aspects:

- the energy transition, which led the Group to launch the initiative with the hotel and restaurant industry and the government to monitor water consumption and adopt energy sobriety as well as supporting its establishments in dealing with the energy crisis;
- the appeal of sector professions, structurally under pressure and which require adaptations to regulations to reflect the profound changes in working habits that have occurred notably with the health crisis;
- participation in the implementation of fair competition with digital platforms, as the hospitality industry appears increasingly intermediated;
- the continued application of an engagement, inclusion and diversity policy, based on deploying numerous solidarity actions in favor of vulnerable populations;
- lastly, preparations for the Olympic and Paralympic Games in summer 2024, as part of a partnership between the Group and the Games and, given the weight of the national hotel industry, gathered pace in 2023.

Accor, through the European Hotel Forum and the professional bodies for the hotel sector, helped to promote the interests of the hotel industry to the European institutions, particularly in relation to online sales and intermediaries.

Finally, at the international level, the Group was involved in the governance of world tourism, through its commitment to the WTTC, and strengthened its joint work with public authorities in the countries where it operates, thanks in particular to support for the French diplomatic network. The principal cash contributions paid by Accor to industry organizations or professional federations are presented in the table below. The Group makes no payments to political parties.

Industry organizations or professional federations that receive funding *(in euro)*	2020 amounts	2021 amounts	2022 amounts	**2023 amounts**
Union des Métiers et des Industries de l'Hôtellerie – Groupement National des Chaînes Hôtelières (UMIH-GNC)	351,316	320,000	356,495	360,155
Alliance France Tourisme (network of companies from the tourism sector united to promote France as an attractive destination)	20,000	20,000	20,000	20,000
Association française des entreprises privées (AFEP)	N/A	N/A	77,000	77,000
QADRAN (Franco-Qatari economic circle)	N/A	N/A	40,000	40,000
Conseil français des Investisseurs en Afrique (CIAN)	N/A	N/A	10,000	10,000
Mouvement des entreprises de France (MEDEF)	N/A	N/A	10,000	10,000
Europe				
European Hotel Forum (EHF)	€120,000	60,000	N/A	
World				
World Travel & Tourism Council (WTTC)	40,000	40,000	42,000	42,000

3.4.2 *Protecting and securing data*

3.4.2.1 Protecting personal data

Context

In the course of its business, Accor collects and uses personal data, in particular that of customers staying in the Group's establishments, members of its loyalty or subscription programs, users of its websites or mobile applications, employees and contacts with its partners and suppliers.

The Ethics and CSR Charter sets out the Group's commitment to conduct its business while protecting personal data. The Group pledges to only collect and use such data in accordance with applicable regulations.

For Accor, whose head office is in France, this means complying with the European regulation on the subject, the General Data Protection Regulation (GDPR), but also taking into account all the other regulations on data protection that have developed widely around the world in recent years. California, Nevada, Brazil, Russia, Australia, China and other regions of the world have regulations which, under certain conditions, are also binding on the Group.

Violation of the obligations arising from these various regulations would expose the Group to financial penalties and could harm the continuity of its activities, its reputation and the confidence of the Group's customers and partners.

Policies

Accor has put in place an organization, policies, procedures and tools dedicated to the protection of personal data. The teams in charge of personal data protection also provide day-to-day support to project owners who use personal data to ensure that their activities are compliant.

Overall, the use of personal data in the Group must comply with 10 "golden rules" established on the basis of essential data protection principles and considered to be the common core of data protection regulations worldwide (purpose limitation, in other words, no subsequent use of data that is not compatible with the initial purpose, transparency, minimization of data, minimization of retention periods, security, integrity and confidentiality, etc.). These principles are recapped in Accor's Personal Data Protection Charter for guests, available on the Group's internet site and on the ALL – *Accor Live Limitless* mobile app, as well as on other Group brand sites. They are also applied to the processing of human resources data, which is the subject of a specific document (the Group's personal data protection charter for employees).

The measures and support are then implemented:

- **at the Group head office level**, to which the teams in charge of digital products and the main customer and member databases for loyalty and subscription programs belong in particular: a network of data protection champions has been set up within the various teams in order to raise their awareness over data protection issues and to disseminate the so-called "by default and by design" data protection approach;
- **at the subsidiary level:** support and compliance with policies and procedures in combination with local regulations are supported by a network of regional data protection coordinators;
- **at the level of managed and franchised hotels:** a dedicated platform is being deployed in Europe. It provides establishments with a methodology, tools and best practices to help them comply with their data protection obligations.

An online training course on the protection of personal data has been made available to employees in the legal and voluntary scopes.

Results

Accor monitors indicators relating to the management of people's rights. When a customer exercises one of their rights (access, deletion, rectification, opposition, etc.), a response must be provided within a period of time set by the regulations. In the first three quarters of 2023, this indicator showed that customer service teams processed and closed such requests in less than three days on average.

Accor would like to increase the number of employees who have taken the online data protection training course.

Over the last three years, 27% of eligible employees[1] within the Group's legal scope have completed the "Data Protection" online training course.

Milestones

In March 2019, the *Commission Nationale Informatique et Liberté* (CNIL), the French personal data protection authority, conducted an audit of Accor following complaints from European users who had received unsolicited commercial emails and failed to unsubscribe from these mailings. The authority questioned the Group and analyzed its practices regarding the management of commercial communications and respect for the rights of individuals with regard to their data (access to personal data or opposition to receiving commercial communications). This was done by means of a questionnaire, an on-site visit and a remote control of the all.accor.com website.

(1) *Eligible employees within the legal scope are employees at the Group's head offices and the managers of hotel within the legal scope.*

Following these investigations and an adversarial procedure, the CNIL imposed an administrative fine of €600,000 on Accor for several breaches of the GDPR and the Post and Electronic Communications Code. Accor teams were mobilized right from the start to respond to this audit. They drew up an action plan to correct the technical anomalies at the root of the customer complaints and to implement corrective measures: strengthening customer rights management procedures; changing the registration procedure for the ALL - *Accor Live Limitless* loyalty program in the hotels; and correcting all the points raised by the CNIL during its on-site visit or its online survey.

This action plan was executed during the procedure to ensure that the issues raised by the CNIL were all corrected. In the communication published on its website on August 17, 2022), the Commission stated: "The company has complied with all the deficiencies identified during the procedure".

3.4.2.2 Securing data and assets

Context

Accor's data protection and security policy does not only concern the protection of personal data, it also protects the Group's assets against the risk of computer attacks. Since 1998, Accor has had a Cybersecurity Department that has evolved over the years. It includes a department dedicated to infrastructure with a security operations center, another to applications, one to hotels and one to compliance.

Each year, Accor spends 5% of its technology budget on cybersecurity.

To guarantee the security of its digital assets, the Group has implemented governance, processes and security tools to protect Accor. The Cybersecurity division regularly conducts intrusion tests and makes employees aware of the need to adopt good habits through regular communication, awareness-raising and training.

This risk is also described in chapter 2 – Group Risks.

Policies

The cybersecurity policy is based on three pillars:

- prevent: with the implementation of specific measures;
- detect: attacks and phishing attempts;
- react: get employees in condition to act or block the attacks. Simulation exercises are organized regularly.

Action plan

In 2023, Accor implemented several actions to strengthen cybersecurity.

Crisis management exercise

A two-stage exercise was carried out at the level of the Management Board and the cybersecurity operating committee to determine Accor's resilience in the event of a cyber-crisis. A table-top exercise for management and tests in real time of the IT system were carried out.

Raising awareness of cybersecurity

This training is being rolled out for all employees. Cyberattacks are a major risk for the company and all employees have a role to play in preserving the company's IT security. The training will enable employees to:

- understand what ransomware is and how it works;
- increase their vigilance against potential threats;
- in the event of an attack, take appropriate measures to minimize its impact.

Fight against phishing

Every quarter, employees are subject to a phishing exercise to help them in detecting such threats more easily.

A specific "button" has been set up on email interfaces to facilitate sending an email to the cybersecurity teams and get their opinion on the actual risk of a malicious message. Every day, between 100 and 150 alerts are sent to the security operations center, of which 20 to 30% (*i.e.* 30 to 40 messages per day) turn out to be a phishing attempt.

Application Security

Security processes for software applications are verified by internal and external auditors through regular penetration tests. A test is performed before any software installation or connection with an external partner. If a problem is detected, the editor or partner must upgrade its software to ensure its security.

Results

In 2023, 168 security tests were conducted by the cybersecurity team, in addition to tests conducted by external providers. Major applications such as the ALL loyalty platform are tested two/three times a year. SOC 2 compliance (customer data security, information confidentiality, privacy) has been implemented on the loyalty program application. PCI-DSS (*Payment Card Industry Data Security Standard*) certification for the Raffles, Fairmont and Swisshotel hotels was obtained after a two-year process.

3.4.3 *Respect of human rights*

Context

Accor is extremely attentive to and committed to protecting the human rights of people involved or impacted by the Group's operations worldwide. To uphold and respect human rights in its business and sphere of influence, Accor applies the internationally recognized principles set out in the following documents:

- United Nations Universal Declaration of Human Rights;
- Declaration and fundamental conventions of the International Labour Organization on fundamental principles and rights at work;
- United Nations Guidelines on Business and Human Rights;
- United Nations Convention on Children's Rights.

Knowledge of and compliance with the law provide an essential framework for the Group's actions. In view of the ethical principles promoted by the Group and the sanctions incurred, Accor requires each employee and partner to adopt responsible behavior.

Accor also works with more than 4,000 nominated suppliers around the world. To assess the risks to which its value chain is exposed, the Group leverages compliance audits and assessments integrating human rights criteria. The alert and reporting mechanism also makes it possible to detect and deal with any potential malfunctions.

Policies

The Ethics and CSR Charter confirms Accor's commitment to respecting fundamental principles, particularly human rights and the health and safety of individuals. This Charter guides employees on the behaviors to adopt and the actions to take in accordance with the Group's rules. It applies to all employees.

To strengthen its commitments, Accor developed and published a human rights policy in 2023 and is working on deploying it across the Group. This policy clarifies and reaffirms the Group's commitments and defines its expectations with its commercial partners.

The Sustainable Development and Talent & Culture Departments are responsible for the human rights approach taken with employees, customers and communities based on the following commitments:

- preserving the right to freedom of association and collective bargaining
- rejecting child labor and combatting all forms of forced labor;
- respecting and promoting fundamental labor rights;
- fighting against human trafficking and child sexual exploitation;
- combating all forms of harassment;
- combating all forms of discrimination;
- guaranteeing the health and safety of employees and guests;
- respecting the privacy of employees and guests.

These risks are assessed on a country-by-country basis through the mapping carried out as part of the vigilance plan.

The Responsible Procurement Charter develops themes outlined in the Ethics and CSR Charter. It commits suppliers to respect working conditions, workers' rights and the implementation of Accor's commitments to human rights.

Protecting children from abuse

The Group is particularly sensitive to the fight against the sexual exploitation of children, as demonstrated by its WATCH (We Act Together for CHildren) program, and to respect for fundamental labor rights, and is continuing its efforts to strengthen its vigilance in this area.

Since 2006, attentive to the respect of Human Rights, Accor has been committed to the fight against the sexual exploitation of children in the tourism and travel sector by signing a partnership with ECPAT (*End Child Prostitution, Pornography and Trafficking of Children for Sexual Purposes*). This international non-governmental organization is composed of over 100 organizations in 95 countries.

The child protection approach has been strengthened with the implementation of the first employee training programs and the creation of the WATCH program in 2014. This program, created by Accor, aims at helping countries and hotels organize themselves to detect cases of sexual exploitation involving children and to be able to address them in the best possible conditions. It is based on training and educational resources geared toward hotels. It targets different groups including hotel managers, team leaders and employees, and it includes films, a training module for hotel teams and guidelines, available in nine languages. Hotels must complement this employee training with customer awareness of this issue.

Action plan

In 2023, the Group carried out the following actions, detailed in the vigilance plan in section 3.5:

- a new human rights policy was defined and disseminated to all Group employees. The human rights policy is also accessible via the Accor website;
- an e-learning training module on human rights was developed and made available to employees;

- several communication actions related to human rights and children's rights were launched to raise employees' awareness to Accor's commitments to human rights;
- discussions on the vigilance plan with the trade unions were carried out through exchanges with the Group's European Works Council. A training dedicated to the Council was organized on Accor's human rights commitments following the publication of the policy;
- an explanatory guide describing Accor's human rights commitments is being developed and will be communicated to hotels in early 2024.

Results

In 2023, a significant proportion of hotels that responded to the report in the Gaïa tool, *i.e.* 77% of the legal scope, 84% of the legal and voluntary scopes and 76% of the global scope, declared that they had implemented the WATCH program.

3.4.4 Responsible procurement chain

Context

Accor's activity and performance, both financial and non-financial, are closely linked to its partners: hotels under management agreements and franchise contracts, of course, but also suppliers.

In terms of procurement, the risk for the Group may relate to the purchase of products or services by head offices or hotels under the Accor brand:

- not from sustainable supply chains;
- provided by suppliers who do not comply with international ethical standards and conventions.

The Procurement Department plays consequently a major role in controlling this risk.

Governance

The Procurement Department is made up of approximately 230 employees[1] spread over nearly 30 purchasing offices[2] throughout the world. Its main missions consist of:

- control of Accor head office purchases (July 2023 negotiation of contracts for communication, marketing, IT, technology, etc. and implementation of tools for monitoring and optimizing head office procurement);
- nomination of products and services (over 100 procurement categories) for Accor hotels and other customers:
  - at local level by procurement offices,
  - at central level by a team in charge of negotiating international contracts.

The use of the Procurement Department's services is optional[3]. Accordingly:

- **purchases are considered as nominated** if made by Accor hotels and/or head offices with suppliers under a nomination agreement with Accor's Procurement Department (~50% of expenditure by Accor hotels worldwide);
- **purchases are considered non-nominated** if they are sourced outside the scope of these contracts and nominated suppliers.

The Procurement Department, through its offers, provides owners with:

- open access to a negotiated offer that enables savings or cost avoidance;
- centralization of the majority of hotels' needs on a single platform;
- guarantee of strict control of the supply chain.

Action plan

The Procurement Department is building a network of nominated suppliers selected on the basis of demanding criteria. Throughout the life of the contract, it regularly monitors compliance with these criteria, notably through a control plan.

Limiting the risks associated with nominated suppliers is based on:

- for Accor teams: procurement policies including strict criteria for selecting suppliers;
- for nominated suppliers: a supplier control plan consisting of a contractual Responsible Procurement Charter, and a supplier assessment and audit plan.

Procurement policies and control plan for nominated suppliers are adapted to the risk level of the Procurement categories covered by the suppliers.

Supplier risk mapping

Since 2022, the Group has leveraged supplier risk mapping on social, environmental, and ethical criteria to define a control plan for nominated suppliers.

This mapping assesses the procurement categories on 16 risks divided into five families (environment, human rights, working conditions, health and safety, and ethics) and resulted in the classification of the 104 procurement categories into three risk levels: "Low risk", "High risk" and "Very high risk".

Nominated suppliers by category in 2023:

- "Low risk" categories: 27% of nominated suppliers.
- "High risk" categories: 36% of nominated suppliers.
- "Very high risk" categories: 37% of nominated suppliers.

(1) *Permanent and filled positions as of December 31, 2023.*
(2) *Purchasing offices are countries where at least one Purchasing employee is present.*
(3) *Special note on AccorInvest hotels: these properties are required to use the services of the Procurement Department over any other central service as stipulated in the Procurement Service Agreement running through 2026.*

Supplier selection process

Two Procurement policies define precisely the controls to be applied when selecting suppliers in order to limit financial, ethical and CSR risks and to contribute to the Group's commitments:

- for head office procurement: a procurement policy for the Procurement Department and all head office teams. In 2023, this Procurement policy was updated in order to reflect the Group's new organization and was extended to all Accor head offices (Sequana and global head offices);
- for hotel procurement: a procurement policy for the Procurement Department's teams for the supplier selection and nomination.

An online training program for the purchasing teams on the supplier nomination process is scheduled for 2024.

Nominated supplier control plan

Since 2022, the Group has expanded the control plan for its nominated suppliers, based on the new risk mapping of the Procurement categories described in the section on mapping supplier and subcontractor risks.

This plan includes several levels of control:

- **The commitment of all nominated suppliers by:**
  - **signing the Responsible Procurement Charter (or equivalent[1])**, formalizing the commitments expected by Accor from nominated suppliers in terms of ethics, respect for human rights, protection of employee rights, respect for the environment and compliance with applicable laws and regulations, regardless of their location, volume of business with Accor and category of referenced solutions. This Charter, attached to the nomination contracts, is a contractual obligation.

    In 2023, a new reinforced version of the Responsible Procurement Charter (formerly the procurement 21 Charter) in terms of ethics, human rights and the environment was rolled out to all Group procurement departments and communicated to all nominated suppliers for application. This new version replaces its previous version and is attached to nomination contracts signed since May 1, 2023.
  - **signing contractual clauses**, which specifically cover environmental and social obligations and, in particular, compel nominated suppliers to carry out evaluations or audits at Accor's request;
- **The evaluation of nominated suppliers qualified as "Very high risk" or "High risk" and whose business volume with Accor exceeds €30,000 per year:**

  This environmental, social and ethical assessment (including a carbon module) is carried out by a third party (EcoVadis) on the basis of a questionnaire tailored to the size and business sector of the supplier. The CSR performance of nominated suppliers is measured according to the quality of their answers to the questionnaire and the examination of the supporting documents they provide.
- **The audit of nominated suppliers qualified as "Very high risk" and whose business volume with Accor exceeds €30, 000 per year:**

  Nominated suppliers deemed "Very high risk" with an EcoVadis score below 43/100 undergo an on-site audit by a third party (Intertek or Bureau Veritas depending on the country). This audit is based on a framework that covers six criteria: labor law, working conditions, health and safety, management system, ethics and the environment. Depending on the non-compliance issues identified during the audit, the supplier is asked to implement a corrective action plan, which is monitored.

Beyond this supplier control plan, the Procurement Department has implemented specific controls related to the Group's commitments:

- **"responsible subcontracting" specific audits in Southern Europe:**

  In support of the responsible subcontracting offer made available to establishments in Southern Europe, a special control plan has been set up for all nominated cleaning companies. This control plan includes a category-specific framework and a higher frequency of control and monitoring;
- **evaluation of the carbon maturity of a panel of nominated suppliers:**

  Since 2021, the Procurement Department has questioned almost 500 of its nominated suppliers in the most carbon-intensive purchasing categories about their carbon reduction actions, through the CDP *(Carbon Disclosure Project)* questionnaire. In 2023, 51% of suppliers surveyed responded to the questionnaire (+10% vs. 2022).

In addition to this approach, the Procurement Department has stepped up the measurement of these indicators by strengthening the EcoVadis questionnaire with a dedicated carbon module since June 2022, which enabled the assessment of the carbon-related performance of over 700 suppliers.

(1) *Procurement 21 Charter, or supplier code of conduct that complies with the items covered by Accor's Responsible Procurement Charter.*

Guide to non-nominated purchases

Concerning non-nominated purchases, best practices have been shared with the hotels so that they comply with Accor's procurement standards. At the launch of the Group's Human Rights policy, **a procurement guide** was communicated to all hotels to assist them in purchasing from suppliers respecting the regulations, responsibly and in total security. The aim of this guide is to describe all the risks and guidelines to guarantee better control of the supply chain. The responsible procurement charter was also included with the procurement guide.

Sector initiative

In October 2023, **Accor co-founded HARP** (the Hospitality Alliance for Responsible Procurement) with four global hotel groups (Marriott, Hilton, IHG and Radisson) and two specialized hotel purchasing organizations (Avendra and Entegra), piloted by EcoVadis. The goal of this sector initiative which brings together companies faced with similar challenges in terms of CSR, is to improve the social and environmental performance of the hotel industry supply chain. Decarbonizing the supply chain and respecting human rights have been collectively defined as HARP's two priorities for the next two years, 2024 and 2025.

Results

Procurement policies

- Head office procurement policy: the document was made available to all head office employees.
- Procurement policy for the Procurement Department's teams in order to select and list the suppliers: the document was made available to all Procurement Department employees.

Supplier control plan

Four indicators measure the deployment rate of the nominated suppliers' control plan:

Indicators	Scope of reporting	**Progress on the New 2022-2025 Plan** *(Objective: 100% by 2025)*
Percentage of nominated suppliers committed to complying with the Responsible Procurement Charter (or equivalent[1])	All nominated suppliers	100%
Percentage of nominated suppliers having conducted a valid EcoVadis evaluation (within last three years) or equivalent	"High risk" and "Very high risk" nominated suppliers with Accor business volume over €30,000	38%
Percentage of nominated suppliers that have undergone an external audit	"Very high risk" nominated suppliers with an EcoVadis score under 43/100	26% completed + 37% in progress
Percentage of action plans followed after identification of major non-compliance	"High risk" and "Very high risk" nominated suppliers	100%

(1) Procurement 21 Charter, or supplier code of conduct that complies with the items covered by Accor's Responsible Procurement Charter.

For the Ethics and CSR risk management process, the overall rate of completion of the 2022-2025 plan reached **56%** at the end of 2023.

Indicators	Scope of reporting	2022-2025 Plan
Percentage of nominated suppliers for which the Ethics and CSR risk management process is deployed[1]	All nominated suppliers	56%

(1) Percentage of suppliers abiding by the control plan described in the "Responsible procurement chain of the nominated supplier control plan" section.

Overview of control approach

Below is a summary of the various controls put in place by the Procurement Department for nominated suppliers, according to the risk of the category addressed:

<table>
<tr><th>STAGES</th><th>LOW-RISK PURCHASE CATEGORIES</th><th>HIGH-RISK PURCHASE CATEGORIES</th><th>VERY HIGH-RISK PURCHASE CATEGORIES</th></tr>
<tr><td>CALL FOR TENDERS</td><td colspan="3">• CSR criteria integrated into specifications
• Responsible Procurement Charter communicated
• CSR clause included in the call for tender</td></tr>
<tr><td>SELECTION</td><td colspan="3">• The supplier signs the Responsible Procurement Charter
• Assessment/Comparison of suppliers on CSR criteria
• Financial valuation (solvency and risk of dependency)
• Launch of KYC process</td></tr>
<tr><td rowspan="3">CONTRACTS</td><td></td><td colspan="2">• EcoVadis assessment before contract signing</td></tr>
<tr><td colspan="3">• CSR clause included in the contract
• Responsible Procurement Charter appended to the contract
• Control and monitoring of financial health and verification of the dependency rate on the publication of company statements of financial position</td></tr>
<tr><td>-</td><td colspan="2">• Default Action Plan</td></tr>
<tr><td>EVALUATION OVER THE LIFE OF THE CONTRACT</td><td>-</td><td colspan="2">• Reassessment based on CSR criteria (validity period set by Accor: three years)
• Action plan
• Control and monitoring of financial health</td></tr>
<tr><td>ON-SITE AUDIT</td><td>-</td><td>-</td><td>• According to the EcoVadis questionnaire rating: planning a third party audit based on the dedicated framework</td></tr>
<tr><td rowspan="2">ACTION PLAN AND FOLLOW-UP</td><td rowspan="2">-</td><td colspan="2">• Follow-up on action plan after evaluation and audits</td></tr>
<tr><td>-</td><td>• Re-audit in case of major non-compliance</td></tr>
<tr><td>APPROVAL PROCESS</td><td colspan="3">• Dereferencing envisaged in the event of significant non-compliance, with no action plans</td></tr>
</table>

3.5 Vigilance plan

Accor has drawn up a vigilance plan in accordance with French law no. 2017-399 of 27 March 2017 on the duty of vigilance of parent companies and contractors.

This plan includes vigilance measures to identify risks and prevent serious harm to:

- human rights and fundamental freedoms;
- individual health and safety;
- environmental protection and biodiversity preservation.

3.5.1 Governance

In 2022, governance regarding the duty of vigilance was formalized with the establishment of a Vigilance Committee. This Committee brings together the departments mainly concerned: Procurement, Risks, Talent & Culture, Human rights, Internal audit, Sustainable development and Security. Governance is led by the Legal and Compliance Department.

The Vigilance Committee's mission is to monitor and control the commitments made by the Group with regard to its vigilance obligations. It meets once a month on average. This Committee reports to the Ethics Committee.

3.5.2 Risk mapping

Human rights risks

Accor updated its mapping of human rights risks in 2022. Each risk is rated using two four-tier scales based on its likelihood and the intensity of its potential impacts (environmental, financial, human, or reputation).

The likelihood scale takes account of the probability of the risk occurring (by using *Verisk Maplecroft* country risk indexes) and the number of hotels at the sites exposed. The impact scale takes into account the extent of the negative consequences of the risk and the degree to which Accor would be responsible for these consequences.

In 2022, the Group included the Accor-branded hotels in the risk assessment process by sending a human rights questionnaire to all hotels with three objectives:

- classify six key risks according to their local prevalence (health and safety, forced labor, discrimination, living conditions and housing, illegal activities, child abuse and child labor);
- assess the relevance and efficiency of the roll-out of the risk management measures proposed by the Group and local familiarity with the whistleblowing hotline; and
- identify local best practices that can be reproduced more broadly across the Group.

The lessons learned from the questionnaires that were returned (approximately 900) showed that health and safety risks are a priority for the hotels (musculoskeletal disorders linked to uncomfortable postures and tasks), followed by discrimination and forced labor risks.

The responses to the questionnaire were used to assess and rank the risks in the Group's host countries, and determine which risk management measures have already been implemented and which ones still need to be rolled out.

Environmental risks

The Group Risk Department is responsible for the identification, assessment and management of climate risk, in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and presents its analysis to the Group Risk Committee.

A detailed, in-depth mapping of climate change-related risks was completed in 2021. This risk mapping enabled the identification of physical risks and their probable consequences in a world with global warming of 4°C by 2100 (IPCC RCP 8.5), as well as the transition risks and opportunities for a global scenario limited to 1.5°C by 2100 (IPCC RCP 2.6).

In 2022, this first study was updated and broken down at the hotel level.

Supplier and subcontractor risks

To meet the Group's commitments, a plan was devised for more effective control over its nominated supplier solutions based on a map of suppliers' environmental, social and ethics risks.

This risk mapping assesses the Procurement categories on 16 risks divided into five families (environment, human rights, working conditions, health and safety and ethics) and resulted in the classification of the 104 Procurement categories into three risk levels: "Low risk", "High risk" and "Very high risk".

A risk management process is defined enabling specific controls to be triggered at nominated suppliers according to the level of risk identified.

3.5.3 Human rights policy

The Group is extremely attentive to and committed to protecting the human rights of people involved or impacted by Accor's activities worldwide. To uphold and respect human rights in its business and sphere of influence, Accor applies the internationally recognized principles set out in the following documents:

- United Nations Universal Declaration of Human Rights;
- Declaration and fundamental conventions of the International Labour Organization on fundamental principles and rights at work;
- United Nations Guidelines on Business and Human Rights;
- United Nations Convention on Children's Rights.

The Ethics and CSR Charter confirms Accor's commitment to respecting fundamental principles, particularly human rights and the health and safety of individuals. To strengthen its commitments, Accor developed and published a human rights policy in 2023 and is working on deploying it across the Group.

This policy was developped in consultation with members of the Vigilance Committee, members of the Ethics Committee, as well as labor organizations through discussions with the Group's European Works Council. It clarifies and reaffirms the Group's commitments and defines the Group's expectations of its business partners to respect the rights of employees, customers and local communities through the following principles:

- preserving the right to freedom of association and collective bargaining;
- rejecting child labor and combatting all forms of forced labor;
- respecting and promoting fundamental labor rights;
- fighting against human trafficking and child sexual exploitation;
- combating all forms of harassment;
- combating all forms of discrimination;
- guaranteeing the health and safety of employees and guests;
- respecting the privacy of employees and guests.

The policy was presented to the social partners at the European Committee meetings on July 7 and November 23, 2023, and was subsequently circulated to all employees. Awareness-raising sessions were organized for targeted audiences to explain Accor's commitments. The policy has been published on the intranet site for access by head office and hotel staff. It was also published on the Accor website. Training and communication initiatives related to the Human Rights Policy will continue in 2024 to raise employee awareness of our commitments in this area.

3.5.4 Report on the effective implementation of the Vigilance Plan in 2023

Scope of plan roll-out

The Vigilance Plan covers all Accor business activities at all its locations around the world, as well as those of the subcontractors and suppliers with which it has an established business relationship.

The Talent & Culture, Legal & Compliance and Sustainable Development policies apply differently to Group employees and to persons employed by managed hotels and franchised hotels. Indeed, they are directly and automatically binding on all employees of the Group and its subsidiaries through the mere principle of subordination. However, in order to produce the same effects on other employees, they must first be adopted on a voluntary basis and their principles transposed into the specific charters and rules of the managed and franchised hotels which employ them.

Therefore, the steps taken in terms of the duty of vigilance are sometimes different. Accor's social model and policy implementation are discussed in section 3.3.

3.5.4.1 Risk prevention measures for the Group and its subsidiaries

Human rights and fundamental freedoms

Forced labor

Governance

The fight against forced labor is a priority in Accor's human rights approach. This is based on a group-wide approach involving the various functions and business lines, which integrate human rights considerations into the Group's relevant policies and processes. The Sustainable Development and Talent & Culture Departments steer this approach, relying on their networks in the divisions to deploy the human rights and forced labor approach.

Policies

- Ethics and CSR Charter;
- Human rights policy;
- Accor Integrity Line whistleblowing hotline;
- Responsible Procurement Charter.

Prevention measures

The human rights risk assessment exercise identified the risk of forced labor as a priority for hotels, as well as the geographical areas to prioritize in the deployment of the Human Rights Policy. The Group is working on the definition of action plans that take into account vulnerable populations in the sector, such as migrant workers, children and local communities, in order to implement targeted actions to prevent and address potential negative impacts.

In addition to its communication and awareness-raising initiatives about the new Human Rights Policy, Accor developed an online training module on human rights to make employees aware of the Group's commitments, enable them to identify risky situations and report them to the people concerned. An explanatory guide for hotels is currently being developed and will be distributed to hotels early 2024. It will aim at raising awareness on human rights and forced labor issues and describing how these are reflected in their activities.

Accor is also a member of the Sustainability Hospitality Alliance, and is part of a working group dedicated to human rights in order to exchange ideas with its peers on these issues and work towards finding common solutions to address the risks linked to human rights and forced labor in the hospitality sector.

The Group expects its suppliers to follow and respect the same human rights principles in their activities. As a reminder of these principles and to limit the risks within their supply chain, Accor has published a Purchasing Guide for hotels that includes commitments related to human rights and forced labor. An internal audit has also been carried out to assess the implementation of these principles with the nominated suppliers.

Individual health and safety

The health and safety of employees and guests is a top priority. The procedures and measures initiated by the Group are known and implemented in all of its host countries.

Governance

The Group's organization and governance in the area of individual health and safety are decentralized and aligned with local laws. Thus, the improvement of working conditions is managed at the local level and in consultation with the hotel-owner partners.

Policies

- assistance and whistleblowing line;
- Ethics and CSR Charter;
- ALLSAFE health protocol rolled out to hotels.

Prevention measures

In accordance with local legislation, the Group ensures that occupational risk assessment and prevention procedures are in place in its hotels.

Numerous "Gestures and postures" training courses are offered by the Accor Academy around the world to prevent the risk of injury. Often provided as part of the induction process, the modules are adapted to suit the specific needs of kitchen, technical services and housekeeping staff.

Various measures are deployed to take psychosocial risks into consideration and adapt management methods. Questionnaires and e-learning courses are regularly offered to address the management and prevention of stress-related risks, as well as working conditions and quality of life.

Discrimination

Accor is committed to fighting all forms of discrimination, whether it is based on ethnic, social or cultural origin, gender and gender identity, age, physical characteristics or disability, religious beliefs, sexual orientation, family status, union membership or any other criteria prohibited by law.

To limit this risk and educate employees in the countries that are home to its hotels, the Group has rolled out several tools, including:

- the Group Diversity, Equity & Inclusion Intranet site;
- the Diversity, Equity & Inclusion glossary;
- the Group Recruitment Charter;
- the Disability Guide;
- the ILO Business & Disability Charter;
- the guide for recruiters and managers "Recruitment Without Discrimination".

Governance

Diversity, Equity & Inclusion champions are tasked with deploying the strategy and action plans in the various regions where the Group operates. The Group also has dedicated Diversity, Equity & Inclusion governance built around an international community, the RiiSE network, that meets every three months to share best practices and relay its commitments.

Policies

- the Group Diversity, Equity & Inclusion Commitment has been translated into more than 13 languages and is divided into eight sub-commitments;
- the RiiSE network – Accor's international network to promote diversity;
- the Ethics and CSR Charter;
- Accor Integrity Line whistleblowing hotline;
- numerous sector-wide commitments.

Prevention measures

Throughout 2023, the Group instated various measures, including:

- inclusion of people with disabilities: all employees at the head offices and hotels were able to organize or take part in the *Accor World DuoDays*. Accor offers interested employees the opportunity to share their jobs and missions with people with disabilities for a day;
- LGBTQI+ community: in June 2022, the Group's head office officially launched an ERG (Employee Resource Group) called *TOGETHER,* the first community for LGBTQI+ persons and their allies at Accor. Under the impetus of *TOGETHER,* a 10-week parental leave has been offered in France to same-sex families since January 2022. In 2023, various awareness-raising actions were put in place such as roundtables and a guide to LGBTQI+ diversities was made available to employees;
- job placement for young people: in France, Accor participates in the PaQte program for the professional integration of young people from priority areas. Since 2018, the Group has hosted more than 2,600 youths on internships at Group head offices or hotels.

The Group is also pursuing several local initiatives in its host countries to encourage the hiring of people with disabilities, the professional integration of young people and interns and job access for local workers.

Bullying, sexual harassment and gender-based violence

Accor is working to combat all forms of bullying and sexual harassment. Accor is particularly involved in the fight against gender-based violence. Since 2021, Accor is co-leader on the Generation Equality Action Coalition on Gender-Based Violence formed by UN Women.

Prevention measures

- an online training course on sexism, sexual harassment and domestic violence has been available since July 2022 for head office employees in France. In 2023, it was launched internationally in over 15 languages for hotel and head office employees;
- at end-2022, the Group became a signatory of the first European network of companies committed to fighting violence against women: *OneInThreeWomen*, whose name alludes to the fact that one woman in three is a victim of violence in her lifetime;
- Accor and the *Fondation des Femmes* launched a platform dedicated to Emergency Shelter, an initiative to house and provide safety for women survivors of violence and their children at Accor hotels, available since 2022;
- the Group pledged a five-year financial commitment alongside La Maison des Femmes, an organization that houses women who are struggling or suffering from violence at specialized centers in France;
- around 30 local initiatives were deployed throughout the world.

Gender equality and diversity

Accor has had a long-standing commitment to gender diversity and equality. The Group has notably set ambitious action plans and targets as regards equal gender representation amongst management and equal pay. In 2015, Accor also signed the *Women's Empowerment Principles*, championed by UN Women to support women's empowerment.

Prevention measures

As part of its commitment to equal compensation, the Group has conducted an annual study of pay gaps since 2017. In 2023, the pay gap for equal positions was 1.2% in 35 countries.

In 2021, Accor set ambitious targets, supported by dedicated action plans, to promote diversity and gender equality by 2025:

- women on the Group Executive Management: 40%;
- women on Management Committees: 45%;
- women hotel managers: 40%.

Results

In 2023, 36% of the members of the Group's Executive Management were women.

The percentage of women on Management Committees worldwide as of December 31, 2023 was 42%. This was in line with the target set in the short-term variable compensation plans. This indicator includes Group Executive Management members as well as the members of the Management Committees of these members. **The percentage of women hotel managers was 42% for the legal scope.**

Attacks on freedom of association and collective bargaining

Accor encourages unfettered trade union activity everywhere it operates, and the Group organizes and monitors the election of employee representatives in accordance with applicable laws. Each year it negotiates and signs numerous agreements with union representatives, either at the company level or at the level of branches or corporations.

Governance

Accor has a Works Council in France and a European Works Council that serve as forums to communicate about current events and strategy and to report any problems, especially those related to human rights.

Policies

- signing of an agreement with the IUF (International Union of Food Workers) on trade union rights confirming the Group's commitment to preserving employees' rights and the freedom to organize and participate in union activities;
- whistleblowing line;
- Ethics and CSR Charter.

Prevention measures

In the case of hotels and subsidiaries, social dialogue is ensured by local bodies in application of national laws.

At the end of the second half of 2022, Accor's new transformation project, known as Turbo, began to provide information to the employee representative bodies wherever necessary. Social partners were informed in advance of this new project which affects the entire Group. This reinforced social dialogue and the consultation of employee representative bodies will continue in 2023.

Protecting children from abuse

Since 2006, Accor has been committed to the fight against child sexual exploitation and was the first hotel group to enter into a partnership with the NGO *End Child Prostitution, Pornography and Trafficking of Children for Sexual Purposes (ECPAT).*

Governance

The Sustainable Development and Talent & Culture Departments are responsible for the Group's approach on child protection.

Policies

The Group approach is formalized in WATCH (*We Act Together for Children)*, a program explained in greater detail below. This program is supplemented by the Ethics and CSR Charter, the Human rights policy and the whistleblowing line which is open to all stakeholders.

Prevention measures

The Group set up the WATCH program in 2014 to combat and detect risks of child sexual exploitation in its hotels. This mechanism draws on a set of tools and trainings made available to hotel managers and employees. Hotel guests are also educated on how to detect and report at-risk situations. Some hotels also work with local NGOs to reinforce these actions. In 2024, the WATCH program is due to be updated to take account of the latest developments in terms of protection against the sexual exploitation of children in the tourism sector.

Failure to respect the privacy of employees and guests

The risk of privacy violations is managed by ensuring compliance with applicable regulations governing personal data protection. Accor, its subsidiaries and hotels under the Accor banner take measures to address these challenges.

Governance

At its head office, Accor has created a network of *Privacy Champions*. The purpose of this network is to educate the teams about personal data protection and to give them tools that enable them to deploy a privacy-by-design and privacy-by-default protection strategy for their projects.

At the subsidiary level: support and compliance with policies and procedures in combination with local regulations are supported by a network of *Regional Data Protection Coordinators* (RDPCs).

A dedicated platform *is being deployed in Europe at the level of managed and franchised hotels: the Hotel Compliance Platform*.

Policies

Accor has put in place an organization, policies, procedures and tools dedicated to the protection of personal data. The use of personal data at the Group must follow the 10 "golden rules" defined in keeping with the essential principles of data protection and considered to be the common core of data protection regulations around the world: transparency, data minimization, minimization of retention periods, security, etc. These principles are laid out in the Accor Guest Personal Data Protection Charter, which can be found on the Group's website, in the mobile app *ALL – Accor Live Limitless*, and on the websites of the Group's other brands. They are also applied to data processing in the area of human resources, which is the subject of a dedicated document: the Group's Employee Personal Data Protection Charter.

Prevention measures

The Group has produced an online training course on personal data protection. It is available to all employees in the legal and voluntary scopes.

Environmental protection

Pollution and greenhouse gas emissions

As the leader in its sector, Accor follows the latest scientific recommendations and aims to reduce its environmental footprint. Accor is committed to reducing its carbon footprint in line with a global warming trajectory of +1.5°C and has set the objective of contributing to planetary carbon neutrality by 2050, in line with the Paris Agreement.

Governance

In 2020, a Carbon Steering Committee was established by the Chairman and Chief Executive Officer of Accor. The mission of this steering committee is to define the climate strategy and operational implementation projects to control climate risks.

Policies

To limit its carbon footprint on scopes 1, 2 and 3, Accor defined an action plan to contribute to planetary carbon neutrality by 2050 whose intermediate steps have been validated by the *Science-Based Targets initiative*. This priority is included in the calculation of the variable compensation of the Chairman and Chief Executive Officer.

Prevention measures

In 2022, the Group made progress in deploying programs to reduce carbon emissions. Accor launched various projects to systematically reduce greenhouse gas emissions and optimize its energy consumption across the full value chain. The main projects to limit environmental risks are:

- survey on the possibilities of hotel energy efficiency improvements. Objective: compare current performance levels and determine each hotel's potential for improvement;
- reduction of the Group's carbon footprint linked to energy (scopes 1 and 2) thanks to its *Smart green hotels* offering with new green financing options;
- energy efficiency program. Hotel owners do not always have the capital they need to finance large-scale energy efficiency projects. Accor developed a business model that makes it possible to unlock the necessary investments by signing strategic global partnerships with Honeywell and Johnson Controls Inc. At the end of 2023, more than 300 hotels throughout the world had been identified to participate in the program. Of these, 60 hotels already had projects underway;

- off-site and on-site renewable energy program that will allow the Group to reduce its scope 2 carbon footprint;
- gradual integration of new, more stringent sustainability criteria for our 5,300 hotels worldwide;
- carbon footprint management via energy oversight with the deployment of an ISO 50001-compliant system and an enhanced reporting tool for energy, water and waste line items;
- supplier commitment to the approach. Since 2021, Accor has been working with the CDP (Carbon Disclosure Project) Supply Chain program, inviting around 500 nominated suppliers to reply to the annual survey on climate, giving priority to suppliers of products and services identified as the most emissive. Since mid-2022, Accor has strengthened the assessment of its supply chain by evaluating the level of maturity of the carbon approach of its nominated suppliers by adding the carbon module to the EcoVadis questionnaire provided as part of its supplier control plan (see section 3.4.4 Responsible procurement chain).

Waste and packaging

The Group's hotel waste generation breaks down into two major categories:

- renovation and construction waste, where recycling is increasingly used by the Group;
- hotel operating waste: packaging, consumables such as light bulbs, complimentary products, food, etc. – for which the priority is to reduce volumes at the source and limit waste from hotel operations and guests in an effort to increase the proportion of sorted and recycled waste.

Governance

Other non-plastic and non-food waste is tracked via monthly reporting in the Gaïa tool.

Policies

Having defined its first waste policy from 2016, for hotels and restaurants, Accor's priorities regarding waste management are now as follows:

- enhance the reliability of hotel reporting on waste
- reduce the quantity of waste produced;
- increase the rate or recycling of residual waste to limit the portion sent to land fill or incinerated;
- ensure that the hotels are in compliance with regulations in force in their country;
- raise hotel employee and guest awareness;
- ensure 100% of hazardous waste is treated in appropriate facilities;

The first stage of implementation of a waste policy is the measurement of quantities. This measurement is reported using the Gaïa tool, until the end of 2023, and Gaïa 2.0 from 2024 onwards.

Prevention measures

In 2023, Accor drew up an operating guide for the hotels to:

- raise awareness of the environmental impacts of the different waste categories;
- inform them about existing recovery sectors;
- share best practices with them.

The roll-out of the program and the waste management tools continues in hotels. Accor continues to seek solutions to reduce the amount of waste, improve recycling rates and encourage a circular economy policy, specifically related to calls for tender.

Plastic

At the start of 2020, Accor made a bold pledge to eliminate single-use plastic from the guest experience. This goal goes beyond local laws, helps the Group manage its environmental challenges and meets stakeholder expectations.

Governance

The monitoring of the elimination of plastics has been discussed in Management Board. In addition, the objective is integrated in the variable compensation of the Chairman and Chief Executive Officer, the members of the Management Committee and corporate officers, as well as for operating functions.

The Plastic Steering Committee is the authority regrouping the head of the regions and brands and the Directors of the Sustainability, Procurement and Marketing Departments. Its role is to analyze results each month and monitor action plans at a strategic level.

The "Operational" Committee meets the needs of the regions and brands, supporting them in implementing alternatives.

At the level of each region and brand, bodies involve their own Management Committee to ensure correct roll-out in the hotels.

Policies

57 products are to be removed or replaced by more sustainable alternatives. The list of articles includes straws, stirrers, cotton buds, bottles for toiletries (shampoo, shower gel, etc.), cups, accessories (such as toothbrushes, razors, sewing kits, etc.), as well as plastic items in meeting rooms and restaurants on buffets, etc.

Prevention measures

The regions have the tools they need to implement the three-pronged action plan:

- elimination of single-use plastic products and search for eco-friendly alternatives to plastic: reusable or wood-based alternatives are recommended, with requirements pertaining to environmental certifications and standards (e.g. FSC - Forest Stewardship Council - seal);

- the elimination of certain products implies the addition of operating tasks for the teams (e.g. breakfasts to be prepared with products in reusable containers and not wrapped in plastic). Online training courses for operational staff were made available;
- monitoring of indicators and on-site audits: the integration of plastic in the brands' standards, and monitoring of key indicators by product category, and internal and external on-site audits.

Food waste

Reducing food waste is a global challenge. The United Nations, through its sustainable development goals (SDG 12 – Sustainable consumption and production) calls on all countries to reduce food waste by 50% by 2030. Accor references this objective and local laws in the countries where it operates to reduce the volume of its waste.

Governance

Food waste is one of the sustainability topics monitored by the committee that convenes the Food & Beverage teams from the regions and the Sustainability Department.

Policies

The Group leads its hotels in three key areas of action:

- reduce: measure and identify waste, adjust recipes and buffets;
- reuse unsold products: products not served to guests are donated to charities or food banks;
- recycle: biowaste is collected and recycled for compost or methanization.

Prevention measures

In 2023, a project was launched mobilizing players in the Sustainable Development sectors and Restaurants in the regions and brands.

In 2023, this project involved 300 hotels, representing a significant portion of 2022 Group Restaurant revenue.

These 300 hotels were monitored and assisted in implementing measurement methods to define reduction action plans.

Regarding measures to reduce food waste, the first stage of the program, the hotels had the choice of several solutions:

- smart weighing tools;
- manual measurement methodology;
- the use of measurement by service providers for the biowaste collection.

Sustainable food

Committing to sustainable food is an imperative for the hospitality industry.

As a major participant in the restaurant business, the Group plays a key role in promoting sustainable food in its restaurants to respond to the demands of its stakeholders and reduce its carbon footprint and its impact on biodiversity.

Governance

The deployment of the Food Charter commitments is monitored at the regional and hotel level. Healthy and sustainable food is one of the sustainability topics monitored by the Committee's Food & Beverage teams.

Policies

- Healthy and Sustainable Food Charter which sets forth nine commitments;
- Ethics and CSR Charter.

Prevention measures

Accor is committed to promoting and offering healthy responsible food in its restaurants, which translates to the procurement of sustainable products, including organically farmed foods, and banning endangered fish species from its menus. These commitments are followed by the Group's hotels and restaurants.

The Accor procurement platform in France, Italy, Spain and Portugal only supplies free-range eggs to hotels in the Accor network.

Reducing water consumption in hotels

Accor carried out an analysis of its water footprint in 2019. This analysis revealed that around 60% of the footprint was concentrated upstream in its value chain, mainly due to purchases of foodstuffs (coffee, cocoa, tea, fruit and vegetables, meat, cereals, oilseeds, etc.) for hotel bars and restaurants, which have significant water requirements (mainly crop irrigation and livestock watering).

The remainder of this water footprint, around 40%, is directly linked to the hotel network and its direct operations, *i.e.* the use of water by guests in rooms and common areas, but also to all the day-to-day operations and services involved in running a hotel establishment.

Governance

2023 saw the structuring of water management at Accor. From July, a Project Manager in charge of Water and Biodiversity was appointed within the Environment team. A review was carried out to enable the formal launch, with the support of sustainability leaders, of a dedicated project in early 2024.

Furthermore, the steering of issues relative to water management follows the development, operating and renovation cycle of the hotels by the Design & Technical Services Department at the operating level.

Lastly, issues relative to water beyond the direct consumption of the hotels are managed by the Sustainable Development and Procurement Departments to take advantage of their operating capacities to reduce water consumption in the value chain.

Policies

Preserving water resources is a major concern for Accor, as shown by the position of water in the dual materiality exercise conducted by Accor in 2023.

As a result, in 2023, the Group adopted a water policy presenting its pressures and dependence on water resources and defining its priorities and action levers. This will be backed up by regional water sobriety charters. A first Regional Water Charter was drawn up and distributed within the Europe and North Africa (ENA) region in the summer of 2023.

Prevention measures

Within its direct scope, Group measures include:

- integration of low-flow devices in hotel rooms;
- use of cleaning products that consume less water;
- roll-out of rain water recovery and water recycling tools.

For other water consumption (scope 3), the policy is backed by the Procurement Department. 100% of nominated suppliers are committed to complying with the Responsible Procurement Charter (or equivalent[1]), which requires them to factor in the risk of water stress and promote agroecology in their practices.

The water footprint of at-risk suppliers is monitored via the EcoVadis platform.

Accor's position in certain countries

Integration of the conflict between Russia and Ukraine

The Group operated seven hotels in Ukraine at the start of the conflict. These hotels were able to continue partial operation. In particular, they have housed employees and their families, non-profit organizations and members of the international media. The Group has taken actions in bordering countries and beyond to accommodate people leaving Ukraine. Accor has supported initiatives to fund charitable actions sponsored by the ALL *Heartist* Fund and the *Accor Solidarity* Endowment Fund.

As of March 7, 2022, Accor suspended its planned hotel openings and development projects in Russia, its partnerships with Russian companies as part of the ALL loyalty program and its contractual obligations to counterparties targeted by applicable international sanctions.

The Group's crisis management organization enabled it to adapt to the situation as it developed.

3.5.4.2 Risk prevention measures for subcontractors and suppliers

Accor is committed to identifying and managing the environmental, societal, social and ethical risks tied to its business relationships with Tier 1 nominated suppliers and subcontractors.

Context

Accor's activity and performance, both financial and non-financial, are closely linked to its partners: hotels under management agreements and franchise contracts, of course, but also suppliers.

In terms of procurement, the risk for the Group may relate to the purchase of products or services by head offices or hotels under the Accor brand:

- not from sustainable supply chains;
- provided by suppliers who do not comply with international ethical standards and conventions.

The Procurement Department plays consequently a major role in controlling this risk.

Governance

The Procurement Department is made up of approximately 230 employees spread over nearly 30 purchasing offices throughout the world. Its main missions consist of:

- control of Accor head office purchases (negotiation in July 2023 of contracts for communication, marketing, IT, technology, etc. and implementation of tools for monitoring and optimizing head office procurement);
- nomination of products and services (over 100 procurement categories) for Accor hotels and other customers:
  - at local level by procurement offices,
  - at central level by a team in charge of negotiating international contracts.

The use of the Procurement Department's services is optional[2]. Accordingly:

- **purchases are considered as nominated** if made by Accor hotels and/or head offices with suppliers under a nomination agreement with Accor's Procurement Department (estimated at approximately 50% of expenditure by Accor hotels worldwide);
- **purchases are deemed non-nominated** if they are sourced from outside the scope of these contracts and nominated suppliers.

The Procurement Department, through its offers, provides owners with:

- open access to a negotiated offer that enables savings or cost avoidance;
- centralization of the majority of hotels' needs on a single platform;
- guarantee of strict control of the supply chain.

(1) *Procurement 21 Charter, or supplier code of conduct that complies with the items covered by Accor's Responsible Procurement Charter.*
(2) *Special note on AccorInvest hotels: these properties are required to use the services of the Procurement Department over any other central service as stipulated in the Procurement Service Agreement running through 2026.*

Action plan

The Procurement Department is building a network of nominated suppliers selected on the basis of demanding criteria. Throughout the life of the contracts, it regularly monitors compliance with these criteria, notably through a control plan.

Limiting the risks associated with nominated suppliers is based on:

- for Accor teams: procurement policies including strict criteria for selecting suppliers;
- for nominated suppliers: a supplier control plan consisting of a contractual Responsible Procurement Charter, and a supplier assessment and audit plan.

Procurement policies and control plan for nominated suppliers are adapted to the risk level of the Procurement categories covered by the suppliers.

Supplier risk mapping

Since 2022, the Group has leveraged supplier risk mapping on social, environmental, and ethical criteria, undertaken by third-party EY, to define a control plan for nominated suppliers.

This mapping assesses the procurement categories on 16 risks divided into five families (environment, human rights, working conditions, health and safety, and ethics) and resulted in the classification of the 104 procurement categories into three risk levels: "Low risk", "High risk" and "Very high risk".

2023 figures (number of nominated suppliers):

- "Low risk" categories: 27% of nominated suppliers;
- "High risk" categories: 36% of nominated suppliers.
- "Very high risk" categories: 37% of nominated suppliers.

Supplier selection process

Two Procurement policies define precisely the controls to be applied when selecting suppliers in order to limit financial, ethical and CSR risks and to contribute to the Group's commitments:

- for head office procurement: a procurement policy for the Procurement Department and all head office teams. In 2023, this Procurement policy was updated in order to reflect the Group's new organization and was extended to all Accor head offices (Sequana and global head offices);
- for hotel procurement: a procurement policy for the Procurement Department's teams for the supplier selection and nomination.

An online training program for the purchasing teams on the supplier nomination process is scheduled for 2024.

Nominated supplier control plan

In 2022, the Group implemented a three-year control plan for its nominated suppliers, based on risk mapping of the Procurement categories.

This plan includes several levels of control:

- **The commitment of all nominated suppliers by:**
  - **signing the Responsible Procurement Charter (or equivalent[1])**, formalizing the commitments expected by Accor from nominated suppliers in terms of ethics, respect for human rights, protection of employee rights, respect for the environment and compliance with applicable laws and regulations, regardless of their location, volume of business with Accor and category of referenced solutions. This Charter, attached to the nomination contracts, is a contractual obligation.

    In 2023, a new reinforced version of the Responsible Procurement Charter (formerly the procurement 21 Charter) in terms of ethics, human rights and the environment was rolled out to all Group procurement departments and communicated to all nominated suppliers for application. This new version replaces its previous version and is attached to nomination contracts signed since May 1, 2023.
  - **signing contractual clauses**, which specifically cover environmental and social obligations and, in particular, compel nominated suppliers to carry out evaluations or audits at Accor's request.
- **The evaluation of nominated suppliers qualified as "Very high risk" or "High risk" and whose business volume with Accor exceeds €30,000 per year:**

  This environmental, social and ethical assessment (including a carbon module) is carried out by a third party (EcoVadis) on the basis of a questionnaire tailored to the size and business sector of the supplier. The CSR performance of nominated suppliers is measured according to the quality of their answers to the questionnaire and the examination of the supporting documents they provide.
- **The audit of nominated suppliers qualified as "Very high risk" and whose business volume with Accor exceeds €30, 000 per year:**

  Nominated suppliers deemed "Very high risk" with an EcoVadis score below 43/100 undergo an on-site audit by a third party (Intertek or Bureau Veritas depending on the country). This audit is based on a framework that covers six criteria: labor law, working conditions, health and safety, management system, ethics and the environment. Depending on the non-compliance issues identified during the audit, the supplier is asked to implement a corrective action plan, which is monitored.

Beyond this supplier control plan, the Procurement Department has implemented specific controls related to the Group's commitments:

- **"responsible subcontracting" specific audits in Southern Europe:**

  In support of the responsible subcontracting offer made available to establishments in Southern Europe, a special control plan has been set up for all nominated cleaning companies. This control plan includes a category-specific framework and a higher frequency of control and monitoring;

(1) Procurement 21 Charter, or supplier code of conduct that complies with the items covered by Accor's Responsible Procurement Charter.

- **evaluation of the carbon maturity of a panel of nominated suppliers:**

  Since 2021, the Procurement Department has questioned 500 of its nominated suppliers in the most carbon-intensive purchasing categories about their carbon reduction actions, through the CDP *(Carbon Disclosure Project)* questionnaire. In 2023, 51% of suppliers surveyed responded to the questionnaire (+10% vs. 2022).

In addition to this approach, the Procurement Department has stepped up the measurement of these indicators by strengthening the EcoVadis questionnaire with a dedicated carbon module since June 2022, which enabled the assessment of the Carbon performance of over 700 suppliers.

Concerning non-nominated purchases, best practices have been shared with the hotels so that they comply with Group procurement standards. At the launch of the Group's Human Rights policy, **a procurement guide** was communicated to all hotels to assist them in purchasing from suppliers respecting the regulations, responsibly and in total security. The aim of this guide is to describe all the risks and guidelines to guarantee better control of the supply chain. The responsible procurement charter was also included with the procurement guide.

Sector initiative

In October 2023, **Accor co-founded HARP** (the Hospitality Alliance for Responsible Procurement) with four global hotel groups (Marriott, Hilton, IHG and Radisson) and two specialized hotel purchasing organizations (Avendra and Entegra). The goal of this sector initiative which brings together companies in the same sector faced with similar challenges in terms of CSR, is to improve the social and environmental performance of the hotel industry supply chain. Decarbonizing the supply chain and respecting human rights have been collectively defined as HARP's two priorities for the next two years, 2024 and 2025.

3.5.5 *Control monitoring system*

Hotel monitoring and control procedures

Internal audits

Internal Audit, the organization of which is described in chapter 2.1, plays an important role in the identification and prevention of risks. Through the audits conducted and its due diligence, it ensures that the legal and voluntary scopes comply with the principles and procedures set out in the Group's Ethics and CSR Charter, particularly those designed to prevent acts of corruption and those covered by the Vigilance Plan.

In head office audits, the key elements of the Ethics and CSR Charter are systematically reviewed. These audits specifically verify: the dissemination of the Ethics and CSR Charter of the Group both in the hotels belonging to their scope and among other stakeholders, compliance with best practices in hotel development and procurement, and the raising of awareness of the Group's ethics and sustainable development commitments among head office employees. In addition, all hotels in the legal and voluntary scopes must complete an annual self-evaluation questionnaire looking at compliance and awareness of the commitments of the Ethics and CSR Charter.

The Risks and Insurance Department coordinates major risk mapping, the results of which are presented to the Audit, Compliance and Risks Committee each year. By mapping all internal and external risks using a common framework, the degree of exposure perceived by the general management and by each entity can be quantified.

In addition, internal control risks are mapped on the basis of internal audits, as well as on the basis of self-assessment. This provides an opportunity to highlight the areas that need to be prioritized for corrective actions. They can be found in the relevant Internal Audit reports and are presented in the form of periodic summaries to the Internal Audit Committee and to the Audit, Risks and Compliance Committee.

Lastly, the Internal Audit team monitors the performance and effectiveness of the internal control system implemented within the Group.

In 2023:

- 89% of head offices stated that their employees are regularly notified of CSR commitments and the Ethics and CSR Charter;
- 94% of hotel managers in the legal and voluntary scopes stated that they regularly conduct awareness campaigns for employees as regards commitments to the Ethics and CSR Charter;
- in 2023, a very significant portion of hotels reporting in the Gaïa tool declared their commitment to the protection of children and implementation of the WATCH program: 76% of the overall hotel scope and 77% of the legal scope.

Supplier monitoring and control procedures

The Ethics and CSR risk management process includes assessing at-risk suppliers via a self-assessment platform managed by a third party, as well as external CSR on-site audits at high-risk suppliers if self-assessment results are unsatisfactory. Action plans are implemented in the event of major non-compliance potentially leading to delisting. All the Ethics and CSR risk management process relative to the supplier relationship is described in section 3.5.4.2 – Risk prevention and mitigation measures for subcontractors and suppliers.

3.5.6 Indicators

Human rights

Ethics

- percentage of eligible employees that completed the anti-corruption online training over a three-year sliding period.

Freedom of association and collective bargaining

- percentage of countries in which the Group operates with employee representation bodies in their hotels that meet regularly (out of a consolidated scope of 92 countries that responded to the questionnaire).

Protecting children from abuse

- percentage of hotels stating that they have deployed the WATCH program.

Discrimination

- percentage of women employees;
- percentage of women in management positions.

Respect for employee and guest privacy

- percentage of eligible employees that completed the data protection online training over a three-year sliding period.

Workplace health and safety

- total number of accidents;
- lost-time injury rate;
- incident severity rate for workplace accidents.

Environment

Energy

- energy consumption per room.

Carbon emissions

- Scope 1 KtCO_2eq emissions;
- Scope 2 KtCO_2eq emissions;
- Scope 3 KtCO_2eq emissions;

Waste and plastic

- percentage of waste recycled;
- number of hotels using the Waste Management Tool and reporting data;
- percentage of hotels in the Group that have eliminated 57 single-use plastic items from the guest experience.

Food waste

- percentage of hotels stating that they have implemented a program to combat food waste;
- percentage reduction in food waste.

Sustainable food

- percentage of hotels declaring to have implemented more than five actions of the nine actions on healthy and sustainable food.

Water

- water consumption per room.

Suppliers and subcontractors

The nominated supplier control plan is monitored on the basis of four indicators measuring the deployment rate at each stage of the process depending on the number of supplier entities concerned:

Indicators	Scope of reporting	**Progress on the New 2022-2025 Plan** *(Objective: 100% by 2025)*
Percentage of nominated suppliers committed to complying with the Responsible Procurement Charter (or equivalent[1])	All nominated suppliers	100%
Percentage of nominated suppliers having conducted a valid EcoVadis evaluation (within last three years) or equivalent	"High risk" and "Very high risk" nominated suppliers with Accor business volume over €30,000	38%
Percentage of nominated suppliers that have undergone an external audit	"Very high risk" nominated suppliers with an EcoVadis score under 43/100	26% completed + 37% in progress
Percentage of action plans followed after identification of major non-compliance	"High risk" and "Very high risk" nominated suppliers	100%

(1) Procurement 21 Charter, or supplier code of conduct that complies with the items covered by Accor's Responsible Procurement Charter.

For the Ethics and CSR risk management process, the overall rate of completion of the 2022-2025 plan reached **56%** at the end of 2023.

Indicators	Scope of reporting	2022-2025 Plan
Percentage of nominated suppliers for which the Ethics and CSR risk management process is deployed[1]	All nominated suppliers	56%

(1) Percentage of suppliers abiding by the control plan described in the "Responsible procurement chain of the nominated supplier control plan" section.

3.5.7 Whistleblowing mechanism

Accor's Ethics and CSR Charter provides that any Group employee may, at any time, raise questions, concerns or doubts with their managers, or with the Talent & Culture or Legal & Compliance Departments, or with the Compliance Officers.

To expand access, enhance protection and encourage people to speak up, the Group also set up a secure worldwide whistleblowing line called *Accor Integrity Line*.

This whistleblowing line can be accessed through the Intranet and a link on the Internet. It is open to everyone, including Accor employees working at head offices, persons employed by hotels operating under the Accor brand, and all stakeholders and suppliers.

This whistleblowing line is continually available in 29 languages and is hosted by an independent external service provider. It is mentioned in key Group documents, such as the Ethics and CSR Charter, the Human Rights Policy, the Responsible Procurement Charter and sales contracts.

An alert procedure governs the alerts received. These are processed by dedicated contacts from the Internal Audit, Talent & Culture and Legal & Compliance departments and cover the following categories:

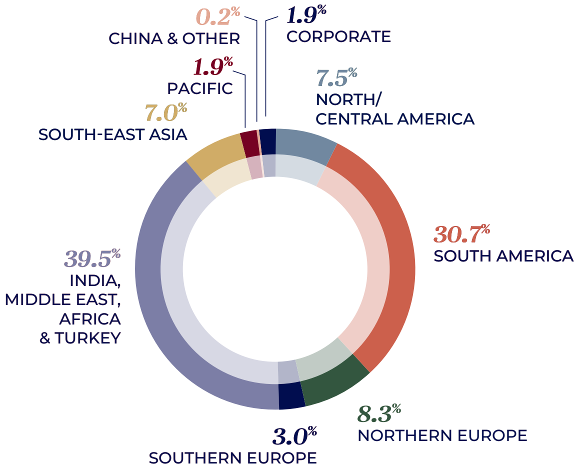
- health and safety: food safety, customer and employee safety, product safety and quality;
- human rights: moral or sexual harassment, discrimination, forced labor, child labor, freedom of association, trade union freedom;
- environment: pollution, major waste of resources;
- compliance: corruption or influence peddling, money laundering, competition law, conflicts of interest;
- fraud: accounting, financial, banking, theft or misappropriation of Group assets.

The identity of the whistleblower and the information gathered are treated as confidential. If the whistleblower so wishes, his or her anonymity is guaranteed.

These alerts are followed up by a dedicated committee, which met 10 times in 2023. The committee is led by the Legal and Compliance Department.

In 2023, the number of alerts submitted through the *Accor Integrity Line* increased by more than 111% compared to 2022. As they are processed, the alerts may be reclassified based on actual circumstances.

Breakdown of alerts by region



3.6 EU green taxonomy reporting for Group activities

The Taxonomy Regulation[1] is a key component of the European Commission's action plan aiming at reorienting capital flows towards a more sustainable economy. It represents an important milestone on the journey to meeting the EU's goal of carbon neutrality by 2050. The Taxonomy is a system for classifying how environmentally sustainable economic activities are, with an activity being classified as sustainable if it meets at least one of the following six objectives:

- climate change mitigation;
- climate change adaptation;
- sustainable use and protection of water and marine resources;
- transition to a circular economy;
- pollution prevention and control;
- protection and restoration of biodiversity and ecosystems.

This section presents the Group's revenue, Capital EXpenditure (CapEx) and Operating EXpenses (OpEx) for the 2023 fiscal year associated with economic activities that are eligible for and aligned with the Taxonomy. The indicators presented comprise the following analyses:

- eligibility and alignment with these two climate objectives: **Climate change mitigation and Climate change adaptation;**
- eligibility solely for the four new environmental objectives: **The sustainable use and protection of water and marine resources; The transition to a circular economy; Pollution prevention and control; and The protection and restoration of biodiversity and ecosystems.**

3.6.1 2023 results

Accor has become an asset-light group that operates across its various brands some 5,584 hotels and 822,000 rooms held by property owners under management and franchise contracts, accounting for 97% of the Group's network in number of rooms.

The Group's revenue is split between HotelServices activities and Hotel Assets & Other activities.

The HotelServices activities which encompasses all the Management & Franchise activities provided to Owners with regard to sales, marketing, distribution and the loyalty program, and shared services plus re-billed costs incurred on behalf of owners.

As in 2022, outside the activities of the Accor Academy (centers that provide training and learning opportunities for Group employees), which are eligible under activity 11. (Education) listed in the climate change adaptation objective, the activities of HotelServices are not covered in Annexes I and II of the Climate Delegated Act (including the amendment published in June 2023)[2], or in Annexes I to IV of the "Taxo4" Delegated Act[3] on the four new environmental objectives published in June 2023. The associated revenue amounted to €3,734m in 2023 (*i.e.* 74% of the Group's consolidated revenue), and the related CapEx and OpEx are neither eligible nor aligned in 2023, except for a number of individual investments (*see 3.6.4*).

The "Hotel Assets & Others" segment covers all the activities that are not part of the core hotel operator business. This means the activities connected with the owned or leased hotel assets including the sale of accommodation and restaurant services as well as asset portfolio management along with other activities including the high-end restaurant and high-end management activity provided by Paris Society, acquired in 2022, the reception management activity provided by Momense (Potel & Chabot), acquired in 2023, the event space offering through Lido and the other activities offered by the Group (Digital services, Luxury private home rental, Concierge services). These activities were analyzed in relation to the following economic activities:

- **2.1. Hotels, holiday, camping grounds and similar accommodation** introduced in June 2023 by the protection and restoration of biodiversity and ecosystems objective. The activities relating to owned or leased hotels are eligible in respect of this activity;
- **7.7. Acquisition and ownership of buildings** in Annexes I and II of the Climate Delegated Act. As heading 7.7 refers to NACE code L.68, which excludes hotel operations, the Group determined that its business activities relating to hotel assets are not eligible under the climate objective;
- **8.2 Data-driven solutions for GHG emissions reductions** in Annexes I and II of the Climate Delegated Act. At present the main objective of the digital services provided by the Group is not to reduce GHG emissions, so these activities were also deemed not eligible.

(1) Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.
(2) Commission Delegated Regulation (EU) 2021/2139 of June 4, 2021 setting out the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives as amended by Delegated Regulation (EU) 2023/2485.
(3) Commission Delegated Regulation (EU) 2023/2486 of June 27, 2023 setting out the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to any of the four new environmental objectives without causing significant harm to any of the other environmental objectives, and amending Commission Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities.

Accor also reviewed its 2023 capital expenditure (CapEx) and identified certain real estate investments at head office and owned and leased hotels that are eligible economic activities under the following headings:

- 7.3. Installation, maintenance and repair of energy efficiency equipment;
- 7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings);
- 7.7. Acquisition and ownership of buildings. This mainly involves the leased assets connected with the Momense acquisition, the Sequana head office and Paris Society;
- 6.5. Transport by motorbikes, passenger cars and light commercial vehicles including the vehicles leased by the Group for the purposes of certain employees.

Given the low materiality of OpEx meeting the restrictive definition of the Taxonomy in relation to the Group's consolidated operating expenses, the eligibility and alignment of these expenses were not analyzed. Nevertheless, in 2023, the Group recorded spending that is not included in the Taxonomy definition but whose purpose is to mitigate climate change. These incurred costs pertained to the following projects:

- **Gaïa 2.0** – SaaS digital tool designed to gather hotel water and energy production/usage data and assess its progress toward the Group's GHG emissions targets (see section 3.2.1);
- **Biodiversity** – In 2023, all Accor's internal stakeholders initiated the development of a Group-wide Biodiversity policy. This policy, including Accor's principles and commitments as well as its main levers for action, will be distributed Group-wide in 2024 (see 3.2.2);
- **Axa Climate** – including School for Change (see 3.2.2.2) and Axa Climate Altitude (see 3.2.1). These projects contribute to performance, risk identification and raising employee awareness about climate issues.

3.6.2 Scope and methodology

Reminder of definitions

An economic activity "eligible" for the Taxonomy is any economic activity described in the delegated acts supplementing the Taxonomy Regulation (Climate Delegated Act and "Taxo4" Delegated Act), regardless of whether it meets some or all of the technical screening criteria set out in these delegated acts.

An economic activity is said to be "aligned" with the Taxonomy when it complies with the technical screening criteria as defined in the Climate Delegated Act and Taxo4 Delegated Act, *i.e.*, when it contributes substantially to one or more environmental objectives without causing significant harm to any of the other environmental objectives, and when it is carried out in compliance with minimum guarantees in the areas of human rights, anti-corruption, fair competition and taxation.

Breakdown of the Group's eligible activities

The Taxonomy study conducted by Accor covers all the Group's activities corresponding to the scope of financial consolidation (as presented in Note 15.3 to the 2023 consolidated financial statements presented in chapter 6), in accordance with the requirements of the Delegated Act Art. 8[1].

Accor is active in three main activities: *Management & Franchise*, Services to Owners and Hotel Assets & Others, which are presented in Note 4.1 Segment reporting to the 2023 consolidated financial statements (chapter 6).

(1) Commission Delegated Regulation (EU) 2021/2178 of July 6, 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and Council by specifying the content and presentation of the information to be disclosed by companies regarding their environmentally sustainable economic activities and specifying the methodology to comply with that disclosure obligation, as amended by Commission Delegated Regulation (EU) 2021/2178.

The Accor Group's activities and investments identified as eligible after analysis are presented in the table below.

		Substantial contribution			Indicators affected*	
Taxonomy – Activity name	**Corresponding Accor activities**	**To climate change mitigation**	**To climate change adaptation**	**Protection and restoration of biodiversity and ecosystems**	**Revenue**	**CapEx**
Activities						
2.1. Hotels, holiday, camping grounds and similar accommodation	Owned or leased hotels exploitation			X	X	X
11. Education	Accor Academy		X		X	X
Investments						
7.3. Installation, maintenance and repair of energy efficiency equipment	Individual measurements of buildings in France and owned or leased hotels (air conditioning, LED, insulation)	X				X
7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	Individual measurements of building in France and owned or leased hotels (charging stations for electric vehicles in buildings)	X				X
7.7. Acquisition and ownership of buildings.	Acquisition of new building leasing contracts (offices or hotel assets), including the assets acquired through the Le Lido and Paris Society deals	X				X
6.5. Transport by motorbikes, passenger cars and light commercial vehicles	Vehicles leased by the Group for the purposes of certain employees	X				X

* *Materiality exemption used for the OpEx indicator.*

General methodological principles

The Revenue and CapEx indicators were circulated in association with the operating regions worldwide and to the head office entities.

A cross-check by reviewing the two indicators with the finance directors and management controllers of the regions was carried out in order to reduce the risk of double-counting.

3.6.3 Revenue

The Eligible or Aligned Revenue indicator is defined as the revenue from eligible or aligned activities, respectively, in relation to annual consolidated revenue.

As explained above, 2023 eligible revenue comprised:

- the revenue generated by the hotels owned or leased by the Group with respect to heading **2.1. Hotels, holiday, camping grounds and similar accommodation**, including the revenue of the various divisions connected with these hotels (e.g. restaurants, laundry, swimming pools, convention center, etc.);
- the external revenue of the various Accor academies worldwide. Indeed, education is an eligible activity under the Taxonomy (**activity 11** in Annex II – Climate Change Adaptation) as an enabling activity.

The eligible revenue was calculated on the basis of the Group's consolidated financial statements and the statements from the Accor Academy in each *region*.

For the fiscal year ended December 31, 2023, the combined eligible revenue amounted to **€590.5m**, namely **11.7%** of Accor's 2023 consolidated revenue (see Note 4 to the 2023 consolidated financial statements presented in chapter 6), and broke down as follows:

- **€581.4m** relating to the Group owned or leased hotels, accounting for 11.5% of Accor's 2023 consolidated revenue;
- **€9.1m** relating to the Accor academies, accounting for less than 1% of Accor's 2023 consolidated revenue.

The Group did not identify any aligned revenue for the 2023 fiscal year. Indeed, the alignment analysis is not required this year for the four new environmental objectives (including the activity 2.1).

The training provided by the Accor academies included in the activity 11 have not as primary objective, to raise the awareness of participants regarding climate change adaptation challenges so they do not satisfy the alignment technical criteria.

The detailed table for the revenue indicator required by Article 8 of the Delegated Act is presented in the appendices to this chapter at section 3.7.5 Detailed presentation of the EU Green Taxonomy indicators.

3.6.4 Capital expenditure (CapEx)

The Capital expenditure (CapEx) corresponds to increases of intangible assets and acquisition of property, plant and equipment, as well as to new rights of use recognized under lease contracts. They also include fixed assets and rights of use acquired as part of business combinations.

For the year ended December 31, 2023, the Group's consolidated CapEx amounted to **€683m** (see Notes 8 and 9 to the 2023 consolidated financial statements in Chapter 6).

The Group's eligible CapEx comprised the **CapEx directly related to eligible activities and CapEx individually eligible** including primarily:

- the **CapEx directly related to heading 2.1 Hotels, holiday, camping grounds and similar accommodation** comprising all the CapEx recognized in 2023 by the owned or leased Group hotels. This CapEx amounted to **€46.5m**;
- the **Individually eligible CapEx, including:**
  - the assets acquired and the new leases under heading 7.7 recognized in connection with the acquisition of Momense at the end of the 2023 fiscal year, the sale and leaseback involving the Sequana head office(see 3.1.2) and the new leases involving Paris Society. This amounted to **€292m,** or 42.8% of the Group's 2023 consolidated CapEx. The increase in the eligible CapEx indicator in 2023 as compared with 2022 was mainly due to the new lease for the Sequana head office, which on its own accounted for 27.5% of the Group's 2023 consolidated CapEx and 54.4% of 2023 eligible CapEx,
  - the individual initiatives carried out at the head office buildings in France but also at the owned or leased or hotels, corresponding to activities 7.3 to 7.4. and associated with insulation, lighting, soft mobility solutions and electric charging stations, amounting to €2.7m, or less than 1% of the Group's 2023 consolidated CapEx,
  - the new vehicle leases falling under heading 6.5 recognized during the period, amounting to €4.2m, namely less than 0.6% of the Group's 2023 consolidated CapEx.

It should be noted that, unlike in 2022, the CapEx relating to owned or leased Group hotels is now eligible with respect to CapEx directly related to activities eligible for "The protection and restoration of biodiversity and ecosystems" objective. It is thus included in heading 2.1. Hotels, holiday, camping grounds and similar accommodation and was excluded from the analysis of heading 7 of the climate change mitigation objective in order to avoid double-counting.

Therefore, for the fiscal year ended December 31, 2023, total eligible CapEx amounted to €344.5m, or **50.6%** of the Group's 2023 consolidated CapEx. The Group did not identify CapEx aligned with the criteria set out in Annex I of the Climate Delegated Act. No CapEx is considered as aligned in the 2023 fiscal year. The energy performance of the Group's headquarters does not meet the criterion for a substantial contribution of activity 7.7.

The detailed table for the CapEx indicator required by Article 8 of the Delegated Act is presented in the appendices to this chapter at section 3.7.5 Detailed presentation of the EU Green Taxonomy indicators.

3.6.5 *Operating expenses (OpEx)*

The definition of eligible operating expenses under the EU Taxonomy is restrictive, with the only operating expenses that can be used to calculate the ratio being non-capitalized direct costs including those arising from research and development, building renovation, maintenance and repairs, short-term lease payments and any other direct expense linked to the routine maintenance of property, plant and equipment.

Accor's review led it to conclude that the operating expenses covered by the definition in the Taxonomy are not significant relative to the Group's total consolidated operating expenses. Indeed, in light of its activities, Accor's operating expenses are essentially comprised of personnel expenses (59%) and other operating charges (31%) (see Note 4.3 in the 2023 consolidated financial statements presented in chapter 6).

Thus, in 2023 the total amount of OpEx meeting the Taxonomy definition was €99.6m, *i.e.*, 2% of the Group's total consolidated OpEx. Consequently, Accor has chosen to exercise the materiality exemption option provided for in the regulation and did not conduct any further analysis of the eligibility or alignment of its OpEx.

The detailed table for the OpEx indicator required by Article 8 of the Delegated Act is presented in the appendices to this chapter at section 3.7.5 Detailed presentation of the EU Green Taxonomy indicators.

3.7 *Appendices*

3.7.1 *Measuring and assessing performance*

3.7.1.1 Methodological overview

The aim of this section is to detail Accor's sustainability reporting methodology. This process is based on a reporting protocol detailing, for each key indicator: definitions used for the Group, calculation methods, tools used and responsibilities.

Reporting scopes

The Group's **legal scope** comprises the entities included in the consolidated financial scope, *i.e.* the Group's head offices, the 110 owned and leased hotels at December 31, 2023, and other entities over which the Group exercises majority control. The other entities included in the Group's consolidated financial perimeter are companies in which Accor has invested in recent years, offering innovative solutions for hotel or restaurant owners, new distribution channels and new experiences for end customers.

The Group's so-called **voluntary scope** includes the 2,300 hotels with which Accor has a hotel management contract at the end of December 2023.

Together, the **legal and voluntary scopes** therefore comprise 2,410 hotels at the end of December 2023. The internal and external audits cover these legal and voluntary perimeters.

The so-called **franchised scope** includes hotels with which Accor has a franchise agreement, *i.e.* 3,174 hotels at the end of December 2023.

All Accor-branded hotels and entities are included in the **"global" scope**, as defined in agreement with the Group Finance Department. This scope comprises 5,584 hotels. Hotels that have a franchise agreement with the Group are included in this scope, as are legal and voluntary entities.

Reporting period

The reporting period is January 1 to December 31 of the fiscal year.

3.7.1.2 Tools are evolving to monitor sustainability indicators

Gaïa, a reporting tool entering its second phase

Gaïa is the online tool used by the Group to manage its sustainable development initiatives. Each hotel independently declares and monitors the progress of its environmental, social and governance actions. A library of documents (training, communication materials) on these actions is available. Tutorials are also available to help hotels get to grips with the Gaïa tool and implement the roadmap.

Gaïa 2.0 is Accor's market tool. This online platform was chosen in response to the growing demands of extra-financial data collection. Initially, in 2023, Gaïa 2.0 has been developed to track energy and water data. In 2024, the range of data collected via Gaïa 2.0 will be expanded, to enable the monitoring of a large number of indicators.

The data collected on Gaïa and Gaïa 2.0 are used for steering and analysis at all levels of the Group, from the hotels themselves to the head offices.

Reporting scope and frequency

The actions and indicators tracked in Gaïa and Gaïa 2.0 concern all hotels and serviced residences. This includes the Group's subsidiaries, managed companies and franchisees, *i.e.* the so-called global perimeter.

Some exceptions apply and are detailed below, and in the relevant categories in the following sections.

Are excluded from the scope :

- hotels permanently closed at the time of reporting periods;
- hotels under development (not open yet) at the time of the reporting periods.

Gaïa and Gaïa 2.0 data are collected and analyzed on an ongoing basis throughout the year.

3.7.1.3 Water, energy and greenhouse gas emissions

Data collection and control

At the start of every month, the hotels are encouraged to enter their water and energy consumption into the online reporting and analysis tool, known as Gaïa 2.0. The regional hotel maintenance teams in each country monitor the inputs and discuss drifts and possible improvements with the hotels.

At the end of the year, the data are validated at the regional level initially and then at the central level before being submitted to the auditors. It is these controlled and audited data that are presented in this document.

Scope

The scope covers all the hotels under the Accor banner, owned and leased or under management, open as of December 31 of the current fiscal year.

The following hotels are excluded from the scope for gradual consolidation into the Accor network or because it is impossible to measure their consumption:

- independently operated units or structures and franchised hotels;
- new acquisitions made during the reporting year;
- hotels closed for renovation during the reporting period;
- ancillary in-hotel activities that are not managed by Accor assuming their data can be clearly segregated;
- Paris Society and Le Lido, entities that are included in Accor's consolidated financial reports.

Indicators

Energy consumption

Reported energy use is the final energy used over one year by the hotels in the reporting scope expressed in GWh. The quantity taken into account is the total energy used by the hotels from all energy sources (electricity, gas, etc.) for all uses (accommodation, food service, etc.). Consumption data reported by the hotels are expressed by type of energy. For fuel, energy consumption is calculated based on the volume or mass consumed and each unit's heating value (HV).

Greenhouse gas emissions (GHG)

Methodological principles for energy-related emissions

The calculation of Scope 1, 2, 3.3 and 3.14 emissions is based on centralized energy consumption figures in the new reporting tool by energy source (gas, electricity, etc.). Consistency checks are first carried out on the energy consumption data to remove inconsistent data. It should be noted that the common reporting tool (Gaïa 2.0) was launched in 2022, and some data was unable to be recovered. Extrapolations have therefore had to be carried out to produce a complete carbon footprint for the Group. Additional information on these extrapolations can be found in the section entitled *Methodological details II*. In the absence of reliable actual data, extrapolations have been carried out as described in the section on methodological details. Accordingly, in 2023, approximately 64% of hotels had at least one reliable item of real data, with the remainder having data extrapolated using the most accurate level of extrapolation, *i.e.* data from the same country and for the same brand - as described in the section entitled *Methodological details II*.

Once the energy data has been consolidated (verified and extrapolated), the specific emissions factors (as described in the *section entitled Methodological details V)* are applied to calculate CO_2 equivalent emissions: the "Combustion" emissions factors for scopes 1 and 2 and the "Upstream" emissions factors for scope 3.3.

Methodological details

Methodological details I

The minimum and maximum energy intensity thresholds per room are calculated using the following equation: "Min/Max room size" x "Min/max energy intensity", applying the following assumptions:

The smallest room is 15m², while the largest is 150m².

The energy intensities are based on the work of Cornell University (2019-2020-2021-2023 Global benchmark). For the minimum threshold, the average value of the minimums in the lower quartile for each year are used. For the maximum threshold, the average value of the minimums in the upper quartile for each year are used.

The min/max intensity thresholds per room are therefore respectively calculated using the following equations: "Min room size x average of the "Lower Quartile" years in Cornell University's benchmark" and "Max room size x average of the "Upper Quartile" years in Cornell University's benchmark". In relation to the minimum threshold, it is considered that a hotel is generally linked to two energy sources but, since the balance is rarely 50%/50%, the minimum threshold is divided by 3 (*i.e.* 33/66) in order not to exclude potentially correct meters.

Methodological details II

Missing data may be extrapolated using four different levels of extrapolation depending on the availability and robustness of the collected data:

- Level 1 represents the most reliable extrapolation at brand and country level;
- Level 2 represents the brand and geographical region level;
- Level 3 represents the brand level;
- Level 4 represents the most reliable extrapolation at segment level;

Methodological details III

The 2019 figures needed to be updated in order to be compared with the 2023 figures. They are therefore different from the figures reported in the 2019, 2020, 2021 and 2022 NFPS. The relevant hotel portfolio for 2019 is unchanged, but the energy data and the emissions factors have changed in order to be aligned with the 2023 methodology. The 2022 energy consumption data for the hotel portfolio (and the corresponding extrapolation tables) have been applied to the 2019 hotel portfolio. This is a "conservative" assumption given the analysis of changes that occurred between 2019 and 2022. The carbon data for the offices in the 2019 scope has been directly included without the calculation being updated (it is not material (<0.1%) compared with the emissions of the hotel portfolio). The emissions factors have been updated retrospectively for each year using the same sources as 2023.

Methodological details IV

The 2020 and 2021 figures were unable to be directly recalculated as the impact of Covid could not be modelled in the calculation tool, and the decision was therefore made to apply the trends calculated using the previous methodology. A calculation in base 100 carried out in 2019 on previous declarations was applied to the new 2019 value.

Methodological details V

The emissions factors used to calculate the 2023 carbon footprint are derived from the following databases:

- for combustion (Scope 1 and 2):
  - location-based
    - Electric Power: International Energy Agency (IEA) - CO_2 Emissions from Fuel Combustion 2023 (w/ 2021 data) - 09/15/2023 (https://www.iea.org/data-and-statistics/data-product/emissions-factors-2023),
    - Other commodities: Department for Environment Food and Rural Affairs (DEFRA) 2023 Guideline to DEFRA - 28/06/2023 (https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2023),
  - market-based
    - Electric Power (Residual Mix): Association of Issuing Bodies (AIB) - European Residual Mix 2021 v1.1 - 31/05/2022 (https://www.aib-net.org/facts/european-residual-mix/2021);
- upstream emissions (Scope 3.3):
  - Electric Power: International Energy Agency (IEA) - T&D Loss 2023- Year 2020 - 09/15/2023 : https://www.iea.org/data-and-statistics/data-product/emissions-factors-2023),
  - other commodities: Department for Environment Food and Rural Affairs (DEFRA) 2023 Guideline to DEFRA - 28/06/2023 (https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2023).

Methodological principles for emissions not related to energy

The calculation of Scope 3 emissions is based on multiplying volumes (quantities of goods and services purchased by the hotels, quantity of waste produced, distances travelled by customers and hotel guests, etc.) by the corresponding emissions factors (*Methodological details I*). These factors are then adjusted *(Methodological details II*) using qualitative data collected directly from the hotels via a survey sent to the hotels in January 2024 (Scope 3 Survey). This qualitative information is used to determine the efforts made by the hotels: the reduction methods put in place by the hotels (e.g. purchasing organic and local produce, purchasing furniture from the circular economy, transporting guests using soft or electric mobility methods) effectively reduce the carbon impact, while the absence of any action, in contract, increases the hotel's footprint.

Volumes (quantities of goods, waste or distances travelled) have been calculated based on the individual characteristics of the hotels and their annual activity (number of m^2, number of diners, location, etc.) and via assumptions formulated based on the knowledge of Accor's teams (e.g. to calculate the number of beds per room, the share of outsourced laundry services, etc.) and then adjusted based on the data provided by the hotels via the January 2024 Scope 3 Survey (*Methodological details III*).

There are two principal scenarios:

- either the hotel responded to the Scope 3 Survey. In this scenario, the quantitative data reported by the hotel is used to calculate volumes (in kilograms, liters, kilometers or other units, etc.), while the qualitative data is used to adjust the associated emissions factors;
- or the hotel did not respond to the survey. In this scenario, the default models are used and the emissions factors are adapted by adding a default constant that generally causes the hotel's results to deteriorate (*Methodological details IV*).

Accor has been assisted by expert firms in calculating emissions factors and developing the calculation tool, thereby enabling it to carry out adjustments using the qualitative data reported by the hotels for each of the categories.

Methodological details

Methodological details I

The model that has been developed seeks to apply a reference emissions factor (EF) to each category of goods. To that end, combinations of emissions factors have been applied to each category of goods (for example, for food and drink, the emissions factors of numerous ingredients have been combined to create an emissions factor for items on the menu). The EFs are calculated based on the needs of the various categories in order to focus on the appropriate levers (production, transport, use, etc.). Most of the EFs that are used are "cradle-to-gate" factors, *i.e.* covering periods from the extraction of raw materials to the point at which the product leaves the factory.

Methodological details II

The qualitative variables are integrated into the calculation to adjust the scale of emissions factors between the defined lower and upper limits, with an increasing or decreasing value depending on the action undertaken by the hotel. It is therefore possible to position the cursor between the limits based on which measures the hotels have taken, and define an emissions factor for each category with a variable impact. The final emissions factor applied to the hotel is a percentage of the reference emissions factor based on the responses provided by the hotels to the survey. The lower limits of the model have been established by applying the best practices in the geographical regions with the lowest impact. The opposite is also true for the upper limits.

Methodological details III

Parameter tables have been produced to ensure that the model is used correctly, including where the hotels fail to respond to the survey. These tables may, for example, cover the average size of rooms for each hotel segment (economy, midscale, premium or luxury), the number of employees based on the number of rooms in the hotel, the number of beds or televisions per room, etc.

Methodological details IV

By extension, it is assumed that a hotel that fails to respond to a question applies the most common standard. As a result, the corresponding adjustment scheme applies, and the default adjustment generally increases the carbon impact.

Sources and databases used:

- Ecoinvent 3.9.1
- World Food Life cycle assessment DataBase (WFLDB) 3.8.3
- Cleaning products: https://technotes.alconox.com/industry/how-much-detergent-solution-is-needed/#0
- Coolant gas leaks: https://librairie.ademe.fr/cadic/5710/climatisation-confort-2021-rapport.pdf

Carbon footprint publication calendar

In previous years, Accor published the results of its GHG emissions in two stages:

- March year N: Accor Year N-1 Universal Registration Document including:
  - reporting on Scopes 1, 2 and 3 for year N-2 (relevant categories) – full scope;
  - year N-1 reporting on Scopes 1 and 2, emissions from owned and leased and managed hotels with validated data;
  - year N-1 reporting on Scopes 1 and 2, emissions from owned and leased and managed hotels with extrapolated data;
  - N-1 reporting on Scope 3 emissions from franchised hotels corresponding to their scopes 1 and 2 – validated and extrapolated data.
- In Q3 N: Input on CDP's climate and sustainability obligations:
  - reporting on Scopes 1, 2 and 3 for year N-1 (relevant categories) – full scope.

Water consumption

Total water consumption in m^3 is the amount of water used over one year by the hotels in the scope of reporting, regardless of purpose (accommodation, food service, grounds watering, etc.).

Total specific water consumption (hotel pumping equipment, recycling of rainwater or wastewater) is reported if a specific measurement system enables precise measurement.

The performance indicator is the ratio in liters per night stay.

Data for water consumption are taken from the Gaïa 2.0 tool, with a validated invoice rate representing 20% of the hotel portfolio at December 31, 2023, in a way that is uniform and sufficiently representative across segments and brands. The remainder, *i.e.* 80% of the hotel portfolio and 79% of total withdrawals at December 31, 2023, is extrapolated on the basis of validated invoice data.

3.7.1.4 Waste

Data collection and control

Reporting of Gaïa actions is based on a declaration by the hotels. Verifications are nevertheless undertaken by the Internal Audit department.

The results are expressed as a percentage and correspond to the number of hotels that have implemented the action in question in relation to:

- the total number of hotels;
- when mentioned, the total number of hotels that reported on the tool.

Hotels enter data on the actions regularly and confirm it in the Gaïa tool. The data is then subject to four checks:

- by the hotel: the person in charge of reporting at the hotel uses the action description sheets to ensure that the relevant actions have effectively been carried out;
- by the reporting officer at country, region or brand level: monitoring of reporting progress, compliance with deadlines, clarification of definitions, consistency checks;
- by the Reporting Officer at the Group level: consolidation of results and controls;
- during quality audits on the implementation of brand standards carried out randomly in some of the hotels by external auditors, and incorporating priority actions.

The Group strives to improve its reporting and control procedures each year to enhance data quality.

Waste reduction

Since 2019, hotels access modules on waste management and food waste reduction management on Gaïa. Collection of waste-related data will be conducted via Gaïa 2.0 from 2024 onwards.

Removing single-use plastic from the guest experience

To comply, a hotel must have eliminated or replaced 57 single-use plastics.

Since the goal to remove single-use plastics from the guest experience was a strategic priority for 2023, monitoring of the Gaïa actions concerned was sustained (with the reporting frequency increasing from fortnightly to weekly at the end of the year). Thus, the very few non-responding hotels were counted as non-compliant with the action in question.

However, hotels have the possibility to indicate that an action is "not applicable" where the action does not apply to the hotel (for example if there is no restaurant in the hotel or certain products are not present). The hotel is then counted as compliant with the relevant action.

In the rare exceptions granted (linked to the absence of alternative solutions on the market, or for health- or regulatory-related issues), the hotels concerned are counted as compliant with the action. This list of exceptions and hotels covered is reviewed annually. Examples of products included on the exception list: milk capsules or automatic distributors.

3.7.1.5 Human resources

Group-wide quantitative and qualitative reporting takes place once a year. An annual review of pay gaps is also carried out by Accor.

Quantitative reporting

Reporting scope and frequency

The employee reporting scope comprises the legal and voluntary scopes described above.

Employee data includes:

- employees at head offices and owned or leased hotels. These are employees of the Group. People who work in the managed hotels are included in the report;
- employees of the managed hotels (including AccorInvest hotels). The employees working in these hotels are not employees of Accor but are under a management contract, except for certain cases in hotels where Accor employees are on assignment;
- employees of new businesses.

Employee data does not include:

- employees of owned, leased or managed hotels closed as of December 31, 2023;
- employees of entities opened after November 30, 2023;
- contingent workers, interns, and temporary workers;
- employees of franchised hotels or units in which Accor owns an equity interest but does not exercise any management responsibility (condition-based management agreements);
- employees of the hotel brands in which Accor owns a stake below 50%.

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

Reporting application

Employee data is reported, and the related indicators managed via the proprietary **HR DATA application** that was developed internally, revamped in 2021 and redeployed in 2022. 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 Group's reporting process is defined in the **"HR DATA Protocol".** This document applies to all those involved in reporting, from Accor's head office to the hotel. It provides a detailed, comprehensive description of Group procedures and definitions, the methods used to calculate data and indicators, and the areas to be considered. It also describes country-specific features, which are regularly updated.

The protocol in French and English has been sent by the Talent & Culture Department to everyone responsible for the reporting process.

Reporting officers have been designated at three levels. They are responsible for collecting, entering, verifying and approving employee data in compliance with the recommendations of the human resources reporting protocol:

- hotel level:
  - collect and approve hotel data;
  - confirm the completeness of the data;
- country level:
  - confirm the completeness of the data;
  - verify and validate the data reported from all 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 Regional Managers.

Indicators

Number of payroll and non-payroll employees

The indicators relating to employees are accounted for and recorded in **average monthly workforce.**

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

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

The job category classification is specified as follows:

- 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 independence in making decisions and must fulfill at least two of the following responsibilities: supervisory responsibility (responsible for evaluating, recruiting and compensation 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 hotel manager, or in the head offices, holds a position characterized by significant autonomy and responsibility for results within their remit. A director is responsible for setting goals, determining procedures, and coordinating all entities for which they are responsible. Hotel managers, for a limited number of hotels, include the Area Manager or DOP (Director of operations) positions when they are assigned to a hotel and not to the head offices, especially in South America.

Changes in headcount

Every employee movement during the period is reported, regardless of the type of job contract (permanent or non-permanent). 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 or during the same month;
- suspension of an employment contract;
- when an employee transfers to another position in the Group.

Departures involving the abandonment of position are systematically considered as individual dismissals. In fact, defection is at the initiative of the employee while breach of contract is at the initiative of the employer. Internal changes in headcount at a managed hotel not considered as a transfer may be considered a departure at the initiative of the employee.

Health and working conditions

Absenteeism

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

Three categories are distinguished:

- medical leave (including leave for illness of the employee, illness of the employee's child, work-related illness and commuting accidents). This category does not include maternity or paternity leave;
- absences due to 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.

Health & Safety

The **workplace accident frequency rate** is calculated as follows: number of workplace accidents with lost time of at least one day—or according to the duration of local legislation—in relation to the number of theoretical hours worked x 1,000,000.

The **calculation of hours worked** was modified in 2016 to standardize the data returns. Hours worked are calculated as follows: total hours paid – (theoretical hours of leave x workforce).

The **accident severity rate** is calculated based on the number of absences due to workplace accidents, as follows: absences due to workplace accidents divided by the number of theoretical hours worked x 1,000.

In 2023, the frequency and seriousness rates include only the head offices. In 2023, the frequency and severity rates cover 98% of head offices, *i.e.* 99.7% of the workforce. The data for the other establishments was not considered reliable.

Fatal workplace accidents are considered in workplace accidents with stoppage of at least one day. An accident is considered fatal if the employee dies within 365 days following the incident.

Training

The **number of training hours** reported includes courses conducted by Accor Academy, Accor managers and contract service providers for hotels and head offices. The number of hours' training is counted differently according to the specificities of the different local systems.

An employee is counted as **trained** when he/she has completed at least one training course during the year. An employee is not counted more than once in the period if he/she has completed several trainings. Thus, a person who has completed two training courses and three e-learning courses will count as one trained person.

Qualitative reporting

Qualitative reporting is addressed to members of the international Talent & Culture network. In 2022, qualitative reporting covered all the regions and 92 countries. It involved self-reporting and was carried out by means of an Excel survey emailed to the Talent & Culture contact people.

Annual review of pay gaps

Scope

The review covers both support function and operational roles based at head offices, and managers of owned and leased hotels and managed hotels, in all locations worldwide where the Group operates.

Other than the exceptions detailed below, all employees on permanent contracts on the payroll for March 2023 (after the annual salary review) are covered by the review.

The following are excluded from the review:

- countries in which the Group does not have at least 10 employees, including at least one woman and one man, with head office or hotel management functions with comparable levels of responsibility (for reasons of confidentiality);
- countries in which the classification of roles using the Hay job evaluation methodology has not yet been finalized;
- international employees whose salaries are paid in a currency that is not the local reference currency;
- employees based at the head office of the New Business and Lifestyle entities.

Calculation method

The data provided by the compensation teams in each region comprises the basis contractual gross salary paid in March 2023, prorated to working hours. The pay gap therefore corresponds to a basic salary recalculated on a full-time and annualized basis.

The pay gap between men and women is first calculated for each Hay grade, then weighted by the number of employees at each Hay grade to obtain an overall average gap for each country. Pay gaps for each category (head office/hotel management) and country are then consolidated by the Corporate compensation team to produce an average pay gap for the Group, which is weighted by the number of employees in each country.

"Comparable levels of responsibility"

The salary gap is calculated for each Hay grade, as this job evaluation methodology is the internal classification system used by the Group in all countries, to determine the level of responsibility of different roles. This method can be used to compare employees in roles with comparable levels of responsibility, *i.e.* roles with the same Hay grade.

Material gap of 5%

The 5% figure is used by the European Pay Transparency Directive as the threshold above which pay gaps between men and women need to be justified and reviewed with, where relevant, employee representatives.

3.7.1.6 Procurement

Scope

Indicators cover purchases from nominated suppliers, occuring in all operating structures (owned and leased, under management agreements, franchises).

Among Accor's various Procurement Departments, the departments representing the largest volumes of purchases take part in the reporting, *i.e.* 29 Procurement Offices (including Corporate Procurement): 12 in Europe (Austria, Belgium, France, Germany, Italy, Hungary, Netherlands, Poland, Romania, Spain, Switzerland, United Kingdom); five in Africa-Middle East (Egypt, Morocco, Saudi Arabia, United Arab Emirates, Turkey); two in North America (Canada, Mexico); four in South America (Brazil, Chile, Colombia, Peru); two in South East Asia (Singapore, Thailand); two in the Pacific (Australia, New Zealand); one in China. Data was also reported by the Corporate Procurement Department.

In 2023, contracts between Accor and active suppliers as of December 31, 2023 are included. This means that a supplier who terminated their agreement during the year is not included in the reporting, whereas a contract that began during the year is included.

The number of suppliers was counted per "supplier entity". For the Accor hotels that have signed an approval agreement with the parent company and/or one or more subsidiaries of the same supplier, the basis for calculating the indicators is hence the number of entities owning one or more approval agreements in one or more procurement categories.

Data collection and control

All indicators are factual and non-declarative data and come directly from the reporting tools of the service providers carrying out the assessments or on-site audits. This data is sent every week to the Group's sustainable procurement manager for compilation, centralization and monitoring of the progress of the plan.

Procurement audits review compliance with the sustainable procurement issues described in the "Indicators" section.

Indicators

Deployment of the Responsible Procurement Charter

Percentage of nominated suppliers whose Charter has been communicated out of the total number of nominated suppliers. This Charter is appended to all nomination contracts since May 1, 2023.

Percentage of suppliers that have conducted an assessment

Percentage of assessments conducted by nominated suppliers on a CSR assessment platform versus the number of nominated suppliers in the "High risk" and "Very high risk" categories;

Percentage of suppliers that have undergone an external audit

Percentage of nominated suppliers audited by an independent body compared against the number of nominated suppliers in "Very high risk" categories.

Action plans

Percentage of action plans monitored in relation to the number of "High risk" and "Very high risk" nominated suppliers showing major non-compliance.

3.7.2 Indicators tables

3.7.2.1 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.

	2022		2023		Change	
Indicators	Legal scope	Legal and voluntary scopes	**Legal scope Subsidiaries**	**Legal and voluntary scopes**	Legal scope	Legal and voluntary scopes
Employment commitments						
Number of payroll and non-payroll employees	17,117	186,084	24,555	223,279	7,438	37,195
of which % women	57%	42%	49%	42%	-8%	0%
of which % men	43%	58%	51%	58%	8%	0%
By age						
Under 25	13%	15%	13%	17%	0%	2%
25 to 34	32%	35%	31%	35%	-1%	0%
35 to 44	28%	26%	27%	25%	-1%	-1%
45 to 54	17%	16%	18%	15%	1%	-1%
Over 55	10%	8%	11%	8%	1%	0%
By seniority						
Less than 6 months	22%	20%	15%	16%	-7%	-4%
6 months to 2 years	25%	27%	31%	37%	6%	10%
2 to 5 years	19%	19%	18%	17%	-1%	-2%
5 to 10 years	17%	16%	16%	14%	-1%	-2%
10 to 20 years	12%	12%	12%	10%	0%	-2%
Over 20 years	5%	6%	7%	5%	2%	-1%
% of disabled employees	0.70%	0.81%	0.61%	1.19%	-0.09%	0.38%
Management						
% of total workforce	14%	13%	20%	12%	6%	-1%
of which % women managers	54%	41%	46%	40%	-8%	-1%
of which % men managers	46%	59%	54%	60%	8%	1%
Managers by age – total						
Under 25	13%	1%	1%	1%	-12%	0%
25 to 34	32%	29%	20%	24%	-12%	-5%
35 to 44	28%	41%	43%	42%	15%	1%
45 to 54	17%	21%	25%	24%	8%	3%
Over 55	10%	8%	11%	9%	1%	1%

Indicators	2022 Legal scope	2022 Legal and voluntary scopes	2023 Legal scope Subsidiaries	2023 Legal and voluntary scopes	Change Legal scope	Change Legal and voluntary scopes
Hotel managers by age						
Under 25	18%	1%	2%	1%	- 16%	0%
25 to 34	32%	29%	30%	26%	-2%	-3%
35 to 44	28%	41%	41%	41%	13%	0%
45 to 54	14%	21%	19%	0.23	5%	2%
Over 55	10%	8%	8%	9%	-2%	1%
of which hotel managers	280	1,819	101	1,624	(179)	(296)
of which % women	41%	31%	42%	28%	1%	-3%
of which % men	59%	69%	58%	72%	-1%	3%
Working conditions						
Average number of days of medical leave per employee over the year	4.7	ND	+3.7	4.5	(1)	ND
Average number of days of leave due to workplace accident per employee over the year	+0.3	ND	+0.3	0.4	0	ND
Average number of days of unauthorized leave per employee over the year	0.2	ND	0.6	0.7	0.4	ND
Lost-time injury rate resulting in more than one day of lost time*	1.56	ND	0.85	ND	(0.71)	ND
Incident severity rate for workplace and commuting accidents*	0.1	ND	0.1	ND	0	ND
Number of fatal workplace and commuting accidents	0	ND	0	16	0	ND

* *Following the sale of hotels to AccorInvest, the consolidation of hours worked data over the scope of the hotels could not be carried out. Since 2018, the frequency and severity rates include only the head offices. In 2022, the frequency and severity rates cover 90% of head offices, i.e. 98% of the workforce, as the data for the other establishments was not considered reliable.*

	Europe			Africa Middle East			Asia-Pacific			South America			North/Central America & Caribbean			Total		
	2021	2022	**2023**	2021	2022	**2023**	2021	2022	**2023**	2021	2022	**2023**	2021	2022	**2023**	2021	2022	**2023**
Owned and leased hotels	3,407	4,614	11,722	1,445	1,820	1,862	1,918	6,798	6,395	2,255	3,126	3,470	345	757	1,106	9,369	17,117	24,555
Upscale luxury hotels	131	97	310	576	670	878	0	0	0	0	0	0	40	0	44	748	767	1,231
Midscale hotels	299	622	1,279	297	549	431	1,036	6,213	1,286	593	858	932	0	345	0	2,225	8,588	3,928
Economy hotels	211	219	230	292	316	374	0	0	0	1,105	1,652	1,886	0	0	0	1,608	2,187	2,489
International head offices	1,555	2 509	1,838	280	285	180	882	585	598	557	617	652	305	412	683	3,578	4,407	3,950
Other Business incl. New Business	ND	ND	6,889	ND	ND	0	ND	ND	4,512	ND	ND	0	ND	ND	380	ND	ND	11,781
Holding company – payroll employees	1,211	1,168	1,176													1,211	1,168	1,176
Hotels management agreements – non-payroll employees	29,693	34,374	43,996	34,311	41,429	41,927	60,139	59,149	76,169	6,722	9,294	10,567	18,370	24,722	26,065	149,235	168,967	198,724
Upscale luxury hotels	4,768	4,188	9,989	8,637	8,615	20,298	13,706	13,056	18,138	1,172	1,482	1,648	15,996	20,254	23,521	44,278	47,594	73,594
Midscale hotels	16,644	21,382	24,194	23,274	29,958	20,720	42,361	41,932	51,783	3,705	5,477	6,359	1,744	4,131	2,161	87,728	102,880	105,217
Economy hotels	8,281	8,804	9,813	2,400	2,856	910	4,072	4,162	6,248	1,845	2,335	2,560	631	337	383	17,229	18,494	19,913
International head offices																		
Total employees	**33,100**	**38,988**	**55,718**	**35,756**	**43,250**	**43,789**	**62,057**	**65,947**	**82,564**	**8,977**	**12,420**	**14,037**	**18,716**	**25,479**	**27,171**	**158,604**	**186,084**	**223,279**
Training legal scope																		
Total training hours	48,360	33,142	71,667	19,863	27,932	20,352	8,734	17,109	13,636	27,053	17,624	10,016	1,859	3,788	1,015	105,869	99,595	116,686
Number of employees having attended at least one training course	1,565	3,670	5,127	1,438	1,699	1,582	1,956	7,264	8,662	412	1,344	2,938	348	711	776	5,719	14,688	19,085
Changes in headcount, global scope																		
New hires	15,181	26,147	46,389	15,286	25,748	18,595	23,747	45,165	53,659	5,015	9 305	7,420	7,963	17,231	13,355	67,192	123,596	139,418
Departures	14,614	21,751	29,462	14,491	17,345	14,985	27,419	28,657	36,179	4 166	6,454	6,438	8,144	12,590	11,193	68,834	86,797	98,257
of which resignations	7,316	11,388	15,776	9,873	13,035	11,020	23,214	24,951	30,400	1,612	3,265	3,052	5,600	7,851	8,051	47,615	60,490	68,299
of which dismissal and terminations by mutual agreement	1,606	2,953	4,176	1,463	1,665	1,700	890	761	1,565	1 958	2,108	2,484	760	1,350	1,469	6,677	8,837	11,394
of which redundancies	780	575	240	234	140	200	1,074	231	96	10	51	34	389	17	87	2,487	1,014	657
Changes in headcount, global scope																		
New hires	540	1,935	4,658	450	729	826	912	5,597	3,962	1,314	2,206	1,929	65	246	231	3,281	10,713	11,606
Departures	761	1,427	3,191	364	623	696	796	4,083	3,687	902	1,463	1,588	66	182	252	2,889	7,778	9,414
of which resignations	377	779	1,337	230	371	532	654	3,410	3,251	368	667	694	44	132	126	1,673	5,359	5,940
of which dismissal and terminations by mutual agreement	140	281	664	43	160	60	29	154	103	467	647	776	4	16	34	683	1,258	1,637
of which redundancies	110	166	110	11	0	0	77	216	25	0	7	9	5	0	24	203	389	168

3.7.3 Report of one of the Statutory Auditors, appointed as an independent third party, on the verification of the consolidated non-financial information statement

(For the year ended December 31, 2023)

This is a free translation into English of the report by one of the Statutory Auditors issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

ACCOR SA
Tour Sequana
82 Rue Henri Farman
92445 ISSY-LES-MOULINEAUX

In our capacity as Statutory Auditor of your company ACCOR SA (hereinafter the "Entity"), appointed as an independent third party ("third party") and accredited Cofrac Inspection Accreditation, n°3-1862 (scope available at www.cofrac.fr), we have undertaken a limited assurance engagement on the historical information (observed or extrapolated) in the consolidated non-financial statement, prepared in accordance with the Entity's procedures (hereinafter the "Guidelines"), for the year ended December 31, 2023 (hereinafter the "Information" and the "Statement", respectively), presented in the management report pursuant to the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (Code de commerce).

Conclusion

Based on the procedures we have performed as described under the "Nature and scope of procedures" and the evidence we have obtained, nothing has come to our attention that cause us to believe that the non-financial statement is not prepared in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Emphasis of Matter

Without modifying our conclusion disclosed above, we draw your attention to section 3.2.1 Climate, sub-section Network of hotels included in the 2023 carbon footprint measurement specifying that the scope of facilities considered in the carbon footprint calculation of the Group legal scope does not include activities related to Paris Society and Le Lido, entities integrated in the consolidated financial statements of the Group.

Comment

Without modifying our conclusion disclosed above and in accordance with article A. 225-3 of the French Commercial Code, we have the following comment:

- the monitoring systems for training activities can only track a part of the trainings carried out by employees. Thus, the indicator related to the number of employees having completed at least one training course during the year partially reflects the performance of the entity with regard to the related risk.

Preparation of the non-financial performance statement

The absence of a commonly used generally accepted reporting framework or a significant body of established practice on which to draw to evaluate and measure the Information allows for different, but acceptable, measurement techniques that can affect comparability between entities and over time.

Consequently, the Information needs to be read and understood together with the Guidelines for which the significant elements are presented in the Statement.

Inherent Limitations in preparing the Information

As stated in the Statement, the Information may be subject to uncertainty inherent to the state of scientific and economic knowledge and the quality of external data used. Some information is sensitive to the choice of methodology and the assumptions or estimates used for its preparation and presented in the Statement.

Responsibility of the Entity

Management is responsible for:

- selecting or establishing suitable criteria for preparing the Information;
- preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators and the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy);
- preparing the Statement by applying the Entity's "Guidelines" as referred above; and
- designing, implementing and maintaining internal control over information relevant to the preparation of the Information that is free from material misstatement, whether due to fraud or error.

The Statement has been endorsed by the Board of Directors.

Responsibility of the Statutory Auditor appointed as independent third party

Based on our work, our responsibility is to express a limited assurance conclusion on:

- the compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code;
- the fairness of the information provided pursuant to part 3 of sections I and II of Article R. 225-105 of the French Commercial Code, *i.e.* the outcomes of policies, including key performance indicators, and measures relating to the main risks, hereinafter the "Information".

As we are engaged to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information as doing so may compromise our independence.

It is not our responsibility to report on:

- the Entity's compliance with other applicable legal and regulatory provisions (particularly with regard to the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy), the French duty of care law and against corruption and tax evasion);
- the fairness of information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy);
- the compliance of products and services with the applicable regulations.

Applicable regulatory provisions and professional guidance

We performed the work described below in accordance with Articles A. 225-1 et seq. of the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to such engagement, in particular the professional guidance issued by the *Compagnie Nationale des Commissaires aux Comptes, Intervention du Commissaire aux Comptes – Intervention de l'OTI – déclaration de performance extra-financière*, and acting as the verification programme and with the international standard ISAE 3000 (revised).

Independence and quality control

Our independence is defined by the provisions of Article L. 821-28 of the French Commercial Code and French Code of Ethics for Statutory Auditors (Code de déontologie) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures aimed at ensuring compliance with applicable legal and regulatory requirements, ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement.

Means and resources

Our work engaged the skills of 15 people between September 2023 and February 2024 and took a total of 20 weeks.

We were assisted in our work by our specialists in sustainability and corporate social responsibility. We conducted some forty interviews with the people responsible for preparing the Statement, representing in particular Sustainability, General management, Compliance, human resources, health and safety, environmental and procurement.

Nature and scope of procedures

We have planned and performed our work to address the areas where we have identified that a material misstatement of the Information is likely to arise.

The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the Information, we:

- obtained an understanding of all the consolidated entities' activities and the description of the main risks associated;
- assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, taking into account, where appropriate, best practices within the sector;
- verified that the Statement includes each category of social and environmental information set out in article L. 225-102-1 III of the French Commercial Code as well as information regarding compliance with human rights and anti-corruption and tax avoidance legislation and includes, where applicable, an explanation of the reasons for the absence of the information required under Article L. 225-102-1 III, paragraph 2 of the French Commercial Code;
- verified that the Statement provides the information required under Article R. 225-105 II of the French Commercial Code where relevant with respect to the main risks;
- verified that the Statement presents the business model and a description of the main risks associated of all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the main risks;
- referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the main risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the main risks and the policies presented, and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix. For some risks: supply chain management, protection and security of personal data, diversity and talents attraction, our work has been carried out at the level of the consolidating entity; for the other risks, our work has been carried out at the level of the consolidating entity and in a selection of hotels of legal scope, located in Brazil;
- verified that the Statement covers the consolidated scope, *i.e.* all the entities within the consolidation scope in accordance with Article L. 233-16 of the French Commercial Code within the limitations set out in the Statement;
- obtained an understanding of internal control and risk management procedures the Entity has implemented and assessed the data collection process aimed at ensuring the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix, implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data,
  - tests of details, using sampling techniques, in order to verify the proper application of definitions and procedures and reconcile the data with supporting documents. This work was carried out on a selection of contributing sites specifically Accor Headquarter and a selection of hotels of legal scope, located in Brazil and covers between 52% and 80% of the consolidated data relating to the key performance indicators and outcomes selected for these tests;
- assessed the overall consistency of the Statement in relation to our knowledge of all the consolidated entities.

The procedures performed in a limited assurance review are less in extent than for a reasonable assurance opinion in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes); a higher level of assurance would have required us to carry out more extensive procedures.

Neuilly-sur-Seine, March 27, 2024

One of the Statutory Auditors,

PricewaterhouseCoopers Audit

Cédric Haaser	Aurélie Castellino
Partner	Partner, Sustainable Development

Appendix: List of the information we considered most important

Key performance indicators and other quantitative results:

- Percentage of change in energy-related greenhouse gas emissions - Scopes 1, 2 and 3 between 2019 and 2023 within the legal scope;
- Percentage of hotels at the end of 2023, within the legal scope, using a tool for measuring CO_2 emissions (reference hotel stock as of July 31, 2023);
- Quantity (ktCO_2eq) of carbon emissions (scopes 1,2 and 3) and their distribution (in percentage) in 2023;
- Percentage of hotels having removed single-use plastics from the guest experience as of December 31, 2023 within the legal scope;
- Percentage of hotels having implemented more than five actions among the nine commitments for healthy and sustainable food in 2023;
- Number of hotels having banned endangered fish species at the end of 2023;
- Number of hotels offering wild or farmed fish using responsible practices at the end of 2023;
- Percentage of hotels out of the Top 300 hotels list having reported in 2023 a food waste reference value in line with the Group's requirements;
- Percentage of resignations in departures in 2023 within the legal scope;
- Percentage of employees having participated in at least one training course in 2023 within the legal scope;
- Transformation rate of unique visits to application launches in the Accor Careers website during 2023;
- Engagement rate of hotel employees within the legal and voluntary scope for 2023;
- Percentage of women on management committees globally as of December 31, 2023;
- Percentage of female hotel managers within the legal scope in 2023;
- Percentage of women in the total workforce within the legal scope;
- Percentage of employees trained in 2023 and total number of training hours completed over the year;
- Total number of work accidents with sick leave declared in 2023;
- Percentage of hotels declared covered by a collective agreement specific to their activity or professions.
- Percentage of salary gap in 2023 for positions with comparable responsibilities.
- Disability rate for Accor in France within the legal and voluntary scope in 2023;
- Percentage of eligible employees in the legal scope who have completed the "Fight against corruption" online training over the last three years;
- Percentage of eligible employees within the legal scope who have completed the "Data protection" online training over the last three years;
- Percentage of change in alerts received via Accor Integrity Line in 2023 (compared to 2022);
- Percentage of hotels in the legal scope deploying the Watch program;
- Share of nominated suppliers committing to respecting the Responsible Purchasing Charter (or equivalent).

Qualitative information (actions and outcomes):

- Suppliers invited to participate in the CDP climate questionnaire;
- Safety tests carried out in 2023;
- Launch of projects to optimize energy consumption and reduce greenhouse gases;
- Deployment of the improved energy management system aligned with the ISO 50001 standard;
- Financing and energy renovation solution offered to hotels in the group's hotel portfolio in 2023;
- Energy supply arrangements proposed to hotels in the group's hotel portfolio in 2023;
- 100% renewable electricity contract for Sequana headquarter;
- Launch of the Accor Biodiversity project in 2023;
- The Community Conservation Fund Africa (CCFA);
- The Group performance reviews in terms of food waste;
- The monitoring the implementation of technical standards for hotel construction and renovation by the Accor Design & Technical Services (D&TS) Department;
- Online training modules for hospitality jobs;
- Reveal Talent Program;
- Workstation-related risk prevention training modules;
- Accor employee profit-sharing agreement in 2023;
- Group governance organization in terms of Diversity, Equity & Inclusion;
- Online training on gender-based violence, sexual harassment and domestic violence;
- Accor Group Ethics and CSR Charter;
- Employees training modules on corruption and bribery risks;
- Accor's human rights policy;
- Referenced supplier contracts complying with the Accor Responsible Purchasing Charter (or equivalent).

3.7.4 Cross-reference tables

Accor relies on several international benchmarks and declares its report in compliance with the following standards:

- *Global Reporting Initiative Standards* (GRI);
- *Sustainability Accounting Standards Board* (SASB);
- Sustainable Development Goals from the United Nations (SDGs).

Cross-reference tables for each of these standards are available on the Accor website: https://group.accor.com/en/commitment

3.7.5 Detailed presentation of the European green taxonomy indicators

Proportion of 2023 revenue associated with Taxonomy-aligned economic activities

Substantial contribution criteria	Year			Substantial contribution criteria						DNSH Criteria ("Does Not Significantly Harm")									
Economic activities	Code(s) [a]	Turnover	Proportion of turnover, year N	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year N-1	Category (enabling activity)	Category (transitional activity)
		Currency in million €	*%*	*Y; N; N/EL* [b]	*Y; N; N/EL* [b]	*Y; N; N/EL* [b]	*Y; N; N/EL* [b]	*Y; N; N/EL* [b]	*Y; N; N/EL* [b]	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. ACTIVITIES ELIGIBLE FOR THE TAXONOMY																			
A.1. Environmentally sustainable activities (aligned with taxonomy)																			
Revenue from environmentally sustainable activities (aligned with taxonomy) (A.1)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
o/w enabling activities		-	-															*E*	
o/w transitional activities		-	-																*T*
A.2 Activities eligible for the taxonomy but not environmentally sustainable (not aligned with the taxonomy)																			
				EL; N/EL [c]	*EL; N/EL* [c]	*EL; N/EL* [c]	*EL; N/EL* [c]	*EL; N/EL* [c]	*EL; N/EL* [c]										
Hotels, holiday, camping grounds and similar accommodation	BIO 2.1.	581	11.5%	N/EL	N/EL	N/EL	N/EL	N/EL	EL								-%		
Education	CCA 11.	9	0.2%	N/EL	EL	N/EL	N/EL	N/EL	N/EL								0.1%		
Revenue from activities eligible for the taxonomy but not environmentally sustainable (not aligned with the taxonomy) (A.2)		591	11.7%	-%	0.2%	-%	-%	-%	11.5%								0.1%		
Total revenue of eligible activities for the taxonomy (A.1 + A.2) (A)		591	11.7%	-%	0.2%	-%	-%	-%	11.5%								0.1%		
B. ACTIVITIES NOT ELIGIBLE FOR THE TAXONOMY																			
Revenue of activities not eligible for the taxonomy (B)		4 465	88.3%																
TOTAL (A + B)		**5 056**	**100%**																

	Propotion of turnover/Total turnover	
	Taxonomy-aligned per objective	**Taxonomy-eligible per objective**
CCM	-%	-%
CCA	-%	0.2%
WTR	-%	-%
CE	-%	-%
PPC	-%	-%
BIO	-%	11.5%

Proportion of 2023 CapEx associated with Taxonomy-aligned economic activities

Substantial contribution criteria		Year		Substantial contribution criteria						DNSH Criteria ("Does Not Significantly Harm")									
Economic activities	Code(s) [(a)]	CapEx	Proportion of CapEx, year N	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year N-1	Category (enabling activity)	Category (transitional activity)
		Currency	%	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL* [(b)]	*Y; N; N/EL* [(b)]	*Y; N; N/EL* [(b)]	*Y; N; N/EL* [(b)]	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	%	*H*	*T*
A. ACTIVITIES ELIGIBLE FOR THE TAXONOMY																			
A.1. Environmentally sustainable activities (aligned with taxonomy)																			
CapEx of environmentally sustainable activities (aligned with taxonomy) (A.1)		-	-	-	-	-	-	-	-	-	-	-	-	-	-				
o/w enabling activities		-	-															*H*	
o/w transitional activities		-	-																*T*
A.2 Activities eligible for the taxonomy but not environmentally sustainable (not aligned with the taxonomy)																			
				EL; N/EL [(c)]	*EL; N/EL* [(c)]	*EL; N/EL* [(c)]	*EL; N/EL* [(c)]	*EL; N/EL* [(c)]	*EL; N/EL* [(c)]										
Hotels, holiday, camping grounds and similar accommodation	BIO 2.1.	47	6.8%	N/EL	N/EL	N/EL	N/EL	N/EL	EL								0%		
Education	CCA 11.	0	0%	N/EL	EL	N/EL	N/EL	N/EL	N/EL								0%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3.	3	0.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.1%		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4.	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								-%		
Acquisition and ownership of buildings	CCM 7.7.	292	42.8%	EL	EL	N/EL	N/EL	N/EL	N/EL								34.8%		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	4	0.6%	EL	EL	N/EL	N/EL	N/EL	N/EL								-%		
CapEx of activities eligible for the taxonomy but not environmentally sustainable (not aligned with the taxonomy) (A.2)		345	50.6%	43.8%	0%	-%	-%	-%	6.8%								34.9%		
Total CapEx of activities eligible for the taxonomy (A.1 + A.2) (A)		345	50.6%	43.8%	0%	-%	-%	-%	6.8%								34.9%		
B. ACTIVITIES NOT ELIGIBLE FOR THE TAXONOMY																			
Capex of activities not eligible for the taxonomy (B)		338	49.4%																
TOTAL (A + B)		**683**	**100%**																

	Propotion of CapEx/Total CapEx	
	Taxonomy-aligned per objective	**Taxonomy-eligible per objective**
CCM	-%	43.8%
CCA	-%	0%
WTR	-%	-%
CE	-%	-%
PPC	-%	-%
BIO	-%	6.8%

Proportion of 2023 OpEx associated with Taxonomy-aligned economic activities

Substantial contribution criteria	Year			Substantial contribution criteria						DNSH Criteria (“Does Not Significantly Harm”)									
Economic activities	Code(s) [a]	OpEx	Proportion of Opex, year N	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy aligned (A.1.)	Category (enabling activity)	Category (transitional activity)
		Currency in million €	*%*	*Y; N; N/EL* [b]	*Y; N; N/EL* [b]	*Y; N; N/EL* [b]	*Y; N; N/EL* [b]	*Y; N; N/EL* [b]	*Y; N; N/EL* [b]	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*H*	*T*
A. ACTIVITIES ELIGIBLE FOR THE TAXONOMY																			
A.1. Environmentally sustainable activities (aligned with taxonomy)																			
OpEx of environmentally sustainable activities (aligned with taxonomy) (A.1)																	%		
o/w enabling activities																	%	H	
o/w transitional activities																	%		T
A.2 Activities eligible for the taxonomy but not environmentally sustainable (not aligned with the taxonomy)																			
				EL; N/EL [c]	*EL; N/EL* [c]	*EL; N/EL* [c]	*EL; N/EL* [c]	*EL; N/EL* [c]	*EL; N/EL* [c]										
OpEx of activities eligible for the taxonomy but not environmentally sustainable (not aligned with the taxonomy) (A.2)																			
Total OpEx of activities eligible for the taxonomy (A.1 + A.2) (A)																			
B. ACTIVITIES NOT ELIGIBLE FOR THE TAXONOMY																			
OpEx of activities not eligible for the taxonomy (B)			0%																
TOTAL (A + B)		**99.6**	**100%**																

For the activities listed under A2, columns F to R may be completed on a voluntary basis by non-financial companies.

Information

(a) *The code is made up of the abbreviation corresponding to the objective to which the activity may materially contribute and the section number given to the activity in the appendix for that objective, namely:*
- *CCM for Climate change mitigation*
- *CCA for Climate change adaptation*
- *WTR for Water and marine resources*
- *CE for Circular economy*
- *PPC pour Pollution prevention and control*
- *BIO for Biodiversity and ecosystems*

(b) *YES - taxonomy-eligible and taxonomy-aligned activity in terms of the proposed environmental objective.*
NO - activity that is taxonomy-eligible but not taxonomy-aligned in terms of the proposed environmental objective.
N/EL - Not eligible: activity that is not taxonomy-eligible in terms of the proposed environmental objective.

(c) *EL - taxonomy-eligible activity in terms of the proposed objective.*
N/EL - activity that is not taxonomy-eligible in terms of the proposed objective.

Section

4

Corporate governance report

Berkeley Park - MGallery Hotel Collection - United States

This report on corporate governance was prepared as required under Article L.225-37 of the French Commercial Code ("Code de commerce") and approved by the Board of Directors at its meeting of February 21, 2024. It will be presented to shareholders at the next Annual Shareholders' Meeting to be held on May 31, 2024.

4.1 Corporate governance and governance structure

4.1.1 Corporate Governance Code

Accor complies with all the recommendations contained in the Corporate Governance Code for listed companies published by the AFEP and MEDEF (the "AFEP-MEDEF Code"), which was last reviewed in December 2022 and is available from the AFEP, the MEDEF or the Company's registered office.

The Board of Directors' operating procedures are described in its Bylaws, presented in Appendix A to this report on page 285.

Finally, each director is required to comply with the Board of Directors Code of Conduct, set out in Appendix B on page 292.

4.1.2 Governance structure

The roles of Chairman of the Board of Directors and Chief Executive Officer have been combined since 2009.

During 2013, following the departure of the previous Chairman and Chief Executive Officer, the Board set up a transitional governance structure under which it temporarily separated the role of Chairman of the Board of Directors from that of Chief Executive Officer.

On August 27, 2013, the Board of Directors ended the transition period by appointing Mr. Sébastien Bazin as Chairman and Chief Executive Officer. and creating the role of Vice-Chairman of the Board and Senior Independent Director (position currently held by Mrs Iris Knobloch).

The Board considers that, by combining the roles of Chairman of the Board and Chief Executive Officer, the Group is able to have greater agility in its governance and management, particularly during periods of rapid transformation or economic downturns, while creating a direct relationship between management and shareholders. This type of governance structure also encourages extensive dialogue between the executive team and the Board of Directors. The Board noted with satisfaction the effectiveness of the balance of power existing between the Chairman and Chief Executive Officer and the other directors, notably thanks to the presence of a Senior Independent Director. The Senior Independent Director's presence on the Board, combined with the fact that 64% of Board members are qualified as independent and none of them are executive directors, ensures the smooth conduct of the Board's business.

At its meeting on July 4, 2022, based on the recommendation put forward by the Appointments, Compensation & CSR Committee, the Board of Directors unanimously decided to table a resolution at the 2023 Annual Shareholders' Meeting to renew Sébastien Bazin's term of office as Director for a period of three years. Sébastien Bazin was also reappointed Chairman and Chief Executive Officer for the same term. Through this renewal, the Board wished, in particular, to see Sébastien Bazin accompany the Group in establishing and deploying the organization implemented as of January 1, 2023.

At this renewal, as well as in the last formal assessment of the operating procedures, the Board once again confirmed the relevance of combining the functions of Chairman of the Board and Chief Executive Officer, including a Vice-Chairman and Lead Director in the person of Iris Knobloch. The term of office of the latter was also renewed by the Annual Shareholders' Meeting in 2023. Iris Knobloch will, nevertheless, have completed 12 years in office by 2025. The Board of Directors has already decided that a new Vice-Chairman and Senior Independent Director will be appointed by that date at the latest, who will meet the independence criteria of the AFEP-MEDEF Code.

In accordance with the law and the Company's Bylaws, the Chairman and Chief Executive Officer chairs Board meetings, organizes and leads the work of the Board and its meetings, ensures that the Company's corporate governance structures function effectively and, in particular, obtains assurance that directors are in a position to fulfill their responsibilities.

The Chairman and Chief Executive Officer represents the Company in its dealings with third parties and has the broadest powers to act on behalf of the Company in all circumstances. The exercise of the Chairman and Chief Executive Officer's powers is subject to prior authorizations to be given by the Board of Directors under the conditions described in the Company's Bylaws (Article 18) and the Board of Directors Bylaws (see "Board of Directors' role" below).

Vice-Chairman and Senior Independent Director's role

The Board of Directors appointed Iris Knobloch, independent director, as Vice-Chairman of the Board of Directors and Senior Independent Director on July 27, 2016. After she was re-elected as member of the Board of Directors at the 2023 Annual Shareholders' Meeting, the Board re-elected Iris Knobloch to her positions as Vice-Chairman and Senior Independent Director on May 17, 2023.

Assisted by the Board Secretary for administrative tasks, the Senior Independent Director has the following roles and responsibilities, in accordance with the Company's Bylaws and the Board of Directors' Rules of Procedure:

- she may call Board meetings in the event that the Chairman and Chief Executive Officer is unable to do so, and chair Board meetings in the absence of the Chairman and Chief Executive Officer;
- she is the preferred contact for shareholders not represented on the Board. In this regard, a specific email address has been created (iris.knobloch@accor.com) to enable any shareholder to contact her directly with comments or queries;
- she coordinates the independent directors;
- she organizes – whenever she deems necessary and at least once a year – meetings reserved for non-executive directors and, where appropriate, meetings reserved for independent directors, for which the Company manages the logistics and bears the costs. She sets the agenda for these meetings and chairs them, ensuring that each director has the opportunity to raise any issue not included on the agenda. Following the meetings, the Senior Independent Director may, at her initiative, meet with the Chairman and Chief Executive Officer to discuss all or some of the comments and requests expressed by the directors. If necessary, she may also decide to comment on the work of the Board of directors during the full meetings of the Board;
- she oversees the formal assessments of the Board's operating procedures and approves the corresponding report;
- she may request that the Chairman and Chief Executive Officer add items to Board meeting agendas. In any event, she approves the annual plan of the strategic issues that will be included in the Board meeting agendas, as submitted by the Chairman and Chief Executive Officer;
- and she is in charge of dealing with any cases of conflict of interest that may arise among members of the Board of Directors as part of the management procedure for conflicts of interest set forth in the Board of Directors Bylaws.

Report on the Senior Independent Director's activities

During the 2023 fiscal year, Iris Knobloch, in particular:

- regularly discussed on the implementation of the new operational organization and on governance issues with the Chairman and Chief Executive Officer and the Executive Management teams and relayed comments and observations made by non-executive directors;
- regularly organized sessions with the directors in the absence of management following meetings of the Board of Directors, and chaired a meeting restricted to non-executive directors;
- attended meetings of the Audit, Compliance and Risk Committee, the Appointments and Compensation Committee, the International Strategy Committee and the Commitments Committee throughout the year.

In addition, this year, Mrs. Iris Knobloch , prior to the General Meeting, has held discussions with some of the company's shareholders as part of a governance *roadshow* . She then reported on these discussions to the Board, which reviewed them and took them into account in its subsequent decisions.

Board of Directors' role

The Company is governed by a Board of Directors, which determines the Company's strategy, oversees its implementation, examines any and all issues concerning the efficient running of the business, and makes decisions on all matters concerning the Company.

The Board of Directors deals with all matters falling within the powers vested in it under the applicable laws and regulations.

In particular, the Board of Directors is responsible for:

a) approving the annual budget (including the annual financing plan) and the multi-year business plan presented by the Chairman and Chief Executive Officer;

b) reviewing and approving all of the Group's strategic objectives, at least once a year, in accordance with the Board of Directors' Rules of Procedure;

c) based on the recommendation of the Commitments Committee, authorizing the following decisions of the Chairman and Chief Executive Officer prior to their implementation:

(i) Any and all immediate or deferred financial commitments representing more than €100 million per transaction. "Financial commitments" are defined as:

- any and all acquisitions or disposals of assets and majority or minority interests in other companies; in the latter case, the amount of the commitment is considered equal to the entity's enterprise value,
- any and all direct investments, for example for the creation of a business, the construction, refurbishment or extension of a hotel property, or expenditure on technological developments,
- rental investments, measured on the basis of the market value of the leased asset;
- hotel management contracts with a guaranteed minimum fee; and
- any and all loans to entities in which the Company or one of its subsidiaries does not hold the majority of the shares and voting rights, and any and all commitments to participate in share issues by such entities.

It should, however, be noted that:

- in the case of financing transactions, the Chairman and Chief Executive Officer is authorized to make any and all financial commitments of up to €1 billion without obtaining prior approval from the Board of Directors, provided that such commitment is undertaken in accordance with the annual Group financing policy as approved in advance by the Board of Directors. In this case, the Chairman and Chief Executive Officer shall inform the Board of Directors of the transactions after they have been completed;
- the Board's prior approval is not required for borrowings due in less than one year, whatever the amount borrowed,

(ii) any and all transactions that may impact the Group's strategy or lead to a material change in the Group's business base (mainly entry into a new business or withdrawal from an existing business), whatever the amount of the transaction,

(iii) any and all transactions involving the Company's shares carried out in application of Article L. 22-10-62 of the French Commercial Code that exceed one million shares per transaction or two million shares per year;

d) authorizing the Chairman and Chief Executive Officer to issue guarantees, bonds and endorsements in the Company's name, up to a cumulative amount of €1 billion per year. In accordance with the Company's Bylaws, any such authorizations may be given for a period of one year. The Chairman and Chief Executive Officer is required to report to the Board of Directors each year on the amount and nature of guarantees, bonds and endorsements issued under the authorization;

e) discussing and deciding on any proposed changes to the Group's management structure and reviewing information about the main organizational changes.

The Board shall be kept regularly informed of the Group's financial position, cash position and commitments as well as the Group's strategy and main policies in the areas of human resources, organization and information systems, and shall discuss them periodically.

Founding Chairman

Lastly, in accordance with the Company's bylaws, Paul Dubrule, in his capacity as founding Chairman of the Company, attended Board meetings in an advisory capacity.

Paul Dubrule

Born on July 6, 1934, in Tourcoing, France, Mr. Paul Dubrule graduated from *Institut des Hautes Études Commerciales* at the University of Geneva. In 1967, he and Gérard Pélisson co-founded the Novotel hotel chain. After serving as Co-Chairman of the Novotel SIEH Group between 1971 and 1983, he co-founded Accor, serving as its Co-Chairman from 1983 to 1997. Mr. Dubrule also held the position of Chairman of *Entreprise et Progrès* from 1997 to 2006, as well as Vice-Chairman of the World Travel and Tourism Council (WTTC) and Chairman of *Maison de la France*. In addition, he served as Mayor of Fontainebleau between 1992 and 2001, Senator for the Seine-et-Marne department between 1999 and 2004 and he was Co-Chairman of the *Institut Français du Tourisme* until 2013. He is the founder of the *Conseil supérieur de l'œnotourisme* (2009) and the *Association Sud Ile de France Entreprendre* (1999), and creator of the *Institut de Développement Durable* (1999). A Paul Dubrule Chair for Sustainable Development was created by INSEAD in 2002 and a Paul Dubrule Chair for Innovation has been set up at the *Haute École d'Hôtellerie* in Lausanne, Switzerland. Mr. Dubrule has also personally opened a hotel and tourism school in Siem Reap, Cambodia. In addition, he owns the *La Cavale* vineyard in the Luberon, France.

Under the leadership of Sébastien Bazin, Chairman and Chief Executive Officer, and Jean-Jacques Morin, Deputy Chief Executive Officer, Accor's operations are now based on two distinct divisions:

- Premium, Midscale & Economy, notably grouping the ibis, Novotel, Mercure, Swissôtel, Mövenpick and Pullman brands, and relying on four large regions; and
- Luxury & Lifestyle, bringing together the brands of these universes and organized into four collections of brands: Raffles & Orient Express, Fairmont, Sofitel, Emblems & MGallery and Ennismore.

The Group Management Committee, chaired by Sébastien Bazin, Chairman and Chief Executive Officer, ensures the consistency and alignment between the two divisions, in terms both of strategic priorities and performance drivers. The Management Committee also comprises the Shared Global Platform, which provides its expertise and services to both divisions, notably in digital media, technology and procurement. The composition of the Group Management Committee at December 31, 2023, is detailed in the table below.

Group Management Committee at December 31, 2023	
Sébastien Bazin	Chairman and Chief Executive Officer
Jean-Jacques Morin	Deputy Chief Executive Officer, Chief Financial Officer and CEO of the Premium, Midscale & Economy Division
Floor Bleeker	Chief Technology Officer
Alix Boulnois	CEO Digital Factory
Besma Boumaza	Chief Legal and Compliance Officer & Secretary to the Board of Directors
Steven Daines	Chief Talent & Culture Officer
Martine Gerow	Group Financial director
Gilda Perez-Alvarado	Chief Strategy Officer[1]
Brune Poirson	Sustainable Development Director
Kamal Rhazali	Group General Secretary and Chief Legal Officer, Luxury & Lifestyle
Caroline Tissot	Chief Procurement Officer

(1) Since January 1st, 2024, Gilda Perez-Alvarado is Chief Strategy Officer and CEO of Orient Express

Since January 1st, 2023, each of the two operational divisions is also overseen by its own Executive Committee. The membership of these Committees is detailed on page 29 of this Universal Registration Document.

4.2 Membership of the Board of Directors at December 31, 2023

4.2.1 Information about directors at December 31, 2023

On December 31, 2023, the Board of Directors had 13 members nominated for the statutory duration of three years.

Name	Independence	Gender	Nationality	Age	Number of shares held	First appointed on	Term	Term ends on	Board committee membership
Asma Abdulrahman Al Khulaifi	No	F	Qatari	33	1,000	05/20/2022	N/A	AGM to approve financial statements for 2024	Appointments and Compensation Committee; ESG Committee; International Strategy Committee
Ugo Arzani	No	M	Italian	49	1,000	05/20/2022	N/A	AGM to approve financial statements for 2024	Audit, Compliance & Risks Committee; Commitments Committee (Chairman)
Hélène Auriol-Potier	Yes	F	French	61	1,000	05/20/2022	N/A	AGM to approve financial statements for 2024	Audit, Compliance & Risks Committee; Appointments and Compensation Committee; ESG Committee (Chairperson)
Sébastien Bazin[1]	No	M	French	62	480,834	01/09/2006	05/17/2023	AGM to approve financial statements for 2025	-
Iliane Dumas[2]	No	F	French	52	N/A	05/02/2014	04/20/2023	04/20/2026	Appointments and Compensation Committee
Qionger Jiang	Yes	F	French	47	2,000	07/12/2016	05/20/2022	AGM to approve financial statements for 2024	International Strategy Committee; ESG Committee
Anne-Laure Kiechel	Yes	F	French	48	-[3]	05/17/2023	N/A	AGM to approve financial statements for 2025	Commitments Committee; Audit, Compliance & Risks Committee
Iris Knobloch[4]	Yes	F	German	60	1,009	04/25/2013	05/17/2023	AGM to approve financial statements for 2025	Audit, Compliance & Risks Committee; Commitments Committee; Appointments and Compensation Committee; International Strategy Committee
Bruno Pavlovsky	Yes	M	French	61	1,500	06/30/2020	05/17/2023	AGM to approve financial statements for 2025	Audit, Compliance & Risks Committee; Appointments and Compensation Committee (Chairman); ESG Committee
Nicolas Sarkozy	Yes	M	French	68	1,353	02/21/2017	05/20/2022	AGM to approve financial statements for 2024	International Strategy Committee (Chairman)
Christine Serre[2]	No	F	French	58	N/A	01/27/2021	01/18/2024	01/18/2027	ESG Committee
Isabelle Simon	Yes	F	French	53	1,000	07/12/2016	05/20/2022	AGM to approve financial statements for 2024	Audit, Compliance & Risks Committee (Chairperson); Appointments and Compensation Committee; ESG Committee
Sarmad Zok	No	M	Lebanese & British	55	15,000	07/12/2016	05/20/2022	AGM to approve financial statements for 2024	Commitments Committee; Appointments and Compensation Committee; International Strategy Committee

(1) Chairman and Chief Executive Officer.
(2) Director representing employees.
(3) Ms. Kiechel acquired 1,000 shares on January 2024.
(4) Senior Independent Director and Vice-Chairman of the Board.

Changes in membership of the Board of Directors and its Committees during the fiscal year

	Departures	Appointments	Re-elections
Board of Directors	None	May 17, 2023: • Anne-Laure Kiechel	May 17, 2023: • Sébastien Bazin • Iris Knobloch • Bruno Pavlovsky
Audit, Compliance & Risks Committee	None	May 17, 2023: • Anne-Laure Kiechel	N/A
Appointments and Compensation Committee	None	None	N/A
Commitments Committee	None	May 17, 2023: • Anne-Laure Kiechel	N/A
International Strategy Committee	None	None	N/A
ESG* Committee	N/A	02/22/2023: • Hélène Auriol-Potier 03/20/2023 • Asma Abdulrahman Al-Khulaifi • Qionger Jiang • Bruno Pavlovsky • Christine Serre • Isabelle Simon	N/A

* *At its meeting on February 22, 2023, the Board of Directors decided to set up a Committee dedicated to sustainable development topics, named the ESG Committee.*

Individual information on directors in office at December 31, 2023

Asma Abdulrahman Al-Khulaifi

Director

BORN

December 3, 1990

NATIONALITY

Qatari

BIOGRAPHY - PROFESSIONAL EXPERIENCE

Ms. Asma Abdulrahman Al-Khulaifi is a lawyer, and holds a LL.M in international trade law and investment. She speaks three languages and has extensive knowledge of international trade law and investment, mergers and acquisitions, personal law and environmental law as well as in cultural and political areas.

Ms. Asma Abdulrahman Al-Khulaifi began her career in education policies, before she embarked on career in law.

In particular, she has advised the Qatar government on issues related to commercial law and works as an merger-acquisitions lawyer within the legal department of the Qatar Investment Authority, where she is involved in cases relating to retail and consumer sales, real estate, investment, health, infrastructure and industry.

As an active member of the community, Ms. Asma Abdulrahman Al-Khulaifi cofounded the MENA-Women in Law NGO, which promotes a new and cooperative dialogue between lawyers in the Middle East and North Africa region.

First appointed as a director on: May 20, 2022.

Current term due to expire at the close of the Annual Shareholders' Meeting to be called to approve the financial statements for the fiscal year ended December 31, 2024.

Participation in Board Committees: Appointments and Compensation Committee; ESG Committee; International Strategy Committee.

Number of Accor shares held: 1,000.

Principal position outside Accor: Chief Executive Officer of Kynd LLC (unlisted).

Other positions held at December 31, 2023, with companies controlled[1] by Accor

None

Other positions held at December 31, 2023 with companies not controlled[1] by Accor

In France	Outside France
None	• Chief Executive Officer of Kynd LLC (unlisted) - Qatar

Former positions held in the past five fiscal years

In France	Outside France
None	None

(1) Within the meaning of Article L. 233-16 of the French Commercial Code.

Ugo Arzani

Director

BORN

May 29, 1974

NATIONALITY

Italian

BIOGRAPHY - PROFESSIONAL EXPERIENCE

Mr. Arzani manages the Retail and Consumer Investments segment at the Qatar Investment Authority (QIA). Within the framework of his remit, Mr. Arzani is responsible for investments in sectors including retail sales, consumer goods, consumer technology, leisure and sports as well as agricultural companies. To date, he has carried out more than 40 investments throughout the world for the QIA. Before joining the QIA in 2013, Mr. Arzani spent 15 years at the Merrill Lynch investment bank in London. In this role, he advised retail and consumer companies on numerous M&A and financing transactions.

Ugo Arzani is an Italian national and a fluent speaker of Italian, English, French and German. He grew up between Italy and Switzerland and has spent his entire working career abroad. He holds a *Magna Cum Laude* MBA from the Bocconi University of Milan.

First appointed as a director on: May 20, 2022.

Current term due to expire at the close of the Annual Shareholders' Meeting to be called to approve the financial statements for the fiscal year ended December 31, 2024.

Participation in Board Committees: Audit, Compliance & Risks Committee; Commitments Committee.

Number of Accor shares held: 1,000.

Principal position outside Accor: Director of Retail & Consumer Investments at the Qatar Investment Authority.

Other positions held at December 31, 2023, with companies controlled(1) by Accor

None

Other positions held at December 31, 2023 with companies not controlled(1) by Accor

In France	Outside France
None	• Director – Beauchamp Company No. 2 Ltd (unlisted company) – United Kingdom • Director – Harrods Group International Holdings Ltd (unlisted company) – United Kingdom • Director – Harrods Group (Holding) Ltd (unlisted company) – United Kingdom

Former positions held in the past five fiscal years

In France	Outside France
• Director - Veepee (unlisted company)	• Director – GBT III BV (unlisted company) – Netherlands • Director – Juweel Investors Ltd (unlisted company) – Cayman Islands • Director of Infarm – Indoor Urban Farming BV (unlisted company) – Germany

(1) Within the meaning of Article L. 233-16 of the French Commercial Code.

Hélène Auriol-Potier

Independent Director(1)

BORN

November 26, 1962

NATIONALITY

French

BIOGRAPHY - PROFESSIONAL EXPERIENCE

Hélène Auriol-Potier built her career in the digital technologies and telecommunications sector in the United States, Europe, Africa and Asia. She began her career at France Télécom in New York in 1986. In 1990, Ms. Auriol-Potier joined the Canadian mobile telecommunications company Nortel Networks Corporation, where she spent sixteen years and carried out various management functions, in particular as Vice-president of the Global Mobile Sales Division and then EMEA Vice-President, Services & Operations. In 2006, Ms. Auriol-Potier joined Dell Technologies Inc. as Chief Executive Officer for Africa, the Mediterranean and CEE. She then joined the Microsoft Corporation and for ten years has carried out various management functions, in particular as Chief Executive Officer of Microsoft Singapore, Chief Executive Officer of Microsoft Dynamics Europe, and then Chief Executive Officer of General Artificial Intelligence Europe. From November 2018 to December 2020, she was Executive Vice-President of international activities at Orange, and at the same time Executive Committee member of Orange Business Services. Ms. Auriol-Potier also holds several positions as director in Europe as well as the United States and India. Hélène Auriol-Potier is a graduate of École nationale supérieure des télécommunications de Paris and the Executive Program of the INSEAD business school. She chairs the ESG Club of the Institut Français des Administrateurs (IFA) (French institute of Directors).

First appointed as a director on: May 20, 2022.

Current term due to expire at the close of the Annual Shareholders' Meeting to be called to approve the financial statements for the fiscal year ended December 31, 2024.

Participation in Board Committees: Appointments and Compensation Committee; Audit, Compliance & Risks Committee; ESG Comittee.

Number of Accor shares held: 1,000.

Principal position outside Accor: *Senior advisor* – Warburg Pincus LLC (unlisted company) – United States.

Other positions held at December 31, 2023, with companies controlled(2) by Accor

None

Other positions held at December 31, 2023 with companies not controlled(2) by Accor

In France

- Director, member of the Appointments and Remuneration Committee and the Technology and Innovation Committee – Safran (listed company)
- Member of the Supervisory Board, Chair of the Remunerations Committee and Member of the Appointments Committee – Oddo BHF SCA (unlisted company)
- Partner-Manager – Alinerom (unlisted company)

Outside France

- Member of the Supervisory Board and member of the Appointments and Governance Committee – Randstad NV (listed company) – Netherlands
- Member of the Board of Directors and member of the Risk Committee and the ESG Committee - Infosys Ltd (listed company) - India

Former positions held in the past five fiscal years

In France

- Director, Chairperson of the Ethics Committee and Member of the Remuneration Committee of Ipsen (listed company)

Outside France

- Director and member of the Remuneration Committee – Mimecast UK Ltd (listed company) – United Kingdom

(1) Based on the independence criteria set out in the AFEP-MEDEF Code.
(2) Within the meaning of Article L. 233-16 of the French Commercial Code.

Sébastien Bazin

Chairman and Chief Executive Officer

BORN

November 9, 1961

NATIONALITY

French

BIOGRAPHY - PROFESSIONAL EXPERIENCE

After five years holding multiple financial positions in New York, San Francisco and London, Sébastien Bazin was appointed Chief Executive Officer of Hottinguer Rivaud Finances, an investment bank, in 1990, then Chief Executive Officer of L'Immobilière Hôtelière, a hotel developer in France, in 1992.

In 1997, he joined Colony Capital, a private real estate investment company, to head up its European subsidiary and spearhead several acquisitions, mainly in the hotel sector (Générale des Eaux, Club Méditerranée, Lucien Barrière, Fairmont & Raffles, Buffalo Grill, Château Lascombes, Stadia Consulting and others). He joined Accor's Board of Directors in 2005 and became a shareholder of Paris Saint-Germain in 2006 through Colony Capital and Chairman of the football club in 2009.

In August 2013, he resigned from his position at Colony Capital and was appointed Chairman and Chief Executive Officer of Accor. He is also Vice-Chairman of the Gustave Roussy Foundation. Sébastien Bazin has a Masters in Business Management from Paris-Sorbonne University.

First appointed as a director on: January 9, 2006. Previously a member of the Supervisory Board from May 3, 2005.

Current term due to expire at the close of the Annual Shareholders' Meeting to be called to approve the financial statements for the fiscal year ended December 31, 2025.

Number of Accor shares held: 480,834.

Other positions held at December 31, 2023, with companies controlled[1] by Accor

In France	Outside France
• Chairman - Orient Express (unlisted company) • Chairman - Accor Luxury & Lifestyle SAS (unlisted company) • Chairman - O.E. Management Company SAS (unlisted company)	• Chairman of the Board of Directors - Ennismore Holdings LTD - United Kingdom • Director - Ennismore Lifestyle Group LTD - United Kingdom • Director - AAPC India Hotel Management Private LTD - India

Other positions held at December 31, 2023, with companies not controlled[1] by Accor

In France	Outside France
• Chairman - Bazeo Europe SAS • Managing Director - Bazeo Invest SNC • Managing Director - SARL Rohan • Managing Director - SCI Nina • Managing Director - SCI Haute Roche • Managing Director - SCI Moulin Tuilerie • Chairman of Supervisory Board - Molitor Investment SCA	• Director - Sisters Soparfi (unlisted company) - Luxembourg • Director - General Electric (listed company) - United States • Director - GE Aerospace (unlisted company) - United States • Director - Sisters Soparfi - Luxembourg

Former positions held in the past five fiscal years

In France	Outside France
• Chairman - the Board of Directors - Accor Acquisition Company • Director and Chairman - Adagio SAS (unlisted company) • Chairman of the Board of Directors -Théâtre du Châtelet (unlisted company) • Managing Director - CC Europe Invest	• Managing Director - Sisters Soparfi - Luxembourg • Director - Banyan Tree Holdings Ltd - Singapore • Director - Huazhu (ex-Hauzhu and ex-China Lodging Group) (listed company) – China

(1) Within the meaning of Article L. 233-16 of the French Commercial Code.

Iliane Dumas

Director representing employees

BORN

March 5, 1971

NATIONALITY

French

BIOGRAPHY - PROFESSIONAL EXPERIENCE

Iliane Dumas joined the Accor Group in 1991, where she was initially part of the sales team in the Distribution Department. She has held several employee representative positions, in particular Representative of the Central Works Council on Accor's Board of Directors. After serving as Social Innovation Project Manager, she is currently Senior Head of the Diversity & Inclusion project at Accor's Talent & Culture Department. Member of the Appointments and Compensation Committee, Iliane Dumas is a graduate of *École de Paris des Métiers de la Table*.

First appointed as a director on: May 2, 2014.

Current term due to expire on: April 20, 2026.

Participation in Board Committees: Appointments and Compensation Committee.

Number of Accor shares held: N/A.

Main position: Senior Head of the Diversity & Inclusion project with the Accor Talent and Culture department.

Other positions held at December 31, 2023, with companies controlled[1] by Accor
None

Other positions held at December 31, 2023, with companies not controlled[1] by Accor
None

Former positions held in the past five fiscal years
None

(1) Within the meaning of Article L. 233-16 of the French Commercial Code.

Qionger Jiang

Independent Director[1]

BORN

November 13, 1976

NATIONALITY

French

BIOGRAPHY - PROFESSIONAL EXPERIENCE

Qionger Jiang founded a number of design companies, in particular in design and luxury, before setting up the Chinese subsidiary of Artcurial. In 2008, she teamed up with Hermès to create Shang Xia, China's first luxury brand. In 2013, she was awarded the titles of *Chevalier des Arts et Lettres* and in 2016, *Chevalier de l'Ordre National du Mérite* by the French President. Qionger Jiang is a graduate of the design school at Tongji University (China) and has also studied interior design and furniture design at *École Nationale Supérieure des Arts Décoratifs de Paris*. Qionger Jiang is also an advisor at Exor Luxe.

First appointed as a director on: July 12, 2016.

Current term due to expire at the close of the Annual Shareholders' Meeting to be called to approve the financial statements for the fiscal year ended December 31, 2024.

Participation in Board Committees: International Strategy Committee; ESG Committee.

Number of Accor shares held: 2,000.

Principal position outside Accor: Member of the Board of Directors of Shang Xia/Advisor Exor Luxe.

Other positions held at December 31, 2023, with companies controlled[2] by Accor	
None	
Other positions held at December 31, 2023, with companies not controlled[2] by Accor	
In France None	**Outside France** • Director - Shang Xia (unlisted company) – China
Former positions held in the past five fiscal years	
In France None	**Outside France** • Chief Executive Officer - Shang Xia (unlisted company) - China • Director - China Lodging Group - China

(1) Based on the independence criteria set out in the AFEP-MEDEF Code.
(2) Within the meaning of Article L. 233-16 of the French Commercial Code.

Anne-Laure Kiechel

Independent Director[1]

BORN

July 1st, 1975

NATIONALITY

French

BIOGRAPHY - PROFESSIONAL EXPERIENCE

Anne-Laure Kiechel began her career in 1999 at Lehman Brothers, initially working in capital markets. In 2007, she became a Senior Banker in Paris, advising French companies on mergers and acquisitions and financing. She then joined the investment bank Rothschild & Cie, as part of the financing advisory team, advising companies in France and abroad on capital structure, rating and financing issues. She was appointed managing partner of Rothschild & Cie in 2014, when she began advising governments. In early 2019, Anne-Laure Kiechel left Rothschild to launch Global Sovereign Advisory, an independent consultancy for governments and public companies. Anne-Laure Kiechel was chairperson of the Sorbonne University Foundation's campaign committee from 2020 to 2022. She has been a member of the United Nations Committee for Development Policy since January 1st, 2022.

Anne-Laure Kiechel is a graduate of HEC and the University of St Gallen (Switzerland), as well as holding a degree in mathematics.

First appointed as a director on: 17 May 2023.

Current term due to expire at the close of the Annual Shareholders' Meeting to be called to approve the financial statements for the fiscal year ended December 31, 2025.

Participation in Board Committees: Audit, Compliance & Risks Committee; Commitments Committee.

Number of Accor shares held: -[3]

Principal position outside Accor: Managing Director of Kiechel SARL and Member of the United Nations Committee for Development Policy.

Other positions held at December 31, 2023, with companies controlled[2] by Accor
None

Other positions held at December 31, 2023, with companies not controlled[2] by Accor	
In France	**Outside France**
None	None

Former positions held in the past five fiscal years	
In France	**Outside France**
None	None

(1) *Based on the independence criteria set out in the AFEP-MEDEF Code.*
(2) *Within the meaning of Article L. 233-16 of the French Commercial Code.*
(3) *Ms. Kiechel acquired 1,000 shares on January 2024.*

Iris Knobloch

Independent Director[1] , Senior Independent Director and Vice-Chairman of the Board

BORN

February 13, 1963

NATIONALITY

German

BIOGRAPHY - PROFESSIONAL EXPERIENCE

Iris Knobloch is President of the Cannes Film Festival and Chairperson of the Board of Directors of Deezer.She is also a member of the Board of Directors of Banque Lazard Ltd and Governor of the American Hospital in Paris.

Iris Knobloch was previously Chairperson and Chief Executive Officer and a member of the Board of Directors of I2PO, an SPAC (*Special Purpose Acquisition Company*) working in the entertainment and leisure industry and the first SPAC in Europe to be cofounded and led by a woman. In July 2022, I2PO merged with Deezer, a musical streaming platform, and was renamed Deezer S.A.

Until June 2021, Iris Knobloch was President of WarnerMedia France, Germany, Benelux, Austria and Switzerland, responsible for developing and implementing WarnerMedia's strategy and coordinating all of the Group's sales and marketing activities in the region. She previously held several managerial positions at Warner Bros and Time Warner in New York, Los Angeles and London.

Before joining WarnerMedia in 1996, Iris Knobloch began her career as a lawyer at firms specialized in the media in Munich, New York and Los Angeles.

Iris Knobloch is trilingual in French, German and English. She earned a J.D. degree from Ludwig-Maximilians-Universität Munich in 1987 and an LL.M. degree from New York University in 1992.

She was previously member of the Board of Directors of Axel Springer and LVMH and well as CME Central European Media Enterprises.

In 2008, she was awarded the title of Chevalier de la Légion d'Honneur.

First appointed as a director on: April 25, 2013.

Current term due to expire at the close of the Annual Shareholders' Meeting to be called to approve the financial statements for the fiscal year ended December 31, 2025.

Participation in Board Committees: International Strategy Committee; Appointments and Compensation Committee; Commitments Committee; Audit, Compliance & Risks Committee.

Number of Accor shares held: 1,009.

Principal position outside Accor: President of the Cannes Film Festival.

Other positions held at December 31, 2023, with companies controlled[2] by Accor

None

Other positions held at December 31, 2023, with companies not controlled[2] by Accor

In France	Outside France
• Vice-Chairperson of the Board of Directors - Deezer (listed company)	• Member of the Board of Directors - Lazard Ltd (listed company)

Former positions held in the past five fiscal years

In France	Outside France
• Chairperson - WarnerBros Entertainment France SAS (unlisted company) • Member of the Board of Directors - LVMH (listed company)	• Member of the Board of Directors - Axel Springer – Germany • Member of the Board of Directors - Central European Media Enterprises

(1) Based on the independence criteria set out in the AFEP-MEDEF Code.
(2) Within the meaning of Article L. 233-16 of the French Commercial Code.

Bruno Pavlovsky

Independent Director(1)

BORN

November 8, 1962

NATIONALITY

French

BIOGRAPHY - PROFESSIONAL EXPERIENCE

Bruno Pavlovsky is a graduate of the Bordeaux *Ecole Supérieure de Commerce* and holds an MBA from Harvard Business School. Bruno Pavlovsky began his career in 1987 at Deloitte, before joining Chanel in 1990, where he is currently Chairman of Chanel SAS and Chairman of Chanel's Fashion Activities. He is Chairman of 19M, a new site conceived and founded by Chanel in 2021, dedicated to the art of fashion and decoration, which works to preserve and pass on know-how and brings together 11 art houses and the *Galerie du 19M*, representing nearly 600 craftspeople and experts.

Since 2022, he has been Chairman of the *Fédération de la Haute Couture et de la Mode*, Chairman of the *Commission influence et politiques publiques* and a director of the *Comité Colbert*, a director of the *Institut Français de la Mode* and Chairman of the *Fondation de l'Institut Français de la Mode*, as well as a director of Rémy Cointreau.

First appointed as a director on: June 30, 2020.

Current term due to expire at the close of the Annual Shareholders' Meeting to be called to approve the financial statements for the fiscal year ended December 31, 2025.

Participation in Board Committees: Audit, Compliance & Risks Committee; Appointments and Compensation Committee; ESG Committee.

Number of Accor shares held: 1,500.

Principal position outside Accor: Chairman of Chanel SAS and Chairman of Chanel's Global Fashion.

Other positions held at December 31, 2023, with companies controlled(2) by Accor

None

Other positions held at December 31, 2023 within the Chanel group

In France

- Chairman – 19M
- Chairman – ATELIER DYNALE
- Chairman – ATELIER DE MAY
- Chairman – A.C.T 3
- Chairman – BARRIE France
- Chairman – CELOFILDE
- Chairman – CHANEL COORDINATION
- Chairman – DEFILUXE
- Chairman – DESRUES
- Chairman – ERES
- Chairman – ETABLISSEMENTS BODIN JOYEUX
- Chairman – ETS GONTHIEZ FRERES
- Chairman – FILATURES DU PARC
- Chairman – FYMA PRODUCTION
- Chairman – GANT CAUSSE
- Chairman – GOOSSENS PARIS
- Chairman – HUGOTAG ENNOBLISSEMENT
- Chairman – LE CREUSET D'ART
- Chairman – LEMARIE
- Chairman – LES ATELIERS DE VERNEUIL-EN-HALATTE
- Chairman – LES MOULINAGES DE RIOTORD
- Chairman – LESAGES INTERIEURS
- Chairman – LESAGE PARIS
- Chairman – MAISON MASSARO

Outside France

- Director CHANEL Limited – United Kingdom
- Director VASTRAKALA EXPORTS PRIVATE LIMITED – India
- Board Chairman of CONCERIA SAMANTA S.p.A. – Italy
- Board Chairman of MANUFACTURES DE MODE ITALIA S.r.l. – Italy
- Director of BARRIE KNITWEAR LIMITED – United Kingdom
- Director MAISON MICHEL UK LIMITED – United Kingdom
- Board Chairman CALZATURIFICIO GENSI GROUP S.r.L. – Italy
- Manager ERES BELGIQUE SPRL – Belgium
- Director ERES FASHION UK LIMITED – United Kingdom
- Managing Director – ERES GMBH – Germany
- Director ERES PARIS S.L. – Spain
- Chairman – ERES U.S INC. – United States
- Board Chairman – CONCERIA GAIERA GIOVANNI S.p.A. – Italy
- Board Chairman FASHIONART S.p.A. – Italy
- Board Chairman BISETA S.p.A. – Italy
- Board Chairman MABI INTERNATIONAL S.r.l. – Italy
- Board Chairman CHANEL COORDINATION S.r.l. – Italy
- Board Chairman ROVEDA S.r.l. – Italy
- Board Chairman IMMOBILI ROSMINI S.r.l. – Italy
- Director METAL JEWELRY (Cambodia) Co., Ltd. – Cambodia
- Board Chairman CELLINI 04 R.E. S.r.l. – Italy
- Board Chairman of NILLAB MANIFATTURE ITALIANE S.p.A – Italy
- Board Chairman VIMAR 1991 S.r.l. (formerly BIELLA FILATURA S.r.l.) – Italy

- Chairman – MAISON MICHEL
- Chairman – MANUFACTURES DE MODE
- Chairman – MAROQUINERIES DE JUIN
- Chairman – MEGISSERIE RICHARD
- Chairman – MONTEX
- Chairman – PALOMA
- Chairman – PARAFFECTION
- Chairman – PARTROIS
- Chairman – PERSEPHONE COUTURE
- Chairman – READY TO CARE
- Managing Director – SCI CEPADULUXE
- Managing Director – SCI JOLIMOY
- Managing Director – SCI ODACE
- Managing Director – SCI ONURB
- Managing Director – SCI PEAU LUXE
- Managing Director – SCI RATAFIA
- Managing Director – SCI SAROULEAGAIN
- Managing Director – SCI SURDESOI
- Managing Director – SCI VEAULDETOUR
- Chairman – SETTELILLE
- Chairman – TANNERIES HAAS
- Chairman – ORLEBAR BROWN France
- Chairman – L'ATELIER DES MATIERES
- Member of the Strategic Committee – ETS DENIS ET FILS
- Member of the Strategic Committee – LES MOULINAGES DE RIOTORD
- Member of the Strategic Committee – TANNERIES HAAS

- Chairman, Director – COLOMER LEATHER GROUP SL – Spain
- Board Chairman FCL S.R.L. – Italy
- *Presidente Consiglio Amministrazione* PAIMA S.r.l. – Italy
- Director – INTERNATIONAL METAL AND JEWELRY Co., Ltd. – Thailand
- Director – GOOSSENS UK Limited – United Kingdom
- Director – ORLEBAR BROWN LIMITED – United Kingdom
- Director – ULTIMATE YARNS & FIBRES Limited – United Kingdom
- Director – ULTIMATE YARNS & FIBRES MONGOLIA LLC – Mongolia
- Director – TSAGAAN YAMAAT CASHMERE LLC – Mongolia
- Supervisor MANUFACTURES DE MODE SHANGHAI MANAGEMENT CONSULTANCY – China

Other positions held at December 31, 2023, with companies not controlled(2) by Chanel Limited

In France

- Director – REMY COINTREAU (listed company)
- Chairman – LIZARRIETA
- Managing Director – N&B SOCIETE CIVILE
- Managing Director – SCI N&B TERRASSE
- Managing Director – SCI N&B SAINT GEORGES
- Managing Director – SCI N&B BASSUSSARY
- Managing Director – SCI N&B PENTHIEVRE
- Managing Director – SCI N&B JARDIN PUBLIC
- Managing Director – SCI N&B Duphot
- Managing Director – SCI N&B Anglet
- Managing Director – SCI MANASO

Outside France

None

Former positions held in the past five fiscal years

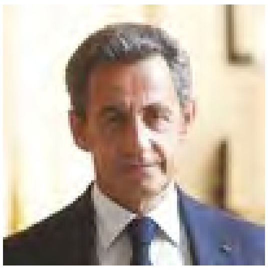
In France

- Chairman – MANUFACTURE DE CUIR GUSTAVE DEGERMANN
- Chairman – LMG
- Chairman – IDAFA
- Managing Director of Etablissements Legeron Clerjeau Tissot
- Chairman – LA FORME
- Managing Director – SCI BRUNIC

Outside France

- Manager ERES MODA – Turkey

(1) Based on the independence criteria set out in the AFEP-MEDEF Code.
(2) Within the meaning of Article L. 233-16 of the French Commercial Code.



Nicolas Sarkozy

Independent Director(1)

BORN

January 28, 1955

NATIONALITY

French

BIOGRAPHY - PROFESSIONAL EXPERIENCE

Nicolas Sarkozy was the sixth President of the French Fifth Republic from 2007 to 2012. His previous positions include Mayor of Neuilly-sur-Seine (1983-2002), National Assembly Representative for Hauts-de-Seine (1988-2002), President of the General Council for Hauts-de-Seine (2004-2007), Minister for the Budget (1993-1995), Minister for Communications (1994-1995), Government spokesman (1993-1995), Minister of the Interior, Internal Security and Local Freedoms (2002-2004), Minister of State, Minister for the Economy, Finance and Industry (2004), Minister of State, Minister of the Interior and Town and Country Planning (2005-2007). He was also the Leader of the UMP party (2004-2007) and then of the Les Républicains party (2014-2016). A trained lawyer, Nicolas Sarkozy is married and has four children. He is the author of several books, including *Libre, Témoignage, La France pour la Vie, Tout pour la France, Passion, Le temps des tempêtes and Promenades*. Nicolas Sarkozy is also consultant to several major international groups (Chairman of the Advisory Board of Corsair, Consultant for the Management Committee of the Marietton Group, Member of the Advisory Board of Chargeurs and Axian, Advisor to SC Varsano).

First appointed as a director on: February 21, 2017.

Current term due to expire at the close of the Annual Shareholders' Meeting to be called to approve the financial statements for the fiscal year ended December 31, 2024.

Participation in Board Committees: International Strategy Committee.

Number of Accor shares held: 1,353.

Principal position outside Accor: Leader of the French political party, Les Républicains, from November 2014 to November 2016.

Other positions held at December 31, 2023, with companies controlled(2) by Accor

None

Other positions held at December 31, 2023, with companies not controlled(2) by Accor

In France	Outside France
• Director – Lagardère SA (unlisted company) • Member of the Supervisory Board – Lov Group Invest (unlisted company) • Chief Executive Officer - SELAS CSC (unlisted company)	None

Former positions held in the past five fiscal years

In France

- Director – Groupe Barrière SAS

(1) Based on the independence criteria set out in the AFEP-MEDEF Code.
(2) Within the meaning of Article L. 233-16 of the French Commercial Code.

Christine Serre

Director representing employees

BORN

January 29, 1965

NATIONALITY

French

BIOGRAPHY - PROFESSIONAL EXPERIENCE

A graduate of *École Hôtellerie de Bordeaux,* Christine Serre joined Accor in 1992, initially holding positions in hotel operations and sales functions at the Distribution Department. She has held numerous employee representative directorships, including on the European Works Council and the Group Committee, France. After a position as Project Manager at the Top Line Southern Europe Division, Christine Serre is currently Business Developer, Hotel Sale Relations Europe at Accor.

First appointed as a director on: January 27, 2021.

Current term due to expire on: January 18, 2027.

Participation in Board Committees: ESG Committee.

Number of Accor shares held: N/A.

Main position: Business Developer Hotel Sale Relations Europe Accor.

Other positions held at December 31, 2023, with companies controlled[1] by Accor
None
Other positions held at December 31, 2023, with companies not controlled[1] by Accor
None
Former positions held in the past five fiscal years
None

(1) Within the meaning of Article L. 233-16 of the French Commercial Code.

Isabelle Simon

Independent Director[1]

BORN
May 1, 1970

NATIONALITY
French

BIOGRAPHY - PROFESSIONAL EXPERIENCE

Isabelle Simon began her career in 1995 as a lawyer at law firm Cleary Gottlieb Steen & Hamilton, where she practiced in Paris and New York. In 2003, she became Executive Director of the Investment Banking Division of Goldman Sachs. In 2009, she joined the Publicis Group as Senior Vice-President, heading the M&A and Legal Departments and managing the Group's external development strategy and minority holdings. In 2011, Isabelle Simon became Deputy Chief Executive Officer of *Société des Bains de Mer de Monaco*, where she headed, in particular, the Real Estate, Marketing & Sales, Artistic, Communications and Legal Departments and was responsible for internal and external development operations. Since 2015, she has been Group Secretary and member of the Executive Committee of Thales, in charge of Governance, Ethics and Compliance, CSR, Legal, Audit, Risks and Internal Control and Security. Isabelle Simon is a graduate of Sciences Po Paris, HEC and Harvard Law School (LL.M.). She also holds a DEA advanced diploma in English and North American business law from Paris I Panthéon-Sorbonne and a DESS advanced diploma in international taxation from the Université Jean Monnet. She is also a qualified lawyer, and has been admitted to the Paris Bar and the New York Bar.

Isabelle Simon is a *Chevalier de l'Ordre National de la Légion d'Honneur*.

First appointed as a director on: July 12, 2016.

Current term due to expire at the close of the Annual Shareholders' Meeting to be called to approve the financial statements for the fiscal year ended December 31, 2024.

Participation in Board Committees: Appointments and Compensation Committee; Audit, Compliance & Risks Committee; ESG Committee.

Number of Accor shares held: 1,000.

Principal position outside Accor: Group Secretary and member of the Executive Committee, Thales Group.

Other positions held at December 31, 2023, with companies controlled[2] by Accor

None

Other positions held at December 31, 2023, with companies controlled[2] by Thales

In France	Outside France
• Member of the Supervisory Board –Thales Alenia Space SAS (unlisted company) • Director – Thales Corporate Ventures (unlisted company) • Director – Thales Solidarity endowment fund	None

Other positions held at December 31, 2023, with companies not controlled [2] by Thales

None

Former positions held in the past five fiscal years

In France	Outside France
• Director – the Thales Foundation	• Chairman – Gemalto Holding B.V. (unlisted company)

(1) *Based on the independence criteria set out in the AFEP-MEDEF Code.*
(2) *Within the meaning of Article L. 233-16 of the French Commercial Code.*

Sarmad Zok

Director

BORN

August 9, 1968

NATIONALITY

Lebanese & British

BIOGRAPHY - PROFESSIONAL EXPERIENCE

Sarmad Zok is the Chairman and Chief Executive Officer of Kingdom Hotel Investments UK Ltd and director of Four Seasons Hotels and Resorts, BlackRock Frontiers Investment Trust plc and Kingdom Holding Company. In 2006, Sarmad Zok led Kingdom Hotel Investments on its initial public offering on the Dubai Stock Exchange and the London Stock Exchange. Since a successful take-private of the company KHI, he has headed KHI's accomplished hotel investment management team in managing an integrated luxury hospitality investment portfolio across the US, Europe and growth/developing markets in the Middle East, Africa and Asia. In 2016, he successfully led the KHI team on the sale and merger of Fairmont Raffles with Accor. In his early career, Sarmad Zok worked at HVS International and Hilton International. He holds a Bachelor of Science in Hotel Management from the University of Surrey and a Master of Arts in Property Valuation and Law from City University Business School in London.

First appointed as a director on: July 12, 2016.

Current term due to expire at the close of the Annual Shareholders' Meeting to be called to approve the financial statements for the fiscal year ended December 31, 2024.

Participation in Board Committees: International Strategy Committee, Appointments and Compensation Committee, and Commitments Committee.

Number of Accor shares held: 15,000.

Principal positions held outside Accor: Chief Executive Officer of Kingdom Hotel Investments UK Ltd and non-executive director of Kingdom Holding Company.

Other positions held at December 31, 2023, with companies controlled[1] by Accor

None

Other positions held at December 31, 2023 with companies controlled[1] by Kingdom Hotel Investments and Kingdom Holding Company

In France	Outside France
None	• Chairman and Chief Executive Officer – Kingdom Hotel Investments (unlisted company) - Cayman Islands • Member of the Board – Kingdom Holding Company (listed company) – Saudi Arabia • Member of the Board – Kingdom 5-KR-35, Ltd (unlisted company) - Cayman Islands • Member of the Board – Kingdom Hotels (Europe) Ltd (unlisted company) - Dubai International Financial Centre • Managing Director A (Member of the Board) – Sarl (unlisted company) – Luxembourg • Managing Director B (Member of the Board) – Hotel George V BV (unlisted company) - Netherlands • Member of the Board – Kingdom Hotel Invetsments (UK) Ltd. (unlisted company) – United Kingdom

Other positions held at December 31, 2023, with companies not controlled[1] by Kingdom Hotel Investments or Kingdom Holding Company

In France	Outside France
None	• Member of the Board – Blackrock Frontiers Investment Trust Plc (unlisted company) - United Kingdom • Member of the Board – Four Seasons Holdings Inc. (unlisted company) – Canada

Former positions held in the past five fiscal years

In France	Outside France
None	• Chairman - Kingdom Beirut SAL – Lebanon • Member of the Board – Mövenpick Hotels and Resorts Management AG - Switzerland

(1) Within the meaning of Article L. 233-16 of the French Commercial Code.

To the Company's knowledge:

- there are no family ties between its corporate officers;
- with the exception of the situations described in the special report of the Statutory Auditors' special report on related-party agreements reproduced in paragraph 4.12 of this Universal Registration Document, there is no potential conflict of interest between the duties to the Company of any of the Directors and their private interests and/or other duties.

To the Company's knowledge, and except as set forth below, in the last five years no director or executive officer has (i) been convicted of any fraudulent offense; (ii) been a member of the administrative, management or supervisory body of a company that has been declared bankrupt, or placed in liquidation or receivership; or (iii) been the subject of any official public incrimination and/or sanctions by statutory or regulatory authorities.

To the best of the Company's knowledge, in the last five years no director or executive officer has been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

As part of ongoing legal proceedings, Mr. Nicolas Sarkozy has been convicted of criminal offences, charges which have now been suspended as Mr. Nicolas Sarkozy has filed an appeal or files for cassation before the French Court of Cassation. He therefore remains presumed innocent. These rulings do not affect Nicolas Sarkozy's ability to perform his duties as Director of the Company.

The business address of all corporate officers is the Company's registered office (see paragraph 7.1 of this Universal Registration Document).

4.2.2 Procedure for selecting the Directors and application of this policy for the fiscal year 2023

The procedure for selecting the Company's directors is described in the table below:

			Directors representing employees	
	Independent directors	**Directors proposed by shareholders**	**1st director representing employees**	**2nd director representing employees**
Identification of needs	On an annual basis, definition by the Appointments and Compensation Committee (the "ACC") of profiles sought-after in consideration: • the terms that will expire, • the principles and objectives set out in the Board of Directors' diversity policy (in terms of competencies, nationality, gender, and independence), and • any other issues that may have been raised in the course of the Board's assessment			
Candidate search	• Preparation of a list of potential candidates, with the help of a recruitment firm as necessary • Review by the ACC of the candidate packages assembled from the information available • Short-listing by the ACC of the best candidates for interviews	Proposal by the shareholders to be represented and the ACC's review of this proposal	Appointment by the majority trade union	Appointment by the European Works Council
Recruitment	• Interviews conducted with the short-listed candidates by the Chairman of the ACC, the Vice-Chairman and Senior Independent Director, and, where applicable, certain members of the ACC • Interviews discussed among all members of the ACC in order to narrow down the list of candidates and make a recommendation to the Board of Directors			
Selection	Selection by the Board of Directors based on the ACC's recommendations, with the latter made specifically to meet certain needs and match the desired profiles			
Approval	Approval of the appointment or ratification of the co-option by the Annual Shareholders' Meeting	Approval of the appointment by the Annual Shareholders' Meeting		

On the recommendation of the Appointments, and Compensation Committee, the Board proposed the renewal of Mr. Sébastien Bazin's term of office in order to accompany the roll-out and implementation of the Group's new organization announced in July 2022 and described in Section 4.1.2 of this Universal Registration Document.

The Committee also recommended renewing the term of offices of Ms. Iris Knobloch and Mr. Bruno Pavlovsky as Directors for a three-year period.

Lastly, the Committee recommended the appointment of Ms. Anne-Laure Kiechel as an independent director.

4.2.3 Board of Directors' diversity policy

As part of the drive to have a more diverse Board, in accordance with Article L. 22-10-10 of the French Commercial Code and on the recommendation of the Appointments and Compensation Committee, the Board of Directors pays close attention to its membership.

The Company is committed to promoting diversity and inclusion and eliminating all forms of discrimination (see section 3.3.4 of this Universal Registration Document).

The Board diversity policy aims to ensure that a variety of different cultures, skills, experiences and nationalities are represented on the Board and that the matters brought before the directors are discussed objectively, but also in a collegial manner in a spirit of openness.

The Board ensures that it has the necessary skills and expertise, notably in hospitality, brand management, marketing, digital, innovation, international business, finance, mergers and acquisitions, operational business management and the luxury market, to lead Accor's development and strategy. It also ensures that the Board's membership is highly international, to better reflect the Group's multinational nature.

To this end, a skills matrix has been developed to accurately map each main director's areas of expertise.

At December 31, 2023:

- eight of the Board members were women, including the two directors representing employees, and the Vice-Chairperson and Senior Independent Director is a woman;
- the Audit, Compliance & Risks Committee is chaired by an independent director;
- a director representing employees participates in the work of the Board and of the Appointments and Compensation Committee, which is chaired by an independent director;
- a director representing employees participates in the work of the ESG Committee, which is chaired by an independent director;
- six nationalities are represented on the Board and a majority of directors currently work outside France or have worked outside France in the past with international groups; concerning the goal of international diversity, the Board ensures that at least a third of its members have international experience or are foreign nationals;
- the directors' engagement is reflected in their attendance rate at meetings of the Board and its Committees, which stands at 93%;
- the skills of the Board members cover, in addition to the financial and hospitality fields, all the issues facing the Group, notably luxury, sustainable development and digital.

Skills mapping of Board members as of December 31, 2023

Name	Hospitality	Brand/ Marketing	Digital/Tech/ Data	International	Finance	CEO of large companies	Luxury	ESG[1]
Asma Abdulrahman Al-Khulaifi		✓		✓				✓
Ugo Arzani				✓	✓		✓	
Hélène Auriol-Potier			✓	✓				✓
Sébastien Bazin	✓				✓	✓		
Iliane Dumas	✓							✓
Qionger Jiang		✓		✓			✓	
Anne-Laure Kiechel				✓	✓			✓
Iris Knobloch		✓	✓	✓				
Bruno Pavlovsky		✓				✓	✓	
Nicolas Sarkozy	✓			✓	✓			
Christine Serre		✓						✓
Isabelle Simon				✓	✓			✓
Sarmad Zok	✓			✓			✓	

(1) Sustainable developement subjects: environmental, social and governance.

Skills mapping of Board members as of December 31, 2023

4 HOSPITALITY
Experience in the hotel or broader hospitality industry.

9 INTERNATIONAL
Extended relevant experience acquired in sales and marketing positions in various regions or as an executive responsible for overseeing multinational operations.

5 BRANDS AND MARKETING
Experience enhancing the value of brands and products, leveraging client intelligence.

2 MANAGEMENT
Experience as Chief Executive Officer, Executive Committee member or senior executive in a large international group.

5 FINANCE
Experience in the finance sector (banking, accounting, financial markets), capital management or risk management (detailed understanding of financial reporting and corporate finance processes).

4 LUXURY
Experience working for companies in the luxury industry.

2 DIGITAL
Recent experience or expertise in developing and deploying digital strategies, experience working in digital-driven companies.

6 ESG (environmental, social and governance)
Experience in sustainable devlopment topics.

6
Nationalities

French
German
British
Lebanese
Qatari
Italian

64%
of directors are independent(1)

OBJECTIVE

50% of independent directors, in accordance with the AFEP-MEDEF Code

55%
of Board directors are women(1)

OBJECTIVE

Proportion of directors of each gender to be superior or equal to **40%**

(1) Directors representing employees are not taken into account for the calculation of the percentage of independent directors or the gender diversity rate.

4.2.4 Directors' independence

As of December 31, 2023, the Board of Directors had 13 members, including 11 elected by the Shareholders' Meeting and two representing employees.

A director is independent when he or she has no relationship of any kind whatsoever with the Company, the Group or its management that may interfere with his or her freedom of judgment or give rise to a potential conflict of interest. The Board assesses the independence of its members each year by applying the criteria set out in the AFEP-MEDEF Code, which states that independent directors must:

- not be and not have been within the previous five years:
  - an employee or executive officer[1] of the Company;
  - an employee, director or executive officer of a company consolidated within the Company,
  - an employee, director or executive officer of the Company's parent company or a company consolidated within this parent company;
- not be an executive officer of a company in which the Company directly or indirectly holds a directorship, or in which an employee appointed as such or an executive officer of the Company (current or in the past five years) holds a directorship;
- not be a customer, supplier, investment banker, commercial banker or advisor[2]:
  - that is sigificant for the Company or its Group, or
  - for which the Company or its Group represents a significant portion of its activity;

  The assessment of the significance or non-significance of any relationships with the Company or the Group is discussed by the Board, following a review by the Appointments and Compensation Committee;
- not be related by close family ties to a corporate officers;
- not have been a Statutory Auditor of the Company within the previous five years;
- not have been a director of the Company for more than 12 years;
- not be a non-executive officer receiving variable compensation in cash or shares, or any performance-related compensation from the Company or the Group.

Directors representing major shareholders of the Company may be considered as independent provided that these shareholders do not take part in the control of the Company. However, if the shareholder owns 10% or more of the Company's capital or voting rights, the Board of Directors must systematically review whether that shareholder's representative may be qualified as independent, based on a report issued by the Appointments and Compensation Committee and taking into account the Company's capital structure and any potential conflicts of interest.

Independent director status is reviewed by the Appointments and Compensation Committee based on these criteria and is determined by the Board of Directors (i) when each director is appointed and (ii) every year, for all directors.

On February 9, 2024, the Appointments and Compensation Committee reviewed the independent director status of the members of the Board of Directors.

Focusing in particular on whether or not the business relationships that may exist between the Company and certain directors are significant. For that purpose, it examined the nature of the relationships (types of services provided, exclusive arrangements, etc.) and the amounts of the transactions carried out during the fiscal year with the companies in which the directors hold executive positions. It then compared those amounts with the Group's revenue and equity for 2023. The Board also examined the proportion represented by these relationships in the revenue of the groups in which the independent directors hold positions.

Following the Committee's review, the Board of Directors noted that in 2023, Accor did not have any business relationships with the companies in which Hélène Auriol-Potier, Qionger Jiang, Anne-Laure Kiechel, Iris Knobloch, Nicolas Sarkozy and Bruno Pavlovsky hold positions.

The Board examined the business relationships with the Thales Group, where Isabelle Simon is Group Secretary and member of the Executive Committee, and noted that these relationships represent an amount significantly lower than 1% of the Group's revenue and equity as well as a non-material share of the Thales Group's revenue.The contract in question concerns IT facilities management services provided by the Thales Group for Accor, which pre-dates the election of Isabelle Simon.The Board considered that this contract was part of the normal business activities of the two groups and that the business relationships involved were not significant.

In view of the results of this analysis, and based on the criteria above, on February 21, 2024, the Board confirmed that Hélène Auriol-Potier, Qionger Jiang, Anne-Laure Kiechel, Iris Knobloch, Isabelle Simon, Nicolas Sarkozy and Bruno Pavlovsky qualify as independent directors.

(1) In accordance with the AFEP-MEDEF Code, in public limited companies with a Board of Directors, this concept covers the Chairman and Chief Executive Officer, the Chief Executive Officer and the Deputy Chief Executive Officer(s).
(2) Or be linked directly or indirectly to these persons.

Independence criteria applied

	Not to be/have been an employee or executive officer of the Company[1]	No cross-directorships[1]	No material business relationships with the Company	No family ties with a corporate officer	Not to be/have been a statutory auditor[1]	Not to have been a director of the Company for more than 12 years	Not to have been a major shareholder[2]	Non-executive officer status
Asma Abdulrahman Al-Kulaifi	√	√	√	√	√	√		√
Ugo Arzani	√	√	√	√	√	√		√
Hélène Auriol-Potier	√	√	√	√	√	√	√	√
Sébastien Bazin		√	√	√	√		√	
Iliane Dumas[3]		√	√	√	√	√	√	√
Qionger Jiang	√	√	√	√	√	√	√	√
Anne-Laure Kiechel	√	√	√	√	√	√	√	√
Iris Knobloch	√	√	√	√	√	√	√	√
Bruno Pavlovsky	√	√	√	√	√	√	√	√
Nicolas Sarkozy	√	√	√	√	√	√	√	√
Christine Serre[3]		√	√	√	√	√	√	√
Isabelle Simon	√	√	√	√	√	√	√	√
Sarmad Zok	√	√	√	√	√	√		√

(1) During the past five years.

(2) Acting alone or in concert. Directors who represent major shareholders of the Company may be considered as independent provided that these shareholders do not take part in the control of the Company. However, if the shareholder owns 10% or more of the Company's capital or voting rights, the Board of Directors must systematically review whether that shareholders' representative may be qualified as independent, based on a report issued by the Appointments and Compensation Committee and taking into account the Company's capital structure and any potential conflicts of interest.

(3) Director representing employees.

4.2.5 Diversity policy

The subject of women holding key positions in the Company is a central pillar of Accor's Diversity, Equity & Inclusion policy. The objectives and results obtained in gender diversity within the Management Committee, the Executive Committees of the divisions and in the positions of greatest responsibility are detailed in section 3.3.4.1 of this Universal Registration Document.

4.3 Operating procedures and conditions of preparation and organization of the work of the Board of Directors and its Committees

4.3.1 Board of Directors' work

The preparation and organization of the Board of Directors' work are governed by the laws and regulations applicable to French public limited companies (sociétés anonymes), the Company's Bylaws, and the Board of Directors' Rules of Procedure, which describe the operating procedures of the Board Committees.

The Board met 10 times in 2023. The meeting notices together with the agenda were emailed to all the members several days before each meeting date. Each ordinary Board meeting lasted three hours on average. The attendance rate was 93% (90% in 2022).

In the period between two meetings, members were kept regularly informed of significant events and transactions involving the Company and were sent copies of the related press releases issued by the Company and financial analysts' reports on the Group.

At its meetings, the Board performed the duties required of it by law and the Company's Bylaws. It was also informed by the Chairman and Chief Executive Officer – as well as in some cases by other senior executives – of significant achievements and projects relating to the Company's business.

In 2023, the Board of Directors' work included:

- deciding to offer shareholders a dividend payment of €0.71 for the 2022 fiscal year;
- overseeing the reorganization of the Group into two divisions ("Premium, Mid-scale & Economy" and "Luxury & Lifestyle");
- approving the sale of the head office building in Paris, the Sequana Tower to Groupe Valesco;
- approving the 2022 parent company and consolidated financial statements and 2023 interim financial statements.

The Board's work in the governance sphere included:

- reappointing Sébastien Bazin as Chairman and Chief Executive Officer;
- proposing the reappointment of Ms. Iris Knobloch as a director, submitted to the 2023 Annual Shareholders' Meeting, and subject to this, the reappointment of her duties as Senior Independent Director and Vice-Chairman of the Board;
- created a new Board committee, the ESG Committee, and reviewed the composition of Board committees to take into account the appointment of Anne-Laure Kiechel, whose appointment was approved by the General Meeting of 17 May 2023;
- reviewing the independence criteria set out in the AFEP-MEDEF Code and confirming the independence of certain Board members;
- reviewing the succession plan for the Chairman and Chief Executive Officer;
- deciding on the variable compensation to the executive officer for 2022 fiscal year; and

The Board's work in the sustainable developments sphere included:

- familiarizing itself with and debating the sustainable development's strategy of the Company described in Section 3.1 of this Universal Registration Document;
- adopting the main performance indicators related to this strategy;
- discussing the Group's environmental and social priorities, in order to better take into account the Group's challenges; and
- proposing to the Shareholders' Meeting the compensation policy for the Executive Officer, in particular after an in-depth review of the ESG criteria applicable to his variable compensation, as well as the compensation policy for the directors.

The Board of Directors continued to receive updates from the different Committees throughout the fiscal year.

Lastly, the Board called the Annual Shareholders' Meeting and approved the management report, which included the report on corporate governance.

4.3.2 Assessing the operating procedures of the Board of Directors and its Committees

In addition to regularly discussing its procedures during scheduled meetings, the Board of Directors also periodically performs a formal assessment of its operations and those of its Committees. It also conducts an assessment with the assistance of an external consultant every three years. The Company uses the assessment report to draw up an action plan aimed at enhancing the Board of Directors' operating procedures.

In the last quarter of 2023, the Board of Directors conducted a new formal assessment of its operating procedures and those of its Committees, with the help of an external consultant. This assessment was carried out on the basis of individual and confidential interviews with each Director, as well as with the Secretary to the Board of Directors and the Deputy CEO.

The Board of Directors reviewed the findings of the assessment, a summary of which is presented below.

This evaluation shows that the overall assessment of the Board's operating procedures is very positive and that its practices are in line with governance good practices. In particular, the directors emphasized the quality of discussions at Board meetings and the wide diversity of Board members (in terms of gender, experience and skills). They recognized and appreciated the Chairman and Chief Executive Officer's ability to create the conditions for high-quality discussions on all subjects. In terms of areas for improvement, the Directors would like to see more in-depth discussion of business-related issues, beyond the financial aspects. Finally, the Directors would like to be better prepared for crisis situations, for example through simulation exercises and receive training in sustainable development.

4.3.3 Minimum shareholding requirement and preventing conflicts of interest

Pursuant to Article 12 of the Company's Bylaws, with the exception of the directors representing employees, all directors are required to hold at least 1,000 registered shares in the Company. In addition, to emphasize the importance of directors' attendance at Board and Committee meetings and to comply with the related recommendation in the AFEP-MEDEF Code, the Board of Directors' Bylaws provide that two-thirds of the compensation of the directors must be based on their attendance record.

If a new direct or indirect business relationship is envisaged between the Company or the Group and a director or the Founding Chairman, the procedure for related-party agreements provided for in Article L. 225-38 *et seq.* of the French Commercial Code is applied whenever the business relationship concerned does not constitute a routine agreement entered into on an arm's length basis.

The Board also adopted an Internal Agreement Assessment Charter, as presented in section 4.3.4 below.

In addition, with a view to preventing any potential conflicts of interest, members of the Board are required to complete a statement every year disclosing any and all direct or indirect ties they have with any Group companies, their executives or their competitors, clients, partners or suppliers.

Under the terms of Article 9 of its Bylaws (presented in Appendix A), any director that is in a position of a conflict of interest must inform both the Vice-Chairman of the Board and the Board Secretary. Article 9 stipulates that any information that may be sensitive from a competition perspective may not be disclosed or discussed in the presence of a director who has direct links to a person with interests that are in competition with those of the Company.

Based on declarations made by the directors, the Vice-Chairman, with the assistance of the Board Secretary and external consultants if necessary, draws up a list of issues for each individual director that are likely to generate conflicts of interest and informs the Board of Directors on an annual basis.

In the event of an actual or potential conflict of interest, the concerned Director shall not take part in the discussion of the matter or the related vote and shall be asked to step out from the meeting while the discussion and vote take place. The director shall not receive information relating to the agenda item that concerns the conflict of interest nor the corresponding section in the minutes of the Board meeting.

In addition, directors adhere to the Board of Directors Code of Conduct (presented in Appendix B), which defines the scope of their duty of diligence, discretion and confidentiality, and specifies the rules applicable to trading in the Company's securities.

At its meeting of February 21, 2024, the Board of Directors reviewed the related-party agreements approved during 2023 and also reviewed those approved in prior fiscal years that remained in force in 2023 in application of the procedure provided for in Article L. 225-38 *et seq.* of the French Commercial Code.

However, it should be noted that a new regulated agreement was approved on 11 March 2024 by the Board and will be submitted for ratification to the General Meeting called to approve the 2023 financial statements.

4.3.4 Assessment of agreements entered into in the normal course of business and on an arm's length basis

Pursuant to Article L. 22-10-12 of the French Code of Commerce, the Board of Directors adopted an internal Charter relative to the period qualification and evaluation of agreements.

This Charter sets out the regulatory framework applicable to the classification of related-party agreements and agreements entered into in the normal course of business and on an arm's length basis ("Routine Agreements").

Regarding the regular assessment of the Routine Agreements, this procedure is as follows: every year, the Group Legal Department draws up a list of the prevailing Routine Agreements. On this basis, the Group Legal Department, working together with the Group Finance Department, examines this list to confirm that the conditions necessary for routine status have been maintained. The results of this assessment are provided to the Audit, Compliance & Risks Committee. If both the Group Legal Department and the Group Finance Department together subsequently believe that an agreement on the list of Routine Agreements should be treated as a related-party agreement, the Audit Committee will be advised accordingly. Where appropriate, during its annual review of related-party agreements, the Board of Directors may thus decide, on the recommendation of the Audit, Compliance & Risks Committee, to rectify the situation and to apply the rectification procedure referenced in Article L. 225-42 of the French Commercial Code.

The Audit, Compliance & Risks Committee was informed of the results of this annual assessment at its meeting of February 19, 2024. This review did not result in the reclassification of any Routine Agreements as related-party agreements.

4.3.5 Board Committees

Board discussions and decisions on certain topics are prepared by specialist Board Committees made up of directors appointed by the Board for the duration of their term as director. These specialist Committees examine matters falling within their terms of reference, as well as any matters referred to them for consideration by the Chairman and Chief Executive Officer. They report regularly to the Board of Directors on their work, and provide the Board with their observations, opinions, proposals and recommendations. Throughout the year, the Board of Directors relies on the work of these specialist Committees.

In accordance with Article 6 of the Board of Directors Bylaws (presented in Appendix A), there are five standing Board Committees:

- the Audit, Compliance & Risks Committee;
- the Commitments Committee;
- the Appointments and Compensation Committee;
- the ESG Committee; and
- and the International Strategy Committee.

The organizational and procedural framework applicable to the Board Committees is described in the Board of Directors' Rules of Procedure, which are presented below.

The Board may also set up one or several special Committees.

Each Committee shall be chaired by one of its members, appointed by the Board on the recommendation of the Appointments and Compensation Committee.

The Committee Chairman appoints a person who may or may not be a Committee member to act as secretary.

The Chairman of each Committee may ask for the Committee to be consulted on any matters falling within its terms of reference that have not been referred to it.

Each Committee is required to periodically review its rules of procedure and propose to the Board any changes that are considered necessary.

The Board Committees do not have any decision-making authority.

To assist them in their work, the Board Committees may commission technical reports from Company management or external consultants. In both cases, the Chairman and Chief Executive Officer is notified in advance. The Committees may also arrange meetings with members of Company management responsible for the areas under review, without any executive corporate officers necessarily being present. In this case also, the Chairman and Chief Executive Officer is informed in advance.

In the event of a conflict of interest – or even a potential conflict of interest – the director concerned shall abstain from the discussion and decision-making on the matters concerned and shall be asked to leave the Committee meeting during the discussion and the corresponding vote.

4.3.6 *Directors' attendance at Board and Committee meetings in 2023*

Director	Board	Audit, Compliance & Risks Committee	Commitments Committee	Appointments and Compensation Committee	ESG Committee	International Strategy Committee
Asma Abdulrahman Al-Khulaifi	100%	-	-	100%	100%	100%
Ugo Arzani	100%	100%	100%	-	-	-
Hélène Auriol-Potier	100%	50%	-	100%	100%	-
Sébastien Bazin	100%	-	-	-	-	-
Iliane Dumas	100%	-	-	100%	-	-
Qionger Jiang	90%	-	-	-	100%	100%
Anne-Laure Kiechel	100 %	67%	75%	-	-	-
Iris Knobloch	70%	75%	75%	25%	-	100%
Bruno Pavlovsky	100%	75%	-	100%	50%	-
Nicolas Sarkozy	90%	-	-	-	-	100%
Christine Serre	70%	-	-	-	100%	-
Isabelle Simon	90%	75%	-	100%	100%	-
Sarmad Zok	100%	-	100%	100%	-	100%

4.4 Board Committees

4.4.1 Audit, Compliance & Risks Committee

Information at December 31, 2023

6 *Number of directors*

83% *Percentage of independent directors*

4 *Number of meetings in 2023*

74% *Average Committee attendance rate in 2023*

Composition of the Committee

The Audit, Compliance & Risks Committee comprises six members, five of whom are qualified by the Board as independent:

- Ms. Isabelle Simon[1], Chairperson;
- Mr. Ugo Arzani;
- Ms. Hélène Auriol-Potier[1];
- Ms. Anne-Laure Kiechel[1];
- Ms. Iris Knobloch[1] ; and
- Mr. Bruno Pavlovsky[1] ;

all of whom have the necessary technical knowledge to fulfill the Committee's duties. The Company believes that, based on their training and professional experience[2], whether in investment banking and senior and financial management of international groups, the members of this Committee have the required financial and accounting expertise.

Thus, in accordance with the recommendations of the AFEP-MEDEF Code:

- independent directors make up more than two-thirds of the Committee; and
- there are no executive officers on the Committee.

Statutory Auditors, the Chairman and Chief Executive Officer, the Deputy Chief Executive Officer and Chief Financial Officer, and the Board Secretary attend the meetings, joined when appropriate by the Internal Audit Director. The meetings in which the annual and interim financial statements are reviewed begin with a discussion with the Statutory Auditors, which takes place without Company management being present.

Roles and responsibilities of the Committee

The roles and responsibilities of the Audit, Compliance & Risks Committee are defined in the Board of Directors' Rules of Procedure, which can be found in Appendix A.

Work of the Committee in 2023

During its meetings in 2023, the Audit, Compliance & Risks Committee:

- prepared the Board's review and discussion of the annual and interim financial statements;
- monitored the presentation of the Group's financial results;
- monitored the implementation of the Group's compliance program;
- monitored the activities of the ALL *Heartist*® fund; and
- reviewed the measures deployed in the areas of cyber security, in particular, remediation measures following a cyber security audit and personal data protection.

Lastly, the Committee also tracked developments in the Group's tax disputes, examined the Statutory Auditors' fees and reviewed Internal Audit findings and the implementation of the identified measures, as well as the yearly update of the risk map.

(1) Independent director.
(2) The directors' training and professional experience are described in their respective biographies in section 4.2.1 of this Universal Registration Document.

4.4.2 Appointments and Compensation Committee

Information at December 31, 2023

7	67%	4	89%
Number of directors	**Percentage of independent directors[1]**	**Number of meetings in 2023**	**Average Committee attendance rate in 2023**

Composition of the Committee

The Appointments and Compensation Committee comprises seven members, four of whom are qualified by the Board as independent:

- Mr. Bruno Pavlovsky[2], Chairman;
- Ms. Asma Abdulrahman Al-Khulaifi;
- Ms. Iliane Dumas[3];
- Ms. Hélène Auriol-Potier[2];
- Ms. Iris Knobloch[2];
- Ms. Isabelle Simon[2], and
- Mr. Sarmad Zok.

Thus, in accordance with the recommendations of the AFEP-MEDEF Code:

- the Committee is chaired by an independant director;
- the Committee includes a director representing employees; and
- the Committee consists mostly of independent directors.

Roles and responsibilities of the Committee

The roles and responsibilities of the Appointments and Compensation Committee are defined in the Board of Directors' Rules of Procedure, which can be found in Appendix A.

Work of the Committee in 2023

During its meetings in 2023, the Committee:

- reviewed achievement rates for the performance conditions for the Chairman and Chief Executive Officer's annual variable compensation, the performance share plans granted in prior years and the top management supplementary pension plan;
- reviewed the 2023 long-term profit-sharing plan (performance shares);
- reviewed the compensation policy for the executive officer as well as the conditions set for the performance share plans.The Committee reviewed in depth and integrated CSR performance conditions into the annual variable compensation and long-term compensation of the Chairman and Chief Executive Officer;
- reviewed the compensation policy for directors as well as the allocation of their compensation;
- proposed the reappointment of Sébastien Bazin and Iris Knobloch;
- reviewed the independence criteria for directors;
- discussed the results of the internal assessment of the operations of the Board of Directors and its Committees and then proposed an action plan to the Board of Directors;
- reviewed the Company's gender diversity policy, gender diversity targets and the action plan proposed;
- familiarized itself and discussed the Group's talent management policy and the mechanisms implemented with a view to attracting and retaining talents;
- monitored the application of the recommendations contained in the AFEP-MEDEF Code;

(1) The calculation does not include the director representing employees, who is a member of this Committee.
(2) Independent director.
(3) Director representing employees.

4.4.3 *Commitments Committee*

Information at December 31, 2023

4	50%	4	88%
Number of directors	*Percentage of independent directors*	*Number of meetings in 2023*	*Average Committee attendance rate in 2023*

Composition of the Committee

The Commitments Committee comprises three members, two of whom are qualified by the Board as independent:

- Mr. Ugo Arzani, Chairman;
- Ms. Anne-Laure Kiechel[(1)];
- Ms. Iris Knobloch[(1)]; and
- Mr. Sarmad Zok.

Due to the nature of the responsibilities assigned to this Committee – which sometimes has to give its opinion on acquisition or disposal projects within a short timeframe – Committee meetings may be called at any time, either in writing or verbally, by the Committee Chairman or by the Chairman and Chief Executive Officer.

Directors not on the Committee may also participate in its meetings, at the invitation of the Committee Chairman.

Roles and responsibilities of the Committee

The roles and responsibilities of the Commitments Committee are defined in the Board of Directors' Rules of Procedure, which can be found in Appendix A.

Work of the Committee in 2023

In 2023, the Commitments Committee primarily:

- reviewed the Group's holdings in outside companies;
- reviewed the Group's various acquisition and disposal projects.

4.4.4 *International Strategy Committee*

Information at December 31, 2023

5	60%	2	100%
Number of directors	*Percentage of independent directors*	*Number of meetings in 2023*	*Average Committee attendance rate in 2023*

Composition of the Committee

The International Strategy Committee has five members, of whom three are qualified by the Board as independent.

- Mr. Nicolas Sarkozy[(1)], Chairman;
- Ms. Asma Abdulrahman Al-Khulaifi;
- Ms. Qionger Jiang[(1)],
- Ms. Iris Knobloch[(1)], and
- Mr. Sarmad Zok.

Directors not on the Committee may also participate in its meetings, at the invitation of the Committee Chairman.

Roles and responsibilities of the Committee

The roles and responsibilities of the International Strategy Committee are defined in the Board of Directors' Rules of Procedure, which can be found in Appendix A.

Work of the Committee in 2023

In 2023, the International Strategy Committee dealt with current international issues and their impact on the Group's activities, in particular the situation of the Group's hotels in the Middle East and Russia.

(1) Independent director.

4.4.5 ESG Committee

At its meeting on 22 February 2023, the Board of Directors decided to monitor CSR issues in greater depth, as they are becoming increasingly important. It therefore decided to set up a dedicated ESG Committee. The ESG Committee comprises between 3 and 7 members, at least half of whom are independent directors and one director who is an employee representative.

Information at December 31, 2023

6	80%	2	92%
Number of directors	Percentage of independent directors(1)	Number of meetings in 2023	Average Committee attendance rate in 2023

Composition of the Committee

The ESG Committee comprises three members, four of whom are qualified by the Board as independent:

- Ms. Hélène Auriol-Potier(2), President;
- Ms. Asma Abdulrahman Al-Khulaifi;
- Ms. Qionger Jiang(2);
- Mr. Bruno Pavlovsky(2);
- Ms. Christine Serre(3); and
- Ms. Isabelle Simon(2).

Roles and responsibilities of the Committee

The roles and responsibilities of the ESG Committee are defined in the Board of Directors' Rules of Procedure, which can be found in Appendix A.

Work of the Committee in 2023

In 2023, the ESG Committee:

- examined and recommended the CSR targets for the Chairman and Chief Executive Officer's annual and long-term compensation;
- reviewed the Statement of non-financial performance;
- familiarized itself and debated the CSR strategy and reviewed the Company's CSR initiatives.

4.5 Corporate officers' compensation

Under the French Commercial Code, the compensation policy for corporate officers must be submitted to the Annual General Meeting for approval. The compensation policy for Accor's corporate officers is presented in section 4.5.1 of this Universal Registration Document.

In addition, the compensation of these same corporate officers is also subject to an *ex-post* vote by the Annual General Meeting on the information relating to compensation mentioned in Article L. 22-10-9 I of the French Commercial Code (this information is set out in section 4.5.2 of this Universal Registration Document). If the Annual General Meeting does not approve these items, the Board of Directors submits a revised compensation policy, taking into account the shareholders' vote, for approval at the next Annual General Meeting. Payment of directors' compensation for the current year is then suspended until the revised compensation policy has been approved. Once reinstated, any arrears since the last Annual General Meeting are included.

Lastly, the compensation of executive officers is the subject of a second *ex-post* vote on the total compensation and benefits of all kinds paid during the past year or granted in respect of the same year (information on this compensation is provided in section 4.5.2.2 of this Universal Registration Document). Variable compensation awarded to executive officers in respect of the previous year may only be paid out once the compensation items have been approved by the Annual General Meeting in respect of this second vote.

(1) The calculation does not include the director representing employees, who is a member of this Committee.
(2) Independent director.
(3) Director representing employees.

4.5.1 Compensation policy for corporate officers (subject to ex ante shareholder approval pursuant to article L. 22-10-8 of the French Commercial Code)

The compensation policies set out below are the subject of resolutions submitted to the Annual General Meeting for approval. If the Annual General Meeting does not approve these resolutions, the last compensation policy approved remains applicable and in force.

Compensation policies for corporate officers are reviewed annually and comply with applicable legal and regulatory provisions, market practices and the recommendations of the AFEP-MEDEF code, and take into account any comments made by shareholders.

Furthermore, the Company's management, represented by its Group General Counsel and Secretary of the Board of Directors and by its Director of Financial Communications, met and exchanged views with several shareholders to discuss governance issues and compensation policies. These discussions took place before the Annual General Meeting and at the end of the year, to prepare the new policies. The Vice-Chairman of the Board of Directors and the Chairman of the Appointments and Compensation Committee also attended some of the meetings. These discussions were reported to the Appointments and Compensation Committee and to the Board of Directors, which took into account the comments and expectations of shareholders when setting the compensation policies described below.

4.5.1.1 Compensation policy for directors

Directors serve a three-year term. Directors appointed by the Annual Shareholders' Meeting may be revoked at any time, also by the Annual Shareholders' Meeting.

Without prejudice to the powers of the General Meeting in this respect, the compensation policy for directors is determined by the Board of Directors, acting on the recommendation of the Appointments and Compensation Committee and within the limit of the overall amount of compensation determined by the Annual Shareholders' Meeting.

The Annual Shareholders' Meeting of the Company, held on April 20, 2018, set the total maximum annual amount of compensation to be allocated among members of the Board of Directors at a gross amount of €1,320,000 until the Annual Shareholders' Meeting decides otherwise.

The Board of Directors, acting on the recommendation of the Appointments and Compensation Committee, has decided on the following principles for the allocation of this budget:

- the annual amount of directors' compensation is divided into an amount set aside for the Board and an amount set aside for the Board Committees, as determined by the Board of Directors;
- one-third of the amount set aside for the Board and for the Committees is used to pay the fixed portion of directors' compensation;
- two-thirds of the amount set aside for the Board and Committees is used to pay the variable portion of directors' compensation based on a per-meeting amount set by the Board depending in each case on the total number of meetings held during the fiscal year and on the number of members composing each instance. The calculated variable portion of directors' compensation is then paid to each director depending on its attendance rate;
- the Vice-Chairman of the Board of Directors receives the fixed portion of directors' compensation payable to all directors as well as a fixed portion of a lump sum determined by the Board of Directors;
- a lump sum is set aside for non-voting directors to be allocated on the same basis as that applied to the amounts set aside for the Board and for the Board Committees;
- Committee Chairmen receive a fixed portion of directors' compensation equal to double the fixed portion payable to Committee members;
- members of the Audit, Compliance & Risks Committee, and members of the Appointments and Compensation Committee, receive an increased portion of directors' compensation, as decided by the Board of Directors;
- directors who also hold the position of Chairman and Chief Executive Officer, Chief Executive Officer or Deputy Chief Executive Officer do not receive any directors' compensation;
- directors representing employees do not receive any directors' compensation. The compensation that they would have received is not distributed and instead the Company has pledged to allocate the equivalent amount to supporting Group employees in difficulty;
- the Board of Directors may also decide to allocate an exceptional bonus for a given assignment or mandate to a director or non-voting director as part of their variable compensation;
- directors' compensation is paid no later than three months following the end of the previous fiscal year.

The Board of Directors then approves the individual allocation of directors' compensation for the year, prior to its actual payment to the directors (subject to the provisions of Article L. 22-10-34 I of the French Commercial Code, which stipulates that directors' compensation for the current year is suspended in the event of a negative vote by shareholders on the compensation paid or allocated to corporate officers in respect of the previous year).

This compensation policy does not include a mechanism for clawback of the variable potion of the compensation allocated to directors.

The compensation policy of the directors is reviewed annually by the Board of Directors, acting on the recommendation of the Appointments and Compensation Committee. The policy is then submitted to the approval of shareholders at the Annual Shareholders' Meeting.

The compensation policy described above will be submitted to shareholders for approval at the 2024 Annual Shareholders' Meeting.

4.5.1.2 Compensation policy for the Chairman and Chief Executive Officer

Without prejudice to the powers of shareholders in such matters, the compensation policy for the Chairman and Chief Executive Officer is determined by the Board of Directors, acting on the recommendation of the Appointments and Compensation Committee.

To this extent, the Board constantly ensures that it complies with the principles of completeness and consistency with the compensation policy of the company's other executives and employees, as well as comparability, motivation, measurement and comprehensibility of the rules, while ensuring a balance is maintained between the compensation packages.

By incorporating incentive-driven packages aimed at rewarding performance through exacting criteria to drive value creation, the executive officers' compensation is consistent with the interests of both the Company and its shareholders in addition to the Group's business strategy. The long-term compensation package associates executive officers and all beneficiaries with the capital, including contingencies. The package is also focused on their loyalty and encourages sustainable performance.

The Appointments and Compensation Committee bases its recommendations on compensation benchmarks conducted by external consultants of the practices of other companies of comparable size and international hotel groups.

Moreover, the Appointments and Compensation Committee conducts regular reviews to ensure the compensation policy adopted by the Annual Shareholders' Meeting is applied properly. Consequently, fixed, variable and long-term compensation principles, criteria and targets are analyzed by the Appointments and Compensation Committee on an annual basis. This Committee reports on its work to the Board of Directors.

If new executive officers are appointed during the fiscal year, the compensation policy described below applies until a new policy is adopted by the next Annual Shareholders' Meeting.

The Board of Directors and the Appointments and Compensation Committee undertake to prevent and manage any conflicts of interest that may arise, specifically with regard to the compensation decision-making process. To this end, the Appointments and Compensation Committee mainly comprises Independent Directors as well as a Director representing employees. Lastly, in accordance with the provisions of the Board of Directors' Bylaws, the Chairman and Chief Executive Officer shall not participate in the proceedings or voting on his compensation.

The Company's adopted measures with a view to preventing conflicts of interest are outlined in section 4.3.3 of the Universal Registration Document.

The Chairman and Chief Executive Officer of the Company serves a three-year term. The Board of Directors may end the Chairman and Chief Executive Officer's term of office at any given moment.

Sébastien Bazin was re-elected as Director and Chairman and Chief Executive Officer on May 17, 2023. At its meeting on February 22, 2023, the Board of Directors reviewed and reassessed the total compensation of the Chairman and Chief Executive Officer for the duration of his term of office.

At its meeting of 21 February 2024, the Board of Directors approved the recommendations of the Appointments and Compensation Committee, and decided to make no changes to the principles of the compensation policy for the Chairman and Chief Executive Officer. The Committee drew on compensation studies carried out by specialist external consultants on the executive officers of companies of comparable size[1] and on the specific compensation structures of the executive officers of the main international hotel peers[2]. It was therefore decided to maintain unchanged the components of his total compensation as set at the time of his reappointment in 2023, *i.e.* the amount of his annual fixed compensation, the reference amount of his annual variable compensation and the part of his compensation paid in performance shares. The criteria and targets for annual variable and long-term compensation have changed slightly, to better reflect the Group's ambitions.

The components of the total compensation and the benefits in kind that may be granted to the Chairman and Chief Executive Officer are described below.

(1) *Air France Klm, Air Liquide, Airbus Group, Alstom, Arcelormittal, Arkema, Axa, Biomerieux, Bnp Paribas, Bouygues, Bureau Veritas, Capgemini, Carrefour, Credit Agricole, Danone, Dassault Systèmes, Edenred, Eiffage, Engie, Essilorluxottica, Eurofins, Euronext, Faurecia, Gecina, Getlink, Groupe Adp, Hermes International, Kering, Klepierre, Legrand, L'Oreal, Lvmh, Michelin, Orange, Pernod Ricard, Publicis, Remy Cointreau, Renault, Rexel, Safran, Saint-Gobain, Sanofi, Sartorius, Schneider Electric Se, Société Générale, Sodexo, Solvay, Stellantis, Stmicroelectronics, Teleperformance, Thales, Totalenergies, Ubisoft, Urw, Valeo, Veolia Environnement, Vinci, Vivendi Se, Worldline.*

(2) *Choice, IHG, NH Hoteles, Hilton, Marriott, Whitbread, Hyatt, Melia, Wyndham.*

Short-term components

The short-term components of the Chairman and Chief Executive Officer's compensation are as follows:

(i) **Annual fixed compensation,** which takes into account the Chairman and Chief Executive Officer's experience and responsibilities as well as market practices.

For 2024, Sébastien Bazin's gross annual fixed compensation is €950,000 (unchanged since January 1st, 2016).

(ii) **Annual variable compensation,** which is contingent on the Chairman and Chief Executive Officer's contribution to the Group's success, particularly in terms of financial and extra-financial performance, and depends on performance in relation to quantitative objectives (for 80%) and qualitative objectives (for 20%) set by the Board of Directors, as explained below. Each quantitative objective, depending on the achievement rate, triggers the payment of between 0% and 160% of the share of variable compensation it represents. Each qualitative objective, depending on the achievement rate, triggers the payment of between 0% and 120% of the share of variable compensation it represents.

For 2024 fiscal year, the annual variable compensation will represent between 0% and 150% of a gross reference amount set at €1,400,000, equivalent to between 0% and 221% of the annual fixed compensation.

If the variable compensation reaches 100% of the reference amount, this will represent 147% of his annual fixed compensation.

The Board has decided that Sébastien Bazin's annual variable compensation will be based on the achievement of the following performance objectives:

1. quantitative objectives (accounting for 80% of the total):

- financial criteria (50% weighting):
  - consolidated EBITDA in line with the 2024 budget (25% weighting),
  - free cash-flow (excluding disposals and acquisitions) after change in operating working capital, in line with the 2024 budget (25% weighting);

  The nature and weighting of the financial criteria have been kept unchanged, enabling a significant overall weighting to be applied to the financial criteria and remaining in line with market practice. For these criteria, a partial payment of 50% is activated once 90% of the budget has been achieved. When the budget is reached, 100% of the payment is due and the maximum payment (160%) is due if the budget is exceeded by 5%.
- non-financial criteria (30% weighting):
  - net unit growth (15% weighting),
  - environmental, social and governance (ESG) criteria (15% weighting):

At its meeting on 21 February 2024, on the recommendation of the Appointments and Compensation Committee, the Board of Directors decided to replace the criterion of "Organic growth in the number of rooms (net of churn from hotels transferring to another brand)" with the criterion of "Net unit growth". This adjustment reflects the growth ambitions announced by the Group at its Investor Day on 27 June 2023. This criterion represents rooms variance in percentage between network beginning of period at 1 January 2024 and network end of period at 31 December 2024, excluding additions or exits related to mergers and acquisitions operations. It will be measured against the annual growth target, which itself is based on the outlook given at the Investor Day. The 50% partial payment is triggered once 80% of the annual growth target has been achieved. When the full-year target is reached, 100% of the payment is due on this criterion and the maximum payment (160%) is due when growth reaches or exceeds 120% of the full-year objective.

With respect to the "ESG criteria" objective, it was decided to leave its total weighting unchanged and to modify its composition by adding new criteria reflecting the Stay and People pillars of the Group's CSR policy. The Food pillar has been taken into account by adding a new performance condition applicable to long-term compensation. The ESG criteria used are as follows:

Stay Pillar (10%), two criteria:

- Percentage of managed and franchised hotels (based on the network at 1 January 2024) that have defined their water consumption baseline at 31 December 2024: an initial target has been set for managed hotels (2.5%) and a second for franchised hotels (2.5%).
- Percentage of subsidiary, managed and franchised hotels (based on the network at January 1, 2024) eco-certified as of December 31, 2024 (5%). A hotel is said to be eco-certified when it has been awarded an eco-label by a recognized certification partner.

People Pillar (5%), one criteria:

Percentage of women holding a position at least equivalent to VP (Vice President) level according to the Group's internal classification at December 31, 2024.

The level of achievement of these new ESG criteria has been precisely set. The objectives and payment curves of the criteria are as follows:

- With regard to the criterion concerning the percentage of managed and franchised hotels that have defined their water consumption baseline, the target has been set at 80% for managed hotels and 50% for franchised hotels. The thresholds for activating a payment based on this criterion are ambitious. As such, to trigger a payment for this criterion, the number of hotels having defined their baseline in 2024 will have to be greater than the number of hotels that had measured their water consumption by December 31, 2023. The threshold target for partial payment of 50% of the criterion has been set at 70% for managed hotels and 35% for franchised hotels. The upper target for maximum payment (160%) has been set at 90% for managed hotels and 60% for franchised hotels.

- With respect to the criterion relating to the percentage of eco-certified subsidiary, managed and franchised hotels by December 31, 2024, the target has been set at 30% of hotels. In the same way as for the above criterion, the threshold for triggering payment has been set significantly higher than the percentage of eco-certified hotels by December 31, 2023: the target threshold for partial payment of 50% has been set at 20%, and the upper target for maximum payment (160%) has been set at 45%.
- With regard to the criterion concerning the percentage of women holding a position at least equivalent to a VP level by December 31, 2024, the target has been set at 39% of women. The threshold for partial payment of the 40% criterion has been set at 37% of women (a higher percentage than that seen as of December 31, 2023), and the upper target for maximum payment (160%) has been set at 41%.

It should be noted that the Board has chosen to adjust the thresholds for triggering these criteria in view of the very ambitious targets set, particularly with regard to the departure percentages and the significant margin of increase to be achieved.

2. qualitative objective (accounting for 20% of the total):

- Finalization of the TURBO organization, talent development and support for the implementation of the CSR plan.

The Board of Directors, on the recommendation of the Appointments and Compensation Committee, has decided to keep the qualitative objective relating to "Finalization of the TURBO organization roll-out" and "Talent Development", as these are particularly relevant over the 2023/2024 period, *i.e.* the period corresponding to the full roll-out of the new organization. It was also decided to add the criterion of "Support for the implementation of the CSR plan", in order to align and involve all stakeholders in the Group's CSR ambitions.

Criteria and weighting of the components of the Chairman and Chief Executive Officer's variable compensation

		% of the Reference Amount		
Quantitative objectives	**Weighting**	**Min**	**Target**	**Max(1)**
Actual versus budgeted consolidated EBITDA for 2024	25%	0%	25%	40%
Actual versus budgeted free cash-flow (excluding disposals and acquisitions) after change in operating working capital for 2024	25%	0%	25%	40%
Net unit growth	15%	0%	15%	24%
Percentage of managed and franchised hotels having defined their water consumption baseline by December 31, 2024				
Percentage of managed hotels	2.5%	0%	2.5%	4%
Percentage of franchised hotels	2.5%	0%	2.5%	4%
Percentage of subsidiary, managed and franchised hotels eco-certified as of December 31, 2024	5%	0%	5%	8%
Percentage of women holding a position at least equivalent to VP level at December 31, 2024	5%	0%	5%	8%
Total, quantitative objectives	**80%**	**0%**	**80%**	**128%**

(1) Each quantitative objective, depending on the achievement rate, may trigger the payment of up to 160% of the share of variable compensation it represents.

		% of the Reference Amount		
Qualitative objective	**Weighting**	**Min**	**Target**	**Max(1)**
Finalization of the TURBO organization roll-out, talent development and support for the implementation of the CSR plan	20%	0%	20%	24%
Total, qualitative objective	**20%**	**0%**	**20%**	**24%**
Total, quantitative and qualitative objectives as a % of the reference amount		**0%**	**100%**	**150%(2)**
Total variable compensation as a % of fixed compensation (capped amount)		0%	147%	221%

(1) Each qualitative objective, depending on the achievement rate, may trigger the payment of up to 120% of the share of variable compensation it represents.
(2) The variable compensation is capped at 150% of the reference amount.

(iii) Lastly, the Board of Directors has retained the option of paying an **exceptional bonus** to the Chairman and Chief Executive Officer in certain special circumstances (such as in the event of a transformative operation), which would be announced and explained to shareholders, in accordance with the AFEP-MEDEF Code. The exceptional bonus paid to the Chairman and Chief Executive Officer shall not exceed 100% of his annual fixed compensation.

In any event and subject to approval of this compensation policy at the 2024 Annual Shareholders' Meeting, payment of the Chairman and Chief Executive Officer's variable compensation and, if applicable, his exceptional bonus will be subject to the shareholders' prior approval at the 2025 Annual Shareholders' Meeting

Long-term components

Performance shares in the Company are regularly granted to the executive officer of the Company and to certain Group employees subject to the fulfillment of performance conditions and continued presence in the Group. These share grants are intended to closely align the Chairman and Chief Executive Officer's interests with those of the Company's shareholders and encourage him to deliver long-term performance. The performance conditions (internal and external) of the plans are determined by the Board of Directors. In accordance with the provisions of the AFEP-MEDEF Code, most plans are issued during the first half of each year.

At its meeting on February 21, 2024, based on recommendations put forward by the Appointments and Compensation Committee, the Board of Directors decided to maintain the cap on the number of performance shares that may be granted to the Chairman and Chief Executive Officer to a number equivalent to 280% of his gross annual fixed compensation. In any event, the number of performance shares that may be granted to him shall not represent more than 15% of the total number of performance shares under the resolution which authorized the grant of the performance shares, valid for a period of 38 months.

In addition to the requirement that the Chairman and Chief Executive Officer continues to be employed by the Group at the end of the three-year vesting period, these performance shares shall only vest in accordance with the performance conditions below and measured at the end of the three-year period. Moreover, the number of shares to be vested at the end of the vesting period will not exceed 100% of the number of shares initially granted.

The performance conditions attached to the shares are the following:

- internal conditions (80% weighting):
  - actual versus budgeted consolidated EBITDA (40% weighting),
  - actual versus budgeted free cash-flow (excluding disposals and acquisitions) after change in operating working capital (20% weighting),
  - carbon footprint reduction (10% weighting),
  - food waste reduction (10% weighting);
- relative external condition (20% weighting):
  - Accor's Total Shareholder Return (TSR) versus the change of a composite index comprising peer European and international hotel groups (Melia, NH Hoteles, Whitbread, Hilton, Marriott, Hyatt, IHG).

The Board of Directors, on the recommendation of the Appointments and Compensation Committee, has decided to maintain the nature and weight of the performance conditions unchanged, as they are still aligned with the Group's long-term ambition. However, the ESG conditions have been amended by adding a new condition linked to the Food pillar of the Group's CSR policy to the "carbon footprint reduction" criterion.

The objectives relating to the above performance conditions are as follows:

- Concerning the internal conditions relating to "EBITDA" and "free cash-flow (excluding disposals and acquisitions) after change in operating working capital", 100% of the shares subject to these conditions are vested when the average annual performance compared with the budget, over the three years of the plan, is 100%.

  For the "EBITDA" condition, partial vesting of 50% of the shares is triggered as soon as the average performance reaches 75%, and maximum vesting (150%) is triggered as soon as this average exceeds 102%.

  For the "free cash-flow (excluding disposals and acquisitions) after change in operating working capital" condition, partial vesting of 50% of the shares is triggered as soon as the average performance reaches 75%, and maximum vesting (150%) is reached once this average exceeds 105% of the budget.
- With regard to the internal "carbon footprint reduction" condition, the objective by December 31, 2026 is for 90% of managed hotels (based on the network at January 1, 2024) to achieve a 29% reduction in scopes 1 and 2 carbon emissions (compared with 2019). This target has been revised and set according to a trajectory in line with the Group's 2030 ambition to reduce its carbon footprint. If this target was reached, 100% of the shares linked to this condition will be acquired. Partial vesting of 50% of shares is triggered once the carbon footprint has been reduced by 25.2%, and maximum vesting (150%) is reached once the carbon footprint has been reduced by at least 33.6%.
- With respect to the internal "food waste reduction" condition, the objective by December 31, 2026 is to achieve a 20% reduction in food waste per cover (compared with 2023) in 800 hotels having defined their food waste baseline by December 31, 2023. If this target is met, 100% of the shares linked to this condition will be acquired. Partial vesting of 50% of the shares is triggered by a reduction of 17%, and maximum vesting (150%) is reached when the reduction is at least 30%.
- With regard to the external performance condition (*i.e.* "Accor's TSR versus the change of a composite index comprising peer European and international hotel groups (Melia, NH Hoteles, Whitbread, Hilton, Marriott, Hyatt, IHG)"), the partial vesting of 90% of the shares is triggered from a 100% achievement rate. The objective of 100% vesting has been set at a performance rate of 102.5%, and the maximum vesting rate (150%) is reached when the performance rate is at least 110%.

These presence and performance conditions are identical to those applicable to all Group grantees of performance shares.

In addition, the performance shares are subject to a lock-up period and the Chairman and Chief Executive Officer is required to retain a certain proportion of the shares for as long as he remains in this position (see further details on page 281).

This compensation policy does not include a mechanism for the clawback of variable compensation (annual and long-term variable compensation).

Other benefits awarded to the Chairman and Chief Executive Officer

The other benefits provided to the Chairman and Chief Executive Officer are as follows:

(i) **A company car.**

(ii) **Unemployment insurance.** A private insurance plan has been set up with Association pour la Garantie Sociale des Chefs et Dirigeants d'Entreprise (GSC) to provide the Chairman and Chief Executive Officer with unemployment benefits should the need arise. The benefits under this plan would be based on net taxable professional-source income for the previous year, and would be payable as from the thirty-first day of continuous unemployment. The maximum length of time that Sébastien Bazin could be paid benefits under the plan is 24 months, and the total amount of benefits is capped at €463,680 (based on the applicable rate for 2023).

(iii) **A maximum of 100 hours of tax and asset management advice** per year provided by an external company.

(iv) **Supplementary pension benefits:**

The executive officer and several dozen other senior executives in France are members of a top-hat supplementary pension plan set up within the Company. This plan complies with the recommendations contained in the AFEP-MEDEF Code, as described below.

This plan comprises a defined contribution plan or mandatory retirement savings plan, *Plan d'Epargne Retraite Obligatoire – PERO* (formerly the "Article 83" plan), implemented under Articles L. 242-1 and L. 911-1 of the French Social Security Code, complemented with a defined benefit plan under Article L. 137-11-2 of the French Social Security Code (the "L. 137-11-2" plan). Both plans have been outsourced to an accredited organization, to which the relevant contributions are paid.

- **A defined contribution plan or mandatory savings plan – PERO** (formerly "Article 83")

  Entitlement to this plan is granted to the Company's executive officer, as well as to Group's senior executives with over one year of service and an annual reference compensation[1] of more than four times the annual ceiling used for calculating French social security contributions (Plafond annuel de la Sécurité sociale - the "PASS"). When they retire, participants receive a pension annuity, with the possibility of survivor benefits, which is determined based on the contributions paid by the Company each year they are members of the plan. The annual contribution paid by the Company for each participant corresponds to 8% of the annual reference compensation paid during the year concerned, capped at eight times the PASS. In compliance with the provisions of the French Social Security Code, participants retain their rights accrued under this plan if they leave the company before the date of retirement.

  The Company pays the 20% forfait social levy due on compensation that is exempt from social security contributions (5% of the compensation capped at five times the PASS), which is calculated on the Company's total contribution to the plan, and plan participants pay the Contribution Sociale Généralisée (CSG) and Contribution au Remboursement de la Dette Sociale (CRDS) levies, which are calculated on the basis of the portion of the Company's contribution allocated to them.

  For the share of the contribution above the above-referenced ceiling, the Company pays the social security contributions (employer contribution) and plan participants pay the CSG, the CRDS and the social security contributions (employee contribution).

  Mr. Sébastien Bazin, as executive officer of the Company with over one year of service and an annual reference compensation of more than four times the the PASS, qualifies to participate in the Company's defined contribution pension plan. He will therefore be entitled to a pension annuity (with the possibility of survivor benefits). The amount is based on the contributions paid by the Company for each year of his membership of the plan. The annual contribution paid by the Company corresponds to 8% of his annual reference compensation paid in the year concerned, capped at eight times the PASS.

  However, in the case of Sébastien Bazin, the Board of Directors may decide to cancel the benefit of this plan.

- **"L. 137-11-2" defined benefit plan under Article L. 137-11-2 of the French Social Security Code**

  Those eligible for this plan are the executive officer and senior executives with over six months of service and an annual reference compensation[1] of more than eight times the PASS. Members are entitled to a pension annuity (with the possibility of opting for survivor benefits).

  Mr. Sébastien Bazin, as executive officer of the Company with over six months of service and annual reference compensation of more than eight times the PASS, also qualifies to participate in the "L. 137-11-2" pension plan established by the Company. This plan resulted in the purchase of an insurance policy.

  Sébastien Bazin will therefore be entitled to a pension annuity (with the possibility of opting for survivor benefits).

(1) *Annual reference compensation is defined as the gross annual base salary, gross variable compensation, benefits in kind and any exceptional cash bonuses paid in cash during the year in question.*

This plan provides for the gradual vesting of rights, which are calculated for each year for which he was a plan member. These rights represent between 1.6% and 2.4% of the annual reference compensation, depending on the compensation brackets concerned, *i.e.*:

- portion of reference compensation representing between 8 and 12 times the PASS: 1.6%;
- portion of reference compensation representing between 12 and 24 times the PASS: 2.4%;
- portion of reference compensation representing between 24 and 60 times the PASS: 1.6%.

Rights vesting each year are capped at 3% of the annual reference compensation in question. These rights represent the final pension annuity to be paid.

Based on recommendations put forward by the Appointments and Compensation Committee, the Board of Directors decided to make payment of the annuity payable under the "L. 137-11-2" supplementary defined benefit plan, subject to the following two performance conditions:

- actual versus budgeted consolidated EBITDA (50% weighting);
- actual versus budgeted free cash-flow (excluding disposals and acquisitions) after change in operating working capital (50% weighting).

Benefit entitlements vest in full if the performance conditions are at least 75% met (below 75%, the vested entitlement is calculated on a straight-line basis). These performance conditions and their achievement rates are reviewed and approved each year by the Board of Directors.

The vested entitlements for any given year of plan membership therefore correspond to the aggregate of the amounts accrued for each of the above compensation brackets, provided that the related performance conditions are met. The amount of the final pension annuity equals the sum of the vested entitlements calculated for each year, up to a maximum of 30 points (over the course of a career).

However, in the case of Sébastien Bazin, the Board of Directors may decide to cancel the benefit of this plan.

Sébastien Bazin may also continue to be covered by the "Article 39" defined benefit plan, which is described in section 4.5.2.2 of the Universal Registration Document. This plan has been frozen and no new conditional benefit entitlements have been or will be allocated for periods of employment after December 31, 2019. However, in the case of Sébastien Bazin, the Board of Directors may decide to cancel the benefit of this plan.

(v) **Compensation for loss of office:** the Board of Directors decided that the compensation payable to the Chairman and Chief Executive Officer in the event of loss of office would be equal to twice the aggregate amount of his fixed and variable compensation due for the fiscal year preceding that of the loss of office. This termination benefit would only be payable if (i) the performance criteria set by the Board of Directors are met, and (ii) his departure is involuntary, *i.e.*, if Mr. Sébastien Bazin's term of office as Chairman and Chief Executive Officer is terminated (except in the event of gross or willful misconduct) or if he is not re-elected as a director. It would not be payable if Mr. Bazin resigns or decides not to stand for re-election as a director, if he moves to a new position within the Group, or if he would be able to claim his full-rate pension within a short period of time.

The performance criteria applicable to the above allowance, set by the Board of Directors on the recommendation of the Appointments and Compensation Committee, are as follows:

- actual versus budgeted consolidated EBITDA (50% weighting);
- actual versus budgeted free cash-flow (excluding disposals and acquisitions) after change in operating working capital (50% weighting).

These performance criteria would be applied as follows:

- if the annual average achievement rate of the last three years of the criteria is equal or superior to 75%, the entire compensation is due;
- if the annual average achievement rate of the last three years of the criteria is equal or superior to 65% and below 75%, half of the compensation is due;
- if the annual average achievement rate of the last three years of the criteria is lower than 65%, none of the compensation is due.

Directors' compensation

Note that the Chairman and Chief Executive Officer does not receive any directors' fees as a member of the Company's Board of Directors.

Adjustment to the compensation policy

The Board of Directors may change the criteria and objectives applicable to the short- and long-term variable components of the Chairman and Chief Executive Officer's compensation if unexpected changes in the environment render these criteria and objectives inappropriate or irrelevant, as could be planned by Management for all Group employees.

These measures would be limited exclusively to exceptional circumstances, such as those resulting from the health crisis related to the Covid-19 pandemic.

This allows the Board of Directors to more directly account for the impact of exceptional circumstances on the Group's EBIT in particular, and, if need be, to more directly align the criteria and objectives with the Group's activities during the period in question.

The ceilings provided for in the compensation policy submitted to the vote of the shareholders may not, under any circumstances, be modified.

Any adjustments to implementation of the above compensation policy shall be decided on by the Board of Directors, acting on the recommendation of the Appointments and Compensation Committee.

Where applicable, the use of this option by the Board of Directors will be made public as soon as possible. The reasons for this will be communicated, in particular with regard to their alignment with the interests of shareholders.

Summary of the overall structure of the Chairman and Chief Executive Officer's compensation package

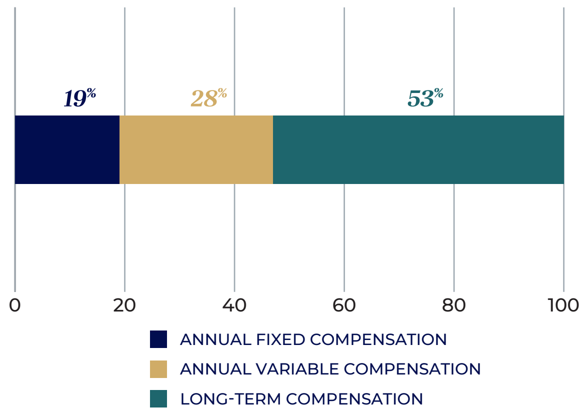
Components	Criteria and objectives	Amount/Weighting
Annual fixed compensation	Determined by the Board of Directors based on the recommendation of the Appointments and Compensation Committee, taking into account: • his experience; • his responsibilities; • market practices.	€950,000 Unchanged since January 1, 2016 [(1)]
Annual variable compensation	Annual variable compensation that varies depending on performance in relation to the following objectives:	The annual variable compensation will represent between 0% and 150% of a reference amount set at €1,400,000, *i.e.* between 0% and 221% of his annual fixed compensation
	Quantitative objectives (accounting for 80% of the annual variable compensation): • **financial objectives:** EBITDA *vs* 2024 budget and free cash-flow (excluding disposals and acquisitions) after change in operating working capital *vs* 2024 budget; • **non-financial objectives:** Net unit growth; Percentage of managed and franchised hotels that having defined their water consumption baseline by December 31, 2024; Percentage of subsidiary, managed and franchised hotels that are eco-certified by December 31, 2024; Percentage of women in a position at least equivalent to a VP level by December 31, 2024.	Each quantitative objective, depending on the achievement rate, may trigger the payment of between 0% and 160% of the share of variable compensation it represents
	Qualitative objective (accounting for 20% of the annual variable compensation): • finalization of the TURBO organization roll-out, talent development and support for the implementation of the CSR plan.	This qualitative objective, depending on the degree to which it is met, may trigger the payment of between 0% and 120% of the share of variable compensation it represents
Long-term components	**Performance shares,** which vest subject to fulfillment of performance conditions decided by the Board of Directors and to continued presence in the Group.	The grants represent a maximum of 280% of annual fixed compensation, determined by the Board of Directors

(1) in light of the pandemic and the recourse to short-time working in fiscal 2020, the Board of Directors had agreed to the proposal by the Chairman and Chief Executive Officer to reduce his fixed compensation by 25% from April 1 to December 31, 2020.

The compensation policy described above will be submitted to shareholders for approval at the 2024 Annual Shareholders' Meeting. Payment of the components of variable and exceptional compensation due under the above policy will be subject to approval of the Annual Shareholders' Meeting called to approve the fiscal 2024 financial statements.

This policy takes into account the various comments expressed by investors during the vote at the 2023 Shareholders' Meeting.

Overall structure of the Chairman and Chief Executive Officer's compensation package



4.5.2 *Compensation of corporate officers (subject to* ex post *shareholder approval pursuant to article L. 22–10-34 of the French Commercial Code)*

4.5.2.1 Directors' compensation

The Board of Directors, in accordance with the compensation policy approved at the Annual Shareholders' Meeting of May 17, 2023 and presented in section of the 2022 Universal Registration Document, allocated a total gross amount for fiscal 2023 of (out of a maximum total gross amount set at €1,320,000 by the Annual Shareholders' Meeting of April 20, 2018), which is detailed in the table below.

Note that Mr. Sébastien Bazin, the Chairman and Chief Executive Officer, does not receive any directors' fees as a member of the Board of Directors.

The directors did not receive any compensation from any company included in the scope of consolidation in fiscal 2023, with the exception of Iliane Dumas and Christine Serre, directors representing employees, who receive compensation in respect of their work contract.

Lastly, over the course of the year, there was no need to suspend the directors' compensation in accordance with the provisions of Article L. 225-45, paragraph 2 of the French Commercial Code.

This compensation will be submitted to the vote of shareholders at the 2024 Annual Shareholders' Meeting.

Compensation received by non-executive directors (Table 3 – AFEP-MEDEF Code)

	Amounts awarded for the year						Amounts paid in the year			
	2022 (as a reminder)			**2023**			2022 (as a reminder)		**2023**	
Board of Directors *(in €)*	Total	Fixed portion	Variable portion	**Total**	**Fixed portion**	**Variable portion**	Fixed portion	Variable portion	**Fixed portion**	**Variable portion**
Asma Abdulrahman Al-Khulaifi [1]	69,597	21,549	48,048	114,174	33,591	80,583	N/A	N/A	21,549	48,048
Sheikh Nawaf Bin Jassim Bin Jabor Al-Thani[2]	15,829	5,152	10,677	N/A	N/A	N/A	22,680	43,992	5,152	10,677
Aziz Aluthman Fakhroo[3]	84,568	24,656	59,912	N/A	N/A	N/A	51,067	122,873	24,656	59,912
Ugo Arzani[4]	69,773	21,725	48,048	114,174	33,591	80,583	N/A	N/A	21,725	48,048
Hélène Auriol-Potier[5]	77,001	22,428	54,573	119,656	39,074	80,583	N/A	N/A	22,428	54,573
Iliane Dumas[6]	87,689	25,998	61,692	92,978	26,281	66,697	26,228	72,055	25,998	61,692
Sophie Gasperment[7]	60,776	20,439	40,337	N/A	N/A	N/A	47,519	92,534	20,439	40,337
Qiong'Er Jiang	64,600	22,483	42,116	89,524	28,108	61,416	22,680	30,339	22,483	42,116
Anne-Laure Kiechel[8]	N/A	N/A	N/A	76,651	22,326	54,325	N/A	N/A	N/A	N/A
Iris Knobloch	213,898	100,598	113 299	157,284	89,074	68,210	101,067	132,733	100,598	113,299
Bruno Pavlovsky	117,609	42,867	74,742	121,484	40,902	80,583	36,874	80,398	42,867	74,742
Nicolas Sarkozy	68,069	29,512	38,557	82,582	28,108	54,473	29,777	40,199	29,512	38,557
Christine Serre[6]	58,164	15,455	42,710	68,364	24,453	43,911	14,167	37,924	15,455	42,710
Isabelle Simon	138,435	47,084	91,351	119,674	40,902	78,773	47,519	90,258	47,084	91,351
Sarmad Zok	141,491	40,055	101,435	121,116	33,591	87,525	40,422	108,462	40,055	101,435
Total, fixed + variable	**1,267,500**			**1,277,661**				**1,291,767**		**1,267,500**

(1) Directors' fees paid for the term as director that began on May 20, 2022.
(2) Directors' fees paid until the end of the term as director on May 20, 2022.
(3) Directors' fees paid until the end of the term as director on May 20, 2022.
(4) Directors' fees paid for the term as director that began on May 20, 2022.
(5) Directors' fees paid for the term as director that began on May 20, 2022.
(6) In accordance with Article 8 of the Board of Directors Bylaws, the directors representing employees do not receive directors' fees. The Company has pledged to allocate the equivalent amount to the Accor Solidarity fund.
(7) Directors' fees paid until the end of the term as director on May 20, 2022.
(8) Directors' fees paid for the term as director that began on May 17, 2023.

4.5.2.2 Compensation for the Chairman and Chief Executive Officer

The compensation paid during 2023 or awarded for 2023 to the Chairman and Chief Executive Officer complies with the compensation policy approved by the Annual Shareholders' Meeting on May 17, 2023, in application of Article L. 22-10-8 of the French Commercial Code and detailed below.

In fiscal 2023, no derogation to the approved policy was made.

An overview of the fixed, variable and exceptional components of the total compensation and benefits of any kind paid in fiscal 2023 or awarded in respect of that fiscal year to the Chairman and Chief Executive Officer, which will be submitted to the 2024 Annual Shareholders' Meeting for approval in application of Article L. 22-10-34 of the French Commercial Code, is presented in the specific table below.

The Chairman and Chief Executive Officer did not receive any compensation from any company included in the scope of consolidation in fiscal 2023.

Compensation paid in or awarded in respect of 2023	Amounts (or accounting value) submitted to the vote	Description
Annual fixed compensation	€950,000	Mr. Sébastien Bazin's annual fixed compensation for 2023 was decided by the Board of Directors based on the recommendation put forward by the Appointments and Compensation Committee. It complies with the compensation policy approved by the Annual Shareholders' Meeting of May 17, 2023, as presented in section 4.5.1 of the 2022 Universal Registration Document. It was paid in monthly installments during fiscal 2023.

Annual variable compensation	€1,868,865	In accordance with the compensation policy approved by the Annual Shareholders' Meeting of May 17, 2023, Mr. Sébastien Bazin's variable compensation could represent between 0% and 150% of the gross reference amount. The gross reference amount of 1,344,110 euros represented 141% of his annual fixed compensation after application of the prorata temporis method, taking into account the change in the gross reference amount decided in the context of the renewal of his mandate. The amount of variable compensation paid depends on the extent to which the objectives set by the Board of Directors are met:
		• **quantitative objectives** (**accounting for 80%** of the total):
		  • financial criteria (50% weighting):
		    – consolidated EBITDA in line with the 2023 budget (25% weighting),
		    – free cash-flow (excluding disposals and acquisitions) after change in operating working capital, in line with the 2023 budget (25% weighting);
		  • non-financial criteria (30% weighting):
		    – organic growth in the number of rooms (net of transfers to another brand) in line with the 2023 budget (15% weighting),
		    – Environmental, Social and Governance (ESG) criteria (15% weighting):
		      – percentage of managed and franchised hotels having eliminated single-use plastic from the guest experience (including disposable water bottles) at December 31, 2023 (2.5% weighting),
		      – percentage of managed and franchised hotels measuring carbon emissions through a carbon measurement tool (2.5% weighting),
		      – percentage of managed and franchised hotels that have measured their food waste by December 31, 2023 (5% weighting),
		      – percentage of women on Management Committees worldwide at December 31, 2023 (5% weighting);
		• **qualitative objectives** (**accounting for 20%** of the total):
		  • implementation of the new TURBO organization and talent development (20% weighting).
		Each quantitative objective, depending on the achievement rate, triggered the payment of between 0% and 160% of the share of variable compensation it represented, and each qualitative objective between 0% and 120%.

Compensation paid in or awarded in respect of 2023	Amounts (or accounting value) submitted to the vote	Description
Annual variable compensation (cont.)		Following an assessment of the degree to which Mr. Sébastien Bazin's objectives were achieved, at its meeting on February 21, 2024, the Board set his variable compensation for fiscal 2023 at **€1,868,865**, breaking down as: • **€1,546,279 for quantitative objectives**, which, overall, were 143.8% reached. ◦ financial criteria: The targets for EBITDA and free cash-flow (excluding disposals and acquisition), after change in operating working capital, were exceeded by a wide margin, with achievement rates of 128.6% for EBITDA and 125.7% for free cash-flow allowing a maximum payment of 160% on these criteria. ◦ non-financial criteria: Concerning the criterion related to organic growth in the number of rooms (net of transfers to another brand), the budget having been achieved at 100%, the payment for this criterion is 100%. *Environmental, Social and Governance (ESG) criteria:* For the criterion relating to the percentage of managed and franchised hotels having eliminated single-use plastics from the guest experience, including disposable water bottles, the target was partially met. The percentage achieved of 79.0% allows a payment of 97.5% on this criterion. Concerning the criterion relating to the percentage of managed and franchised hotels measuring carbon emissions via a tool, the target was partially achieved. The percentage achieved of 59.9% allows a payment of 64.1% on this criterion. Concerning the criteria relating to the percentage of managed and franchised hotels having measured their food waste and the percentage of women on Management Committees worldwide, the objectives were comfortably exceeded: the percentages achieved, *i.e.* respectively 90.3% for the condition relating to food waste and 42.4% for the condition relating to women on Management Committees, allow a maximum payment of 160% on these criteria. • **€322,586 for qualitative objectives**, which, overall, were 120% reached. On the recommendation of the Appointments and Compensation Committee, the Board of Directors found that the new TURBO organization had been implemented rapidly and efficiently, despite its scale, and had been fully accepted and understood by employees and the external community. It was also noted that this new organization had been an opportunity to bring out new talents and hold on to those already identified. Consequently, Mr. Sébastien Bazin's annual variable compensation for 2023 represents 139.0% of the annual reference amount and 196.7% of his annual fixed compensation for the year. Payment of this variable compensation for fiscal 2023 is subject to shareholder approval at the 2024 Annual Shareholders' Meeting.
Exceptional bonus	N/A	Mr. Sébastien Bazin did not receive an exceptional bonus in fiscal 2023.
Performance shares	Number of shares = 96,642 (€2,659,974)	As such, and in accordance with the 2023 compensation policy for executive officers approved by the Annual Shareholders' Meeting of May 17, 2023, 96,642 performance shares were granted to Mr. Sébastien Bazin, representing 280% of his gross annual fixed compensation (and 0.04% of the Company's share capital at December 31, 2023). The performance conditions attached to the shares are as follows: • internal conditions (80% weighting): ◦ actual versus budgeted consolidated EBITDA (40% weighting), ◦ actual versus budgeted free cash-flow (excluding disposals and acquisitions) after change in operating working capital (20% weighting), ◦ carbon footprint reduction (20% weighting); • relative external condition (20% weighting): ◦ Accor's Total Shareholder Return (TSR) versus the change of a composite index comprising peer European and international hotel groups (Melia, NH Hoteles, Whitbread, Hilton, Marriott, Hyatt and IHG).

Compensation paid in or awarded in respect of 2023	Amounts (or accounting value) submitted to the vote	Description
Performance shares (cont.)		The performance conditions under these plans are measured at the end of the three-year period. The number of shares that vest, provided that the grantees have not left the Group, will be based on the achievement rates for the performance conditions set out above, as validated by the Board of Directors. All the conditions relating to this long-term compensation are detailed in section 4.6.2. Grantees must also continue to be part of the Group in order for the shares to vest. For all the initially granted shares to vest, subject to the performance condition achievement rates, Mr. Sébastien Bazin will have to serve as the Company's Chairman and Chief Executive Officer without interruption until May 17, 2026, except in the case of his death, disability or retirement. In the event of termination of the executive officer's term of office before the vesting date, his rights to all of the performance shares initially granted will be immediately forfeited, regardless of the performance condition achievement rates, unless the Board of Directors decides otherwise.
Compensation as a Director	N/A	Mr. Sébastien Bazin does not receive any directors' compensation.
Benefits in kind	€59,624	In accordance with the 2023 executive officer compensation policy approved by the Annual Shareholders' Meeting of May 17, 2023, Sébastien Bazin has the use of a company car and is a member of a private unemployment insurance plan. He was also entitled to up to 100 hours' advice from financial advisors in 2023.
Termination benefits	NA	At its meeting on December 16, 2013, the Board of Directors approved the principle of paying compensation for loss of office to Mr. Sébastien Bazin and on February 19, 2014 the Board reviewed the performance conditions attached to such compensation. This commitment was approved at the Annual General Meeting of April 29, 2014, and renewed at the Annual General Meeting of April 20, 2018. On December 15, 2022, the Board of Directors reviewed the performance criteria attached to this severance package; this commitment was approved by the Annual General Meeting of May 17, 2023. In accordance with the compensation policy for the Chairman and Chief Executive Officer approved by shareholders at the Annual General Meeting held on May 17, 2023, Mr. Sébastien Bazin is entitled to a severance payment equivalent to twice the total fixed and variable compensation payable for the last financial year ended prior to the date of termination of his appointment. This will be payable on condition that the performance criteria set by the Board of Directors are met, and that the departure is compulsory, *i.e.* the removal from office of the Chairman and Chief Executive Officer, except for gross or willful misconduct, or if he is not reappointed as a Director. Payment of the compensation for loss of office would be subject to the following performance criteria being met: • actual versus budgeted consolidated EBITDA (50% weighting); • actual versus budgeted free cash-flow (excluding disposals and acquisitions) after change in operating working capital (50% weighting). These performance criteria would be applied as follows: • if the annual average achievement rate of the last three years of the criteria is equal or superior to 75%, the entire compensation is due; • if the annual average achievement rate of the last three years of the criteria is equal or superior to 65% and below 75%, half of the compensation is due; • if the annual average achievement rate of the last three years of the criteria is lower than 65%, none of the compensation is due. It would not be payable if Mr. Bazin resigns or decides not to stand for re-election as a director, if he moves to a new position within the Group, or if he would be able to claim his full-rate pension within a short period of time. In 2023 fiscal year, Mr. Sébastien Bazin did not receive any compensation for loss of office.

Compensation paid in or awarded in respect of 2023	Amounts (or accounting value) submitted to the vote	Description
Non-compete indemnity	NA	Mr. Sébastien Bazin is not entitled to any non-compete indemnity.
Supplementary pension benefits	€0	Details of the supplementary pension plan are provided in the description of the 2023 executive officer compensation policy approved by the Annual Shareholders' Meeting of May 17, 2023. Mr. Sébastien Bazin benefits from the following supplementary pension benefits: a defined contribution plan or mandatory retirement savings plan, *Plan d'Epargne Retraite Obligatoire – PERO* (formerly "Article 83" plan) implemented under Articles L. 242-1 and L. 911-1 of the French Social Security Code, and described below, and complemented with a defined benefit plan under Article L. 137-11-2 of the French Social Security Code (the "L. 137-11-2" plan), the conditions of which are also described below. Both plans have been re-insured to an accredited organization, to which the relevant contributions are paid. In addition, Sébastien Bazin also benefits from an "Article 39" defined benefit plan, bearing in mind that this plan has been frozen and no new conditional benefit entitlements have been allocated for periods of employment after December 31, 2019. A defined **contribution plan or mandatory retirement savings plan – PERO** (formerly "Article 83"): Mr. Sébastien Bazin, as executive officer of the Company with over one year of service and an annual reference compensation of more than four times the annual ceiling used for calculating French social security contributions (*Plafond annuel de la Sécurité sociale* - the "PASS"), *i.e.* €175,968 in 2023, qualifies to participate in the Company's defined contribution pension plan. He will be entitled to a pension annuity (with the possibility of survivor benefits) determined based on the contributions paid by the Company for each year of his membership of the plan. The annual contribution paid by the Company corresponds to 8% of his annual reference compensation paid in the year concerned, capped at eight times the PASS. In accordance with the French Social Security Code, if Mr Sébastien Bazin leaves the Group before the date of retirement, he will retain the rights accrued under the plan. Contributions for 2023 paid under the plan on behalf of Mr. Sébastien Bazin amounted to €28,155. At December 31, 2023, the estimated annual pension annuity that Sébastien Bazin will receive under this plan is €5,481. The Company pays the 20% forfait social levy due on compensation that is exempt from social security contributions (5% of the compensation capped at five times the PASS), which is calculated on the Company's total contribution to the plan, and plan participants pay the *Contribution Sociale Généralisée* (CSG) and *Contribution au Remboursement de la Dette Sociale* (CRDS) levies, which are calculated on the basis of the portion of the Company's contribution allocated to them. For the share of the contribution above the above-referenced ceiling, the Company pays the social security contributions (employer contribution) and plan participants pay the CSG, the CRDS and the social security contributions (employee contribution). With regard to **the defined-benefit pension plan** (so-called "L. 137-11-2" regime): Mr. Sébastien Bazin, an executive officer of the Company with over six months of service and an annual reference compensation of more than eight times the PASS, *i.e.* €351,936 in 2023, is also eligible for the "L. 137-11-2" pension plan set up by the Company. He will therefore be entitled to a pension annuity (with the possibility of opting for survivor benefits). He acquires rights gradually, calculated for each year of participation in the plan. These rights represent between 1.6% and 2.4% of the annual reference compensation, depending on the compensation brackets concerned, *i.e.*: • portion of reference compensation representing between 8 and 12 times the PASS: 1.6%; • portion of reference compensation representing between 12 and 24 times the PASS: 2.4%; • portion of reference compensation representing between 24 and 60 times the PASS: 1.6%. Rights vesting each year are capped at 3% of the annual reference compensation in question. These rights represent the final pension annuity to be paid.

Compensation paid in or awarded in respect of 2023	Amounts (or accounting value) submitted to the vote	Description
Supplementary pension benefits (cont.)		Based on recommendations made by the Appointments and Compensation Committee, the Board of Directors decided to make payment of the annuity payable under the L. 137-11-2 supplementary defined benefit plan, for fiscal year 2023, subject to the following two performance conditions: • actual versus budgeted consolidated EBITDA (50% weighting), • actual versus budgeted free cash-flow (excluding disposals and acquisitions) after change in operating working capital (50% weighting). Benefit entitlements vest in full if the performance conditions are at least 75% met (below 75%, the vested entitlement is calculated on a straight-line basis). The level of achievement of these conditions, observed and confirmed by the Board of Directors at its meeting on February 21, 2024 enabled the acquisition of 100% of rights for the year. The rights vesting of Mr. Sébastien Bazin, for 2023, totaled €39,692 or 1.55% of his 2023 annual reference compensation. The final pension annuity acquired under this plan amounts to €101,698. With regard **to the defined-benefit pension plan ("Article 39")**: Mr. Sébastien Bazin, as executive officer of the Company, remains potentially eligible for benefits under this plan, which is described below. In accordance with French Order No. 2019-697 dated July 3, 2019, concerning professional defined benefit plans, this plan has been frozen and no new conditional benefit entitlements have been allocated for periods of employment after December 31, 2019. In order to acquire rights every year, Mr. Sébastien Bazin had to have an annual salary of more than five times the PASS and to have complied with these conditions for more than six months during the fiscal year concerned. He will therefore be entitled to a pension annuity (with the possibility of survivor benefits), provided he remains with the Group until he retires. If he does not meet these requirements, he will not be entitled to any payments under the plan. However, under the plan's provisions, members may retain: • potential benefits accrued under the plan in the event of (i) removal from office after the age of 55, (ii) forced early retirement, with benefits payable for the period from when the member leaves the Company through to the date on which they become entitled to the basic state pension, or (iii) category 2 or 3 disability as defined under the French Social Security Code, with benefits payable for the period before they become entitled to supplementary pension benefits; • surviving spouse rights in the event of death in the period before they become entitled to supplementary pension benefits. The pension annuity paid under the plan will be reduced by the amount of the annuity financed by contributions paid prior to fiscal 2020 into the "Article 83" defined contribution pension plan described above. His benefit entitlement was built up gradually until December 31, 2019, and was calculated each year for which he was a plan member based on his annual reference compensation (annual reference compensation corresponds to total gross fixed and variable compensation plus any exceptional bonus paid during the reference fiscal year). Each year of plan membership represents between 1% and 3% of the annual reference compensation, depending on the compensation brackets concerned, *i.e.*: • portion of reference compensation representing between 4 and 8 times the PASS: 1%; • portion of reference compensation representing between 8 and 12 times the PASS: 2%; • portion of reference compensation representing between 12 and 24 times the PASS: 3%; • portion of reference compensation representing between 24 and 60 times the PASS: 2%. The annuity payable under this supplementary defined benefit plan was subject to the following two performance conditions: • actual versus budgeted consolidated EBITDA (50% weighting); • actual versus budgeted free cash-flow (excluding disposals and acquisitions) after change in operating working capital (50% weighting). Each year, the performance condition achievement rates were validated by the Board of Directors.

Compensation paid in or awarded in respect of 2023	Amounts (or accounting value) submitted to the vote	Description
Supplementary pension benefits (cont.)		The benefit entitlement for any given year of plan membership would potentially correspond to the aggregate of the amounts accrued for each of the above compensation brackets, provided that the related performance conditions were met. The amount of the final pension annuity equals the sum of the potential entitlements calculated for each year until December 31, 2019. Two caps are applied to the final amount of the pension annuity: • the amount of the gross annuity may not exceed 30% of the member's last annual reference compensation; • given that Mr Sébastien Bazin's last reference compensation was more than 12 times the PASS, the overall replacement rate represented by pension benefits payable under government-sponsored plans and Accor supplementary pension plans will be capped at 35% of the average of his best three years' reference compensation in the 10 years prior to retirement. Consequently, Mr. Sébastien Bazin's estimated potential benefits under this plan at December 31, 2023 amounted to €246,126. To date, the social security contributions and tax payments that affect the plan are as follows: the Company has irreversibly elected to pay the social security tax contribution at the rate of 32% on annuities paid to plan participants who retired on or after January 1, 2013, and 16% on annuities paid to plan participants who retired before that date. For their part, plan participants are liable for the CSG and CRDS levies, a French national health insurance contribution and the *Contribution Additionnelle de Solidarité pour l'Autonomie* (CASA) social levy, calculated in each case on the amount of their annuities in the same way as for other income replacements. In the specific case of annuities received under defined benefit pension plans, a social contribution levy is also due by the retiree at a rate that varies depending on the amount of the annuity and the retirement date.
Unemployment insurance		A private insurance plan has been set up with *Association pour la Garantie Sociale des Chefs et Dirigeants d'Entreprise* (GSC) to provide the Chairman and Chief Executive Officer with unemployment benefits should the need arise. The benefits under this plan would be based on net taxable professional-source income for the previous year, and would be payable as from the thirty-first day of continuous unemployment. The maximum length of time that Mr. Sébastien Bazin could be paid benefits under the plan is 24 months, and the total amount of benefits is capped at €463,680 (based on the applicable rate for 2023).

4.5.2.3 Equity ratios and annual change in the Chairman and Chief Executive Officer's compensation, average Employees' compensation and the Company's performance

Equity ratios are published in accordance with the provisions of French Law No. 2019-486 of May 22, 2019 on business growth and transformation (the "PACTE" law), and with the AFEP guidelines.

The components of the Chairman and Chief Executive Officer's compensation correspond to the components of compensation paid or awarded during the fiscal year, on a gross basis, *i.e.* fixed compensation, annual variable compensation, exceptional bonus, benefits in kind and performance shares (whose valuation corresponds to the accounting value at the grant date). Termination benefits and supplementary pension benefits are not taken into account in accordance with the AFEP's recommendations.

Those taken into account to calculate these ratios include the employees of the listed company, Accor SA, as well as those within a broader scope that includes UES (Accor SA, Soluxury HMC, Académie Accor, GIE AH Fleet Services), other head offices in France and subsidiary hotels in France. This enlarged scope covers a total of 82% of the workforce continuously present in France over the last two fiscal years in 2023, excluding the employees of Noctis Event and Potel&Chabot, which were integrated during 2023 fiscal year.

The components of employees' compensation correspond to the components of compensation paid or awarded during the fiscal year on a full-time basis and are taken into account on a gross basis, *i.e.* fixed compensation, variable compensation, exceptional bonus, benefits in kind, discretionary profit sharing, non-discretionary profit sharing and performance shares (whose valuation corresponds to the accounting value at the grant date).

Ratios under Article L. 22-10-9 of the French Commercial Code in accordance with the AFEP guidelines

	Fiscal 2019[1]	Fiscal 2020[2]	Fiscal 2021[2]	Fiscal 2022	**Fiscal 2023**
Change *(in %)* in the total compensation paid or awarded for the fiscal year to the Chairman and Chief Executive Officer – Sébastien Bazin	25%	-8%	-7%	20%	9%
Information relative to the scope of consolidation of ACCOR SA					
Change *(in %)* in average Employees' compensation	16%	0%	-11%	17%	10%
Ratio relative to average Employees' compensation	44	40	42	43	43
Change in ratio *(in %)* versus previous fiscal year[3]	8%	-9%	4%	3%	-1%
Ratio relative to median Employees' compensation	67	61	61	60	60
Change in ratio *(in %)* versus previous fiscal year[3]	18%	-9%	0%	-1%	1%
Additional information on the enlarged scope (headquarters + French hotel subsidiaries)					
Change *(in %)* in average Employees' compensation	10%	-3%	-7%	20%	10%
Ratio relative to average Employees' compensation	55	52	52	52	51
Change in ratio *(in %)* versus previous fiscal year[3]	14%	-6%	0%	0%	-1%
Company performance					
Reported EBITDA *(in €m)*	825	-391	22	675	1,003
Change *(in %)* versus previous fiscal year	16%	-147%	106%	2,968%	49%

(1) The increase in Sébastien Bazin's total compensation for 2019 corresponds to the exceptional bonus awarded to him by decision of the Board of Directors on June 26, 2018. The bonus was paid in the form of 13,480 performance shares granted in 2019. Average Employees' compensation rose due to an increase in performance share grants.

(2) The declines in compensation (for the Chairman and Chief Executive Officer and Executive Officers in 2020) and the partial unemployment measures implemented in 2020 and 2021 to tackle the health crisis have been taken into account in calculations for 2020 and 2021.

(3) The changes are calculated based on non-rounded ratios.

4.5.3 Other compensation information (not subject to shareholder vote)

Analysis of compensation paid to the executive officer

The following tables provide a summary of the total gross compensation and benefits paid and stock options and performance shares granted by the Group to its executive officer for 2022 and 2023 fiscal years:

Summary of compensation, options and shares awarded to the executive officer (Table 1 – AFEP-MEDEF Code)

Sébastien Bazin **Chairman and Chief Executive Officer since August 27, 2013**	**Fiscal 2022** *(in €)*	**Fiscal 2023** *(in €)*
Compensation awarded for fiscal year (details Table 2 - AFEP-MEDEF Code)	2,566,478 including variable compensation of €1,559,129	2,878,489 including variable compensation of €1,868,865
Value of multi-year variable compensation awarded during the year	N/A	N/A
Value of stock options granted during the fiscal year	N/A	N/A
Value of performance shares granted during the fiscal year (details Table 6 - AFEP-MEDEF code)[1]	2,374,978	2,659,974
Value of other long-term compensation plans	N/A	N/A
Total	**4,941,456**	**5,538,463**

(1) In accordance with the AFEP-MEDEF Code, the valuation of the shares corresponds to the accounting value at the grant date and not to the effectively paid compensation. Performance shares are forfeited if the grantee leaves the Group before the shares vest or if the performance conditions are not met.

Summary of compensation paid to the Executive Officer (Table 2 – AFEP-MEDEF Code)

	Fiscal 2022		**Fiscal 2023**	
Sébastien Bazin **Chairman and Chief Executive Officer since August 27, 2013**	Amounts awarded for 2022 *(in €)*	Amounts paid in 2022 *(in €)*	**Amounts awarded for 2023** *(in €)*	**Amounts paid in 2023** *(in €)*
Fixed compensation[1]	950,000	950,000	950,000	950,000
Annual variable compensation[2]	1,559,129	1,420,208	1,868,865	1,559,129
Multi-year variable compensation	N/A	N/A	N/A	N/A
Exceptional bonus	N/A	N/A	N/A	N/A
Compensation as member of the Board of Directors[3]	N/A	N/A	N/A	N/A
Benefits in kind[4]	57,349	57,349	59,624	59,624
Total	**2,566,478**	**2,427,557**	**2,878,489**	**2,568,753**

The above amounts are presented in euros on a gross pre-tax basis.

(1) The fixed compensation of the Chairman and Chief Executive Officer is paid in the fiscal year in which it is earned.

(2) Variable compensation is calculated and paid in the year following the one in which it was earned, subject to approval by the Annual Shareholders' Meeting called to approve the financial statements for the year in question. The criteria used to calculate these components or the circumstances under which they were set are detailed in section 4.5.2.2.

(3) The Chairman and Chief Executive Officer does not receive any compensation in his capacity as member of the Board of Directors.

(4) In the case of Sébastien Bazin, corresponding to (i) a company car, (ii) unemployment insurance cover taken out by the Company on his behalf, as described on page 260, and (iii) asset management advisory services provided by an external company.

Summary of commitments made to the executive officer (Table 11 – AFEP-MEDEF code)

			Compensation or benefits payable in the case of:		
	Employment contract	**Supplementary pension benefits[1]**	**termination/ removal from office[2]**	**transfer to a new position within the Group**	**Non-compete indemnity**
Sébastien Bazin Chairman and Chief Executive Officer since August 27, 2013 End of term: Annual Shareholders' Meeting called to approve the financial statements for the fiscal year ended December 31, 2025	No	Yes	Yes	No	No

(1) See pages 260 and 261 for details of the supplementary pension plans of which the Chairman and Chief Executive Officer is a member.
(2) See page 261 for details of employment termination compensation and benefits payable to the Chairman and Chief Executive Officer.

Gross compensation paid to other senior executives

The total gross compensation and benefits paid in 2023 by the Group's French and non-French companies to members of the Management and Executive Committees as at December 31, 2023 – other than the Chairman and Chief Executive Officer, whose compensation is described above – amounted to €18.9 million, including aggregate gross variable compensation of €7.3 million.

4.6 Executive officers' and employees' interests in the capital of the Company

Shares in the Company may be granted to executive officers of the Company and to senior and middle managers. The terms and conditions of the plans are determined by the Board of Directors, which then gives the Chairman and Chief Executive Officer the necessary powers to carry out the grants.

4.6.1 Stock option plans

Stock options granted in 2023

The Company has not granted any stock options to employees or executive officers since the September 26, 2013 plan.

Achievement levels of performance conditions for outstanding stock option plans

There have been no outstanding stock option plans since 2018.

Stock options granted during the fiscal year to each current executive officer (Table 4 - AFEP-MEDEF code)
None.

Stock options exercised during the fiscal year by each executive officer (Table 5 - AFEP-MEDEF Code)
None.

Historical information concerning stock options granted to employees and/or executive officers (Table 8 – AFEP-MEDEF Code)
None.

Stock options granted to and exercised by the 10 employee grantees other than executive officers who received or exercised the largest number of options
None.

Lock-up conditions on shares arising from the exercise of options granted to executive officers and members of the Management and Executive Committees
None.

Share equivalents – Stock options granted to employees and executive officers

At December 31, 2023, there were no longer any stock options outstanding.

4.6.2 *Performance shares*

Performance share plans issued in 2023

Under the terms of the authorization given in the seventeenth resolution of the May 20, 2022 Annual Shareholders' Meeting, the number of shares granted subject to performance conditions and continued presence in the Group may not correspond to more than 2.5% of the Company's capital. Moreover, the number of performance shares granted to executive officers of the Company may not represent more than 15% of the total performance shares granted under that resolution.

Accor has a discretionary profit-sharing plan covering at least 90% of all employees in the Company and its subsidiaries in France. It therefore fulfills the pre-condition for setting up a performance share plan specified in Article L. 22-10-60 of the French Commercial Code.

Two performance share plans have been set up:

- a first performance share plan set up on May 17, 2023 concerned 1,510 beneficiaries in some 40 countries worldwide, including the Executive Officer (the number of performance shares granted to the Chairman and Chief Executive Officer is set out in Table 6 - AFEP-MEDEF Code). The applicable performance conditions are based on the following:
  - internal conditions (80% weighting):
    - actual versus budgeted consolidated EBITDA (40% weighting),
    - free cash-flow (excluding disposals and acquisitions) after change in operating working capital (20% weighting),
    - carbon footprint reduction (20% weighting),
  - relative external condition (20% weighting):
    - Accor's Total Shareholder Return (TSR) versus the change of a composite index comprising peer European and international hotel groups (Melia, NH Hoteles, Whitbread, Hilton, Marriott, Hyatt and IHG);
- a second plan set up on October 26, 2023 concerned 41 beneficiaries. The performance conditions applicable to this plan are identical to those described above for the plan set up on May 17, 2023.

The performance share plans have a three-year vesting period and the shares are not subject to any lock-up period.

The performance conditions under the plans will be measured at the end of the three-year vesting period. The number of shares that vest, provided that the grantees have not left the Group, will be based on the achievement rates for the performance conditions set out above, as validated by the Board of Directors. The achievement rates will be calculated based on the vesting criteria stipulated by the Board of Directors when the plan was set up.

Concerning the internal conditions relating to "EBITDA" and "free cash-flow (excluding disposals and acquisitions) after change in operating working capital", 100% of the shares subject to these conditions are vested when the average annual performance compared with the budget, over the three years of the plan, is 100%.

For the "EBITDA" condition, partial vesting of 50% of the shares is triggered as soon as the average performance reaches 75%, and maximum vesting (150%) is triggered as soon as this average exceeds 102%.

For the "free cash-flow (excluding disposals and acquisitions) after change in operating working capital" condition, partial vesting of 50% of the shares is triggered as soon as the average performance reaches 75%, and maximum vesting (150%) is reached once this average exceeds 105% of the budget.

With regard to the internal "carbon footprint reduction" condition: for scope 1 and 2, the objective is to achieve a 25.2% reduction by December 31, 2025 vs. 2019. Partial vesting of 50% of the shares is triggered by a reduction of 21%, and maximum vesting (150%) is reached when the reduction is at least 30%; for scope 3, the objective is a 15% reduction by December 31, 2025 vs. 2019. Partial vesting of 50% of the shares is triggered by a reduction of 12,5%, and maximum vesting (150%) is reached when the reduction is at least 18%.

With regard to the external performance condition (*i.e.* "Accor's TSR versus the change of a composite index comprising peer European and international hotel groups (Melia, NH Hoteles, Whitbread, Hilton, Marriott, Hyatt and IHG)"), a partial vesting of 90% of the shares is triggered from a 100% achievement rate. The objective of 100% vesting has been set at a performance rate of 102.5%, and the maximum vesting rate (150%) is reached when the performance rate is at least 110%.

At the end of the measurement period, an objective under one performance condition that has not been met may be offset by outperformance in relation to the objective for another performance condition. However, the number of shares that vest at the end of the vesting period will not exceed 100% of the number of shares originally granted.

Grantees must also continue to be part of the Group in order for the shares to vest. For all of the performance shares initially granted to vest, and subject to fulfillment of the performance conditions, the grantee must continue to be either an executive officer or an employee of the Accor Group throughout the period from the grant date to May 17, 2026 for the plan set up on May 17, 2023, and from the grant date to October 26, 2026 for the plan set up on October 26, 2023 (the plan vesting dates), except in the case of death, disability or retirement. In the event of termination of the executive officer's term of office or the employee's employment contract before the vesting date, his or her rights to all of the performance shares initially granted will be forfeited, regardless of the performance condition achievement rates, unless the Board of Directors decides otherwise.

Performance shares granted to the executive officer in 2023 (Table 6 – AFEP-MEDEF Code)

In 2023 fiscal year, Sébastien Bazin was granted 96,642 performance shares in accordance with the 2023 compensation policy approved by the Company's shareholders. The grant corresponds to 280% of the gross annual fixed compensation of the Chairman and Chief Executive Officer as approved by the Annual Shareholders' Meeting of May 17, 2023.

Grantee	Grant date	Number of shares granted during the fiscal year	Theoretical value based on the method used in the consolidated financial statements *(in €)*	Vesting date	Availability date	Performance conditions
Sébastien Bazin	Performance share plan granted on 05/17/2023	96,642	2,659,974[(1)]	05/17/2026	05/17/2026	• Actual versus budgeted consolidated EBITDA. • Actual versus budgeted free cash-flow (excluding disposals and acquisitions) after change in operating working capital. • Reduction in the carbon footprint relative to 2019. • Accor's Total Shareholder Return (TSR) versus the change of a composite index comprising peer European and international hotel groups (Melia, NH Hoteles, Whitbread, Hilton, Marriott, Hyatt and IHG).

(1) In accordance with the AFEP-MEDEF Code, the valuation of the shares corresponds to the accounting value at the grant date and not to the effectively paid compensation.

The total number of performance shares granted to the Chairman and Chief Executive Officer in 2023, as explained above, and which were still valid at the date of this Universal Registration Document would represent 0.04% of the Company's capital at December 31, 2023 should they fully vest.

Performance shares granted to the Chairman and Chief Executive Officer for which the lock-up period expired in 2023 (Table 7 – AFEP-MEDEF Code)

Grantee	Grant date	Number of vested shares no longer subject to lock-up	Performance conditions
Sébastien Bazin	05/28/2020 performance share plan	103,810	• Actual versus 2020 budgeted savings for 2020. • Actual versus budgeted EBITDA, for 2021 and 2022. • Actual versus budgeted free cash-flow (excluding disposals and acquisitions) after change in operating working capital, for 2021 and 2022. • Accor's Total Shareholder Return (TSR) versus the change of a composite index comprising peer European and international hotel groups (Melia, NH Hoteles, Whitbread, Hilton, Marriott, Hyatt and IHG) from 01/01/2020 to 12/31/2022.

Performance shares granted to the top 10 employee grantees other than executive officers in 2023

	Number of shares
Performance shares granted in 2023 to the 10 employee grantees other than executive officers who received the largest number of shares	286,500

Achievement levels of performance conditions for outstanding performance share plans

Each year, the Board of Directors places on record the achievement level of the performance conditions applicable under outstanding performance share plans.

The table below shows the maximum number of shares that may vest and the number of shares that have vested based on the performance condition achievement rates (as placed on record by the Board of Directors on February 21, 2024) for outstanding performance share plans.

Performance condition achievement rates in 2023 for outstanding performance share plans

Grant date	Performance conditions	Weighting	Target	Achievement rate	Percentage of shares vested (before cap)	Percentage of shares vested (after cap)
06/23/2021 10/29/2021	Actual versus budgeted EBITDA	50%	Average achievement rate for Group EBITDA reported at end-2021, end-2022 and end-2023 equal to the average of Group budgeted EBITDA rates for 2021, 2022 and 2023	199.8%	75%	
	Actual versus budgeted free cash-flow (excluding disposals and acquisitions) after change in operating working capital	20%	Average achievement rate for Group free cash-flow rate (excluding disposals and acquisitions) after change in operating working capital reported at end-2021, end-2022 and end-2023 equal to the average Group free cash-flow (excluding disposals and acquisitions) after change in operating working capital budgeted for 2021, 2022 and 2023	388.7%	30%	
	Accor's Total Shareholder Return (TSR) versus the change of a composite index comprising peer European and international hotel groups (Melia, NH Hoteles, Whitbread, Hilton, Marriott, Hyatt and IHG)	30%	Accor TSR equal to the objective set relative to the change of a composite index comprising peer European and international hotel groups from January 1, 2021 to December 31, 2023	74.6%	0%	
Total		**100%**			**105%**	**100%**

Historical information concerning performance shares granted to employees and/or executive officers

Performance share plans	05/28/2020 Plan	10/21/2020 Plan	06/23/2021 Plan
Grant date	05/28/2020	10/21/2020	06/23/2021
Date of Board of Directors' decision	05/14/2020	05/14/2020	02/23/2021 and 03/05/2021
Date of Shareholders' Meeting approval	04/30/2019	04/30/2019	04/30/2019
Total number of grantees	1,506	28	1,398
Total number of shares granted	**1,796,551**	**38,390**	**1,353,236**
Of which to executive officers	108,512	–	79,034
Of which to the top 10 employee grantees[(1)]	267,725	26,000	207,000
Vesting date	05/28/2023	10/21/2023	06/23/2024
End of lock-up period	05/28/2023	10/21/2023	06/23/2024
Total vested shares at 12/31/2023	**1,550,040**	**36,736**	**-**
Number of shares canceled[(2)]	**246,511**	**1,654**	**65,072**
Performance shares outstanding at 12/31/2023	**-**	**-**	**1,288,164**
Performance condition(s)	Level of cost savings generated versus 2020 budget, for 2020, Level of EBITDA versus Budget, for 2021 and 2022, Level of free cash-flow (excluding disposals and acquisitions) after change in operating working capital versus Budget, for 2021 and 2022, Accor Total Shareholder Return (TSR) versus the change of a composite index comprising peer European and International hotel groups (Melia, NH Hoteles, Whitbread, Hilton, Marriott, Hyatt, IHG) from 01/01/2020 to 12/31/2022	Level of cost savings generated versus 2020 budget, for 2020, Level of EBITDA versus Budget, for 2021 and 2022, Level of free cash-flow (excluding disposals and acquisitions) after change in operating working capital versus Budget, for 2021 and 2022, Accor Total Shareholder Return (TSR) versus the change of a composite index comprising peer European and International hotel groups (Melia, NH Hoteles, Whitbread, Hilton, Marriott, Hyatt, IHG) from 01/01/2020 to 12/31/2022	Level of EBITDA versus Budget, Level of free cash-flow (excluding disposals and acquisitions) after change in operating working capital versus Budget, Accor Total Shareholder Return (TSR) versus the change of a composite index comprising peer European and International hotel groups (Melia, NH Hoteles, Whitbread, Hilton, Marriott, Hyatt, IHG)

(1) Excluding executive officers.
(2) Shares canceled due to grantees leaving the Group or performance conditions not being met.

	10/29/2021 Plan	04/07/2022 Plan	10/26/2022 Plan	05/17/2023 Plan	10/26/2023 Plan
	10/29/2021	04/07/2022	10/26/2022	05/17/2023	10/26/2023
	02/23/2021 and 03/05/2021	02/23/2022 and 03/16/2022	02/23/2022 and 03/16/2022	05/17/2023	10/26/2023
	04/30/2019	04/30/2019	05/20/2022	05/20/2022	05/20/2022
	46	1,459	34	1,510	41
	50,205	**1,437,634**	**35,500**	**1,556,152**	**139,875**
	–	95,465	–	96,642	-
	32,725	191,000	26,000	201,500	129,260
	10/29/2024	04/07/2025	10/26/2025	05/17/2026	10/26/2026
	10/29/2024	04/07/2025	10/26/2025	05/17/2026	10/26/2026
	-	**-**	**-**	**-**	**-**
	600	**74,060**	**2,000**	**11,305**	**400**
	49,605	**1,363,574**	**33,500**	**1,544,847**	**139,475**
	Level of EBITDA versus Budget, Level of free cash-flow (excluding disposals and acquisitions) after change in operating working capital versus Budget, Accor Total Shareholder Return (TSR) versus the change of a composite index comprising peer European and International hotel groups (Melia, NH Hoteles, Whitbread, Hilton, Marriott, Hyatt, IHG).	Level of EBITDA versus Budget, Level of free cash-flow (excluding disposals and acquisitions) after change in operating working capital versus Budget, Reduction in the carbon footprint relative to 2019, Accor Total Shareholder Return (TSR) versus the change of a composite index comprising peer European and International hotel groups (Melia, NH Hoteles, Whitbread, Hilton, Marriott, Hyatt, IHG)	Level of EBITDA versus Budget, Level of free cash-flow (excluding disposals and acquisitions) after change in operating working capital versus Budget, Reduction in the carbon footprint relative to 2019, Accor Total Shareholder Return (TSR) versus the change of a composite index comprising peer European and International hotel groups (Melia, NH Hoteles, Whitbread, Hilton, Marriott, Hyatt, IHG)	Level of EBITDA versus Budget, Level of free cash-flow (excluding disposals and acquisitions) after change in operating working capital versus Budget, Reduction in the carbon footprint relative to 2019, Accor Total Shareholder Return (TSR) versus the change of a composite index comprising peer European and International hotel groups (Melia, NH Hoteles, Whitbread, Hilton, Marriott, Hyatt, IHG)	Level of EBITDA versus Budget, Level of free cash-flow (excluding disposals and acquisitions) after change in operating working capital versus Budget, Reduction in the carbon footprint relative to 2019, Accor Total Shareholder Return (TSR) versus the change of a composite index comprising peer European and International hotel groups (Melia, NH Hoteles, Whitbread, Hilton, Marriott, Hyatt, IHG)

Historical information concerning shares without performance conditions granted to employees

Free share plans without performance conditions	05/17/2021 Plan
Grant date	05/17/2021
Date of Board of Directors' decision	02/23/2021
Date of Shareholders' Meeting approval	04/29/2021
Total number of grantees	127
Total number of shares granted	**336,410**
Of which to executive officers	–
Of which to the top 10 employee grantees	68,672
Vesting date	05/17/2023
End of lock-up period	05/17/2023
Total vested shares at 12/31/2023	**318,308**
Number of shares canceled[1]	**18,102**
Free shares remaining on 12/31/2023	**-**
Performance condition(s)	Without performance conditions

(1) Shares canceled following departure from the Group.

Lock-up conditions

In accordance with the provisions of the French Commercial Code and the AFEP-MEDEF Code, the Board of Directors has, for each of the performance share plans granted since May 14, 2007, required executive officers and members of the Management and Executive Committees to retain shares resulting from performance share grants until the date on which they cease to hold office within the Group or cease to be an executive officer or member of the Group Management or Executive Committees. The same obligation applies to the Group Management and Executive Committees members having benefited from the free share plan with no performance conditions issued on May 17, 2021. The lock-up conditions vary depending on the plan concerned, as shown in the table below.

Lock-up conditions for vested shares held by executive officers and other members of the Management and Executive Committees

Grant date	Lock-up conditions applicable to executive officers	Lock-up conditions applicable to other members of the Management and Executive Committees
06/18/2014	The following conditions apply until the grantee ceases to hold an executive officer's position within the Group: • at the end of the lock-up period, the grantee must keep 25% of the vested shares (based on the performance condition achievement rates) until the value of all the freely transferable shares held in registered form by the grantee represents the equivalent of at least two years of his fixed compensation. For the purposes of the above paragraph: • the value of the shares held in registered form is determined based on the average of the Accor opening share price quoted over the 20 trading days preceding the measurement date; • "fixed compensation" means the amount of the grantee's annual gross fixed compensation at the measurement date. Once the two year compensation threshold is reached: (i) the 25% lock-up no longer applies; and (ii) the grantee is required to acquire, or keep, 3% of his vested shares.	The following conditions apply until the grantee ceases to be a member of the Group Management and Executive Committees: • at the end of the lock-up period, grantees who were Management or Executive Committees members at the grant date are required to keep 25% of the vested shares (based on the performance condition achievement rates) until the value of all the freely transferable shares held in registered form by the grantee represents the equivalent of at least two years of his or her fixed compensation. For the purposes of the above paragraph: • the value of the shares held in registered form is determined based on the average of the Accor opening share price quoted over the 20 trading days preceding the measurement date; • "fixed compensation" means the amount of the grantee's annual gross fixed compensation at the measurement date. Once the above threshold is reached, the 25% lock-up condition no longer applies.
2015 to 2023 plans	The following conditions apply until the grantee ceases to hold an executive officer's position within the Group: • at the end of the vesting period, the grantee must keep 25% of the vested shares (based on the performance condition achievement rates) until the value of all the freely transferable shares held in registered form by the grantee represents the equivalent of at least two years of his fixed compensation. For the purposes of the above paragraph: • the value of the shares held in registered form is determined based on the average of the Accor opening share price quoted over the 20 trading days preceding the measurement date; • "fixed compensation" means the amount of the grantee's annual gross fixed compensation at the measurement date. Once the two year compensation threshold is reached: (i) the 25% lock-up no longer applies; and (ii) the grantee is required to acquire, or keep, 3% of his vested shares.	The following conditions apply until the grantee ceases to be a member of the Group Management and Executive Committees: • at the end of the vesting period, grantees who were Management or Executive Committees members at the grant date are required to keep 25% of the vested shares (based on the performance condition achievement rates) until the value of all the freely transferable shares held in registered form by the grantee represents the equivalent of at least two years of their fixed compensation. For the purposes of the above paragraph: • the value of the shares held in registered form is determined based on the average of the Accor opening share price quoted over the 20 trading days preceding the measurement date; • "fixed compensation" means the amount of the grantee's annual gross fixed compensation at the measurement date. Once the above threshold is reached, the 25% lock-up condition no longer applies.

Share equivalents – Performance shares granted to employees and executive officers

At December 31, 2023, a total of 4,419,165 performance share rights were outstanding.

If all of these rights had vested at December 31, 2023, this would have led to the issuance of 4,419,165 shares, representing 1.752% of the Company's capital at that date, of which 0.107% corresponding to performance share rights granted to current executive officers.

Hedging instruments

Accor's executive officers have undertaken not to use any hedging instruments in relation to their performance shares. Members of the Management and Executive Committees who receive performance shares have been banned by the Company from using any such instruments.

4.6.3 Non-discretionary and discretionary profit-sharing agreements

Non-discretionary profit sharing

In France, a Group-level non-discretionary profit-sharing agreement providing for payment in excess of the legally mandated minimum *(accord dérogatoire)* has been negotiated with employee representatives. It is applicable to Accor and certain French subsidiaries that are at least 50% owned, irrespective of the number of employees in the Company concerned.

The agreement enables employees with more than three months' seniority to receive profit-shares based on the results of all of the subsidiaries covered by the program.

Sums are paid into a special profit-sharing reserve, calculated by applying a standard legal formula to the profits of each company that falls within the scope of application of the agreement, as follows:

Special profit-sharing reserve = 1/2 x (net profit – 5% of equity) x (salaries/value added).

Applying this formula to the results of each of the companies covered by the scope of application constitutes the Group's special profit-sharing reserve which amounted to around €904,400 gross for 2022.

Amounts allocated to the special profit-sharing reserve in previous years were:

- 2021 special profit-sharing reserve paid in 2022: around €3.9 million;
- 2020 special profit-sharing reserve paid in 2022: around €263,000;
- 2019 special profit-sharing reserve paid in 2020: around €1.2 million.

The total amount of the reserve is allocated among all of the employee beneficiaries in proportion to their individual salary for the reference fiscal year, which is capped by the agreement at double the amount of the annual ceiling for French social security contributions, set at December 31 of the reference fiscal year.

In compliance with the French Act of December 3, 2008, in favor of working income, the lock-up period on amounts allocated to employee profit-shares has been optional rather than compulsory since 2009. Consequently, in 2023, 29.4% of 2022 profit-share was paid immediately to beneficiaries.

Where such a request is not made, in accordance with the law, the amounts in the profit-sharing reserve are invested in corporate mutual funds, with half allocated to the managed Group Retirement Savings Plan (PERCOL) and the other half to the Corporate Savings Plan (PEEG). In order to qualify for tax and social security exemptions, the amounts allocated to the Group Retirement Savings Plan are locked in until the employee retires and amounts allocated to the Corporate Savings Plan are locked in for a period of five years.

In 2023, 21.2% of the total profit-share was allocated to the Group Collective Retirement Savings Plan (PERCOL) and 49.4% to the Corporate Savings Plan (PEEG), in view of a default investment rate of 15.1%.

Discretionary profit sharing

Due to the Group's organization structure and compensation policy, a large number of discretionary profit-sharing agreements have been negotiated at the level of Accor SA, its subsidiaries and the operating units.

These profit-shares are determined based on whether the subsidiary or unit concerned meets or exceeds its profit targets. For the Company, the profit-sharing scheme is based on the level of EBITDA achieved in relation to budgeted EBITDA, and on the proportion of employees who received Diversity & Inclusion training.

The calculation method is based on quantitative criteria specified in each agreement. The amounts vary from year to year and are capped. Discretionary profit-sharing agreements are negotiated with Works Councils or union representatives.

4.6.4 Transactions carried out by the corporate officers involving Accor SA shares

Schedule of transactions involving shares of the Company carried out during the past fiscal year, within the meaning of Article L. 621-18-2 of the French Monetary and Financial Code

Person concerned	Transaction date	Type of transaction	Number of shares
Sarmad ZOK	June 1, 2023	Sale of treasury shares	35,000
Sarmad ZOK	June 28, 2023	Sale of treasury shares	35,000
Sarmad ZOK	December 14, 2023	Sale of treasury shares	17,500
Person linked to Paul DUBRULE	December 14, 2023	Sale of treasury shares	10,000

4.7 Items likely to have an influence in the event of a public takeover offer

Pursuant to Article L. 22-10-11 of the French Commercial Code, the Company must present and, when necessary, explain the items that are likely to have an influence in the event of a public takeover offer.

These items include agreements signed by the Company which would be amended or terminated in the event of a change in control. As mentioned on page 364 of this Universal Registration Document, certain financing contracts contain change of control clauses.

The breakdown of capital and voting rights and the percentage of capital and voting rights held by the Company's major shareholders are presented in section 7.4.1 of this Universal Registration Document.

Agreements between shareholders of which the Company is aware and which may result in restrictions on the transfer of shares and the exercise of voting rights are presented in section 7.4.1 of this Universal Registration Document.

The rules applicable to the appointment and replacement of members of the Board of Directors in addition to the powers of the Board of Directors are outlined in the Company's Bylaws and are presented in sections 4.1.2 and 4.2.2 of this Universal Registration Document.

In addition, shareholders at the Annual Shareholders' Meeting of May 17, 2023 authorized the Company to issue free share warrants to shareholders in the event of a public offer for the shares of the Company. The warrants would be exercisable for shares representing up to 25% of the Company's capital. This authorization would be used if the Company considered that the price of the public offer was too low, to either drive up the price or cause the offer to be withdrawn if the offeror did not wish to increase the price.

Its use during a public tender offer would be decided by the Board of Directors on the recommendation of a special committee of the Board chaired by the Vice-Chairman and Senior Independent Director and comprising three independent directors, made after consulting a financial advisor.

Free warrants issued under the authorization would be canceled in the event of the failure of the offer or any competing offer. Shareholders are invited to renew this authorization at the 2024 Annual Shareholders' Meeting.

To the best of the Company's knowledge, there are no other items likely to have an influence in the event of a public takeover offer.

4.8 Agreements between company corporate officers or significant shareholders and Group subsidiaries

At the date of this Universal Registration Document, with the exception of routine agreements entered into on an arm's length basis, no agreements have been signed, either directly or via an intermediary, between an executive officer or a shareholder that holds more than 10% of the Company's voting rights and a company in which the Company directly or indirectly holds more than half of the capital within the meaning of Article L. 233-3 of the French Commercial Code, with the exception of agreements entered into in the normal course of business and the agreements referred to in the Statutory Auditors' special report on related-party agreements.

4.9 Annual Shareholders' Meeting

The Annual Shareholders' Meeting will be held on May 31, 2024 at 9:00 am at the Company's head office located at 82 rue Henri Farman, 92130 Issy-les-Moulineaux.

The notice of meeting together with the draft agenda and draft resolutions will be published in the French bulletin of legal announcements (BALO) and will be available on the Company's website: group.accor.com within the normal timeframe provided for by law.

In accordance with the law, the applicable conditions and procedures for attending Annual Shareholders' Meetings are set out in the Company's Bylaws, which are available on the Company's website. They notably concern admittance conditions (Article 24 of the Bylaws), organization of the meetings (Article 25), and disclosure thresholds relating to shareholders' interests in the Company's capital and voting rights (Article 9).

4.10 Authorizations to transact in Company shares

Shareholders have granted the Board of Directors the following authorizations.

Type of authorization	Date of authorization	Nominal amount authorized	Term and expiry date	Utilization of the authorization in fiscal 2023
Reduction of capital by canceling treasury shares	Shareholders' Meeting of May 17, 2023 17th resolution	10% of the share capital	24 months 17 May 2025	Capital decrease on December 29, 2023 by canceling 12,641,226 shares
Issuance of shares and share equivalents:	Shareholders' Meeting of May 17, 2023 18th to 22nd resolutions		26 months July 17, 2025	
• with pre-emptive subscription rights		50% of the share capital, approx. €394 million(1)		None
• by public offering without pre-emptive subscription rights		10% of the share capital, approx. €78 million(1) with or without priority subscription rights		None
• by restricted offering without pre-emptive subscription rights		10% of the share capital, approx. €78 million(1)		None
• to increase the amount of any issues that are oversubscribed		15% of the initial issue (or according to legislation prevailing on the issue date)		None
• in payment for contributed assets		10% of the share capital, approx. €78 million(1)		None
Issuance of new shares by capitalizing reserves, retained earnings or additional paid-in capital	Shareholders' Meeting of May 17, 2023 23rd resolution	50% of the share capital, approx. €394 million(1)	26 months July 17, 2025.	None
Issue of shares reserved for employees that are members of a Group employee stock ownership plan	Shareholders' Meeting of May 17, 2023 25th resolution	2% of the share capital, on the date of the Board of Directors' decision to increase the share capital	26 months July 17, 2025.	None
Capital increase as part of an employee shareholding transaction	Shareholders' Meeting of May 17, 2023 26th resolution	2% of the share capital, on the date of the Board of Directors' decision to increase the share capital	18 months	None
Grant of bonus shares, subject to performance conditions	Shareholders' Meeting of May 20, 2022 17th resolution	2.5% of the share capital, On May 20, 2022 Executive officers: capped at 15% of all shares granted pursuant to the 18th resolution of the Annual Shareholders' Meeting of May 20, 2022	38 months May 20, 2025	Grant of 1,556,152 performance shares on May 17, 2023 and 139,875 performance shares on October 26, 2023, subject to performance and presence conditions.
Grant of bonus shares, not subject to performance conditions	Annual Shareholders' Meeting of April 29, 2021 19th resolution	0.2% of the share capital at April 29, 2021	38 months 29 June 2024	None
Share warrants to be issued freely to shareholders in the event of a public offer for the shares of the Company	Shareholders' Meeting of May 17, 2023 27th resolution	25% of the share capital, approx. €197 million(1)	14 months 17 July 2025	None

(1) As of the date of the authorization given by the Annual Shareholders' Meeting (May 17, 2023).

In accordance with the 24th resolution of the Annual Shareholders' Meeting of May 17, 2023, the overall ceiling for capital increases is as follows:

- Capital increase with or without maintenance of pre-emptive subscription rights: 50% of the share capital (approx. €394 million[1]);
- capital increase without pre-emptive subscription rights: 10% of the share capital (approx. €78 million[1]).

4.11 Appendices

4.11.1 Appendix A - Board of Directors' Rules of Procedure

Board of Directors' Rules of Procedure

The members of the Board of Directors of Accor (hereinafter the Company) abide by the following operating procedures, which constitute the Rules of Procedure of the Board of Directors.

These Bylaws are based on recommendations aimed at ensuring compliance with the fundamental principles of corporate governance, notably the AFEP-MEDEF Corporate Governance Code for listed companies.

Intended for internal use only, these Bylaws are designed to supplement the Company Bylaws by specifying the Board of Directors' organizational and operating procedures. They may not be used by shareholders or third parties as a basis for any claims against the directors, the Company or any company of the Accor Group (hereinafter the Group). They apply, where appropriate, to the non-voting directors appointed by the Board of Directors as well as to the Founding Co-Chairmen designated in Article 21 of the Company's Bylaws.

These Bylaws shall be disclosed to the shareholders and to the public.

1. Composition

At least half of the directors on the Board of Directors must be independent within the meaning of the criteria set forth in the AFEP-MEDEF Corporate Governance Code for listed companies.

Every year, the Board of Directors shall determine which of the directors are independent according to the above-mentioned criteria. The conclusions of said assessment shall be disclosed to the shareholders and to the public in the Universal Registration Document.

2. Meetings

The Board of Directors shall hold at least six meetings per year, of which one dedicated to reviewing the budget and one dedicated to a strategic review of the Group's operations. The proposed dates of each year's meetings shall be sent to the directors no later than March 31 of the previous year. Notices of Meeting shall be sent by mail, email or fax, or given verbally, by the Board Secretary.

The draft minutes of each meeting shall be sent to the directors within 15 days after said meeting and submitted to the Board for approval at the meeting following the next meeting.

Part of at least one meeting a year shall be devoted to assessing the Board's efficiency and effectiveness, in order to identify possible areas for improvement. In addition, the Board of Directors shall conduct a formal self-assessment at least every three years.

Non-executive directors shall meet once a year, without the executive directors or corporate officers being present, to assess the latter's performance and consider the future management structure.

For the purpose of calculating the quorum and majority, directors who take part in meetings by any means making it possible to identify them and enabling their actual participation pursuant to current statutes and regulations shall be deemed to be in attendance.

3. Information for the Board of Directors

The directors shall be provided with all the information necessary for them to carry out their duties.

Except when compliance with confidentiality or physical obstacles make it impossible, an information package pertaining to the items on the agenda that require prior study shall be sent to the directors in a timely manner prior to the meetings.

In addition, the directors shall be kept periodically informed between meetings of all significant events and transactions in the life of the Group. To this end, they shall be provided with all the press releases issued by the Company and a periodic summary of financial analysts' research reports on the Group and, when necessary, the actual reports.

The Board shall be regularly informed of and shall periodically discuss the Group's financial position, cash position and commitments as well as its strategy and main policies in the areas of human resources, organization and information systems.

The directors shall be entitled to require the provision of any document necessary for the proceedings of the Board that has not been submitted to them. Any such requests shall be sent to the Chairman and Chief Executive Officer who may submit it to the Board for a decision.

The directors shall have the right to meet with the Group's main executives, including without the presence of the executive officers. To do so, they must first file a request with the Chairman and Chief Executive Officer.

(1) *As of the date of the authorization given by the Annual Shareholders' Meeting held on May 17, 2023.*

4. Powers of the Board of Directors

The Board of Directors deals with all matters falling within the powers vested in it under the applicable laws and regulations.

In addition, the Board of Directors shall:

- approve the annual budget, including the annual financing plan, as well as the business plan presented by the Chairman and Chief Executive Officer;
- review and approve the Group's overall strategy, at least once a year, in accordance with Article 2 of these Bylaws;
- based on the recommendation of the Commitments Committee, authorizing the following decisions of the Chairman and Chief Executive Officer prior to their implementation:

  (i) Any and all immediate or deferred financial commitments representing more than €100 million per transaction. "Financial commitments" are defined as:

  - any and all acquisitions or disposals of assets and majority or minority interests in other companies; in the latter case, the amount of the commitment is considered equal to the entity's enterprise value;
  - any and all direct investments, for example for the creation of a business, the construction, refurbishment or extension of a hotel property, or expenditure on technological developments,
  - rental investments, measured on the basis of the market value of the leased asset;
  - hotel management contracts with a guaranteed minimum fee;
  - any and all loans to entities in which the Company or one of its subsidiaries does not hold the majority of the shares and voting rights, and any and all commitments to participate in share issues by such entities.

  In the case of financing transactions, however, the Chairman and Chief Executive Officer is authorized to make any and all financial commitments of up to €1 billion without obtaining prior approval from the Board of Directors, provided that such commitment is undertaken in accordance with the annual Group financing policy as approved in advance by the Board of Directors. In this case, the Chairman and Chief Executive Officer shall inform the Board of Directors of the transactions after they have been completed. It is noted as well that the Board's prior approval is not required for borrowings due in less than one year, whatever the amount borrowed,

  (ii) any and all transactions that may impact the Group's strategy or lead to a material change in the Group's business base (mainly entry into a new business or withdrawal from an existing business), whatever the amount of the transaction;

  (iii) any and all transactions involving the Company's shares carried out in application of Article L. 225-209 of the French Commercial Code that exceed one million shares per transaction or two million shares per year.
- authorize the Chairman and Chief Executive Officer to issue guarantees, bonds and endorsements in the Company's name, up to a cumulative amount of €1 billion per year. In accordance with the Company's Bylaws, any such authorizations may be given for a period of one year. The Chairman and Chief Executive Officer is required to report to the Board of Directors each year on the amount and nature of guarantees, bonds and endorsements issued under the authorization;
- discussing and deciding on any proposed changes to the Group's management structure and reviewing information about the main organizational changes.

5. Vice-Chairman of the Board of Directors – Senior Independent Director

In accordance with Article 14 of the Company's Bylaws, the Board of Directors may appoint one of its independent members to act as Vice-Chairman for the duration of his or her term as director. The appointment may be terminated at any time by decision of the Board of Directors.

In accordance with the Company's Bylaws, the Vice-Chairman may call meetings of the Board of Directors if the Chairman and Chief Executive Officer is unable to do so, and shall chair Board meetings in the Chairman and Chief Executive Officer's absence.

The Vice-Chairman shall act as the preferred contact for the other independent directors. Whenever necessary and at least once a year, he or she shall organize and lead a meeting reserved exclusively for independent directors to allow them to discuss certain issues outside full Board meetings.

The Vice-Chairman shall ensure that requests from shareholders not represented on the Board are answered, and shall make him or herself available to hear their comments and suggestions and, where necessary, answer their questions. A specific e-mail address shall be created for this purpose. The Vice-Chairman shall inform the Board of Directors about such contact with the shareholders.

In addition, the Vice-Chairman shall oversee formal assessments of the Board of Directors' practices, approve the list of strategic issues to be discussed at Board meetings, as prepared each year by the Chairman and Chief Executive Officer, and deal with any conflicts of interest affecting Board members under the procedure for managing conflict of interest situations as described in Article 9.

He or she shall be assisted by the Corporate Secretary for any related administrative tasks.

6. Board Committees

Board discussions and decisions in certain areas shall be prepared by specialist Board Committees made up of directors appointed by the Board for the duration of their term. These Committees shall examine matters falling within their terms of reference, as well as any matters referred to them for consideration by the Chairman and Chief Executive Officer. They shall report regularly to the Board on their work, and provide the Board with their observations, opinions, proposals or recommendations.

To assist them in their work, the Board Committees may commission technical reports from management or from external consultants, at the Company's expense. In both cases, the Chairman and Chief Executive Officer shall be notified in advance. The Committees may also arrange meetings with members of Company management responsible for the areas under review, without any executive officers being present. In this case also, the Chairman and Chief Executive Officer shall be informed in advance.

There are five standing Board Committees:

- **the Audit, Compliance & Risks Committee;**
- **the Commitments Committee;**
- **the Appointments and Compensation Committee;**
- **the ESG Committee; and**
- **the International Strategy Committee.**

The Board may also set up one or several special Committees.

Each Committee shall be chaired by one of its members, appointed by the Board on the recommendation of the Appointments and Compensation Committee.

The Chairman and Chief Executive Officer may be invited to attend any and all Board Committee meetings by the Chairman of the Committee concerned. However, he shall not attend the part of Appointments and Compensation Committee meetings during which agenda items concerning him personally are discussed, nor the part of Audit, Compliance & Risks Committee meetings during which the Committee members discuss matters with the Statutory Auditors.

The Committee Chairman shall appoint a person who does not need to be a Committee member to act as secretary.

The Chairman of each Committee may ask for the Committee to be consulted on any matters falling within its terms of reference that have not been referred to it.

Each Committee shall periodically review its rules of procedure and propose to the Board any changes that are considered necessary.

The Board Committees shall not have any decision-making authority.

6.1. The Audit, Compliance & Risks Committee

The Audit, Compliance & Risks Committee shall be responsible for ensuring that the accounting policies applied for the preparation of the financial statements of the Company and the Group are appropriate and applied consistently from one period to the next. Its terms of reference also include checking that internal reporting and control procedures provide adequate assurance concerning the reliability and completeness of financial information and the control of Group risk exposure. Furthermore, it is responsible for preparing the Board of Directors' decisions pertaining to compliance.

To this end, it formulates all recommendations or proposals to the Board of Directors in all areas described below and, in particular, carries out the following tasks:

Audit and Risks:

- it reviews the interim and annual consolidated financial statements and the financial statements of the Company, prior to their examination by the Board of Directors, and obtains assurance that the related accounting policies are appropriate and applied consistently from one period to the next. This includes reviewing draft results press releases and announcements to be issued by the Company;
- it reviews the scope of consolidation and the reasons for excluding any entities;
- it reviews the risk management policy and ensures that adequate systems are in place;
- it assesses the material risk exposure and off-statement of financial position commitments, and receives a copy of the Chief Financial Officer's detailed report on these matters;
- it assesses the effectiveness of internal audits covering the procedures for the preparation and processing of accounting and financial information, without compromising the internal auditors' independence; it obtains assurance concerning the effectiveness of the Group's system of internal control by reviewing the methods used to identify risks and the Internal Audit Department's organizational and operating principles. It is also informed of the internal audit program and of the results of the internal audits;
- it monitors the execution of the Statutory Auditors' engagement and reviews their work plan and audit findings. It receives a copy of the Statutory Auditors' post-audit letter setting out the main issues identified during their audit and describing the main accounting options selected;
- it leads the Statutory Auditor selection procedure, organizing a call for bids from various accounting firms (except where the incumbent firm is being re-appointed), and makes a recommendation to the Board of Directors on the choice of Statutory auditor;
- it validates the services other than statutory audit work that the Statutory Auditors and the members of their networks may be asked to perform in accordance with the applicable laws and regulations;

- at the end of each fiscal year, it is informed of the fees paid by Group companies to the Statutory Auditors and the members of their networks during the fiscal year, including a detailed breakdown by type of engagement, reports to the Board of Directors on these fees, and expresses an opinion on the proposed fee for the statutory audit of the financial statements;
- it obtains assurance concerning the Statutory Auditors' independence, notably by reviewing the Statutory Auditors' statement of independence, and informs the Board of Directors of its assessment of the Statutory Auditors' actual level of independence;
- it reports regularly to the Board of Directors on the results of the statutory audit engagement and the ways in which this engagement contributes to ensuring the integrity of financial information, as well as on the Committee's role in this process;
- with regard to risks, it is provided with a major risk map.

Compliance:

- it reviews the organization and implementation of the Company's compliance program, and is regularly informed about the deployment of its compliance policies;
- it reviews all ethical issues that come to its attention or are submitted to it for review by the Board or its Chairman.

The Audit, Compliance & Risks Committee comprises three to six members possessing the necessary technical knowledge to fulfill the Committee's duties. A director representing employees attends the Committee's meetings.

The Audit, Compliance & Risks Committee holds at least three meetings per year. One meeting – attended by the Senior Vice-President, Internal Audit – is devoted to reviewing the effectiveness of the system of internal control.

The Audit, Compliance & Risks Committee may make enquiries of the Statutory Auditors without the executive officers and/or the Chief Financial Officer being present, after first notifying the Chairman and Chief Executive Officer.

Calls to meeting shall be issued by the Committee Chairman and include the meeting agenda. Meetings to review the interim and annual financial statements shall be held at least two days prior to the Board meeting called to approve the financial statements. The members of the Audit, Compliance & Risks Committee must receive all necessary documents on a timely basis. When members are first appointed to the Committee, they are given detailed information about accounting, financial and operational issues that are specific to the Group. The Chairman and Chief Executive Officer, the Chief Financial Officer and the Statutory Auditors shall attend Audit, Compliance & Risks Committee meetings as needed.

6.2. The Commitments Committee

The Commitments Committee is comprised of no more than seven members. Meetings of the Committee may be called at any time, in writing or verbally, by the Committee Chairman or the Chairman and Chief Executive Officer.

The Commitments Committee's recommendations are adopted by a simple majority and must then be discussed by the Board of Directors before the commitments can be implemented by the Group. The Commitments Committee is therefore responsible for preparing Board meetings and making recommendations to the Board on the following matters:

- any mergers, demergers or asset transfers;
- any amendments to the Company's corporate purpose;
- any and all commitments or transactions for which the Chairman and Chief Executive Officer is required to obtain the Board of Directors' prior approval in accordance with Article 4. c) of these Bylaws.

6.3. The Appointments and Compensation Committee;

The Appointments and Compensation Committee's role is to prepare the Board of Directors' decisions pertaining to the compensation of executive officers and the policy for granting long-term incentive instruments, and to prepare changes in the composition of the Company's management bodies. Lastly, it is also responsible for ensuring that the Group's corporate governance principles are properly applied.

To this end, it formulates all recommendations or proposals to the Board of Directors in all areas described below and, in particular, carries out the following tasks:

Appointments:

- it prepares recommendations, in liaison with the Chairman and Chief Executive Officer, regarding the appointment and succession of the executive officers and the selection of new directors. In selecting possible directors, the Committee takes into consideration the desirable balance in the Board's composition, takes special care that each candidate has the required capabilities and availability and ensures that the directors have the array of experience and skills necessary to enable the Board of Directors to carry out its duties effectively with the required objectivity and independence vis-à-vis both top management and a given shareholder or group of shareholders;
- it is informed of the succession plan concerning members of the Group's Executive Committee.

Compensation:

- it studies and prepares recommendations regarding both the salary and bonus portions of the executive officers' short-term compensation, the granting of medium- and long-term incentives such as performance shares and stock options, all the provisions regarding their retirement plans and all other in-kind benefits;
- it defines and implements the rules for setting the bonus portion of the executive officers' compensation while ensuring that said rules are consistent with the annual appraisal of executive officers' performance and with the Group's medium-term strategy;
- it expresses an opinion to the Board regarding the general policy for granting medium and long-term incentives such as stock options and performance shares to Group employees, and the plans proposed by the Chairman and Chief Executive Officer;
- it is kept informed of and gives an opinion on the compensation policy for members of the Group Executive Committee and reviews the consistency of such policy;
- it issues a recommendation to the Board on the overall amount of directors' compensation, which is submitted to shareholders for approval. It proposes to the Board rules for allocating said directors' compensation and the individual amounts of the payments to be made as compensation to the directors based on their attendance at Board and Committee meetings pursuant to Article 8 of these Bylaws;
- it reviews the policy and the Chairman and Chief Executive Officer's proposals regarding employee share issues and any employee share ownership plans;
- it reviews the insurance coverage taken out by the Company regarding the civil liability of executive officers;
- it approves the information provided to shareholders in the Universal Registration Document regarding (i) executive officer compensation; (ii) the principles and procedures used to set such compensation; and (iii) the grant and exercise of stock options and the grant of performance shares.

Governance:

- it is tasked, in liaison with the Chairman and Chief Executive Officer, with issuing recommendations on implementing best corporate governance practices and preparing the assessment of the Board's work;
- it reviews and issues recommendations on best corporate governance practices, and in particular, assesses whether the Company's governance practices comply with the recommendations of the corporate governance code to which the Company refers;
- it periodically reviews whether the directors meet the independence criteria defined by the Board and makes recommendations if it appears necessary to review the independent status of directors;
- it continuously monitors changes in the Company's ownership structure and determines how the Company's awareness of such changes could be improved, particularly through legal procedures;
- under the procedure for managing conflict of interest situations, it reviews all cases where there is a conflict of interest concerning one or more shareholders and (i) the interests of the Company or (ii) the interests of the shareholders as a whole and cases where there is a conflict of interest concerning members of the Board of Directors;
- it reviews changes in the role and responsibilities of the Board of Directors;
- it prepares all matters for discussion between the Company and its shareholders relating to changes in their equity interests, their representation in the Company's corporate governance structures, and any contractual commitments between them and the Company. This latter role is fulfilled in part by preparing decisions of the Board of Directors authorizing related-party agreements.

The Appointments and Compensation Committee is comprised of three to seven members. A majority of these members, including the Committee Chairman, must be independent directors. A director representing employees attends the Committee's meetings.

The Appointment and Compensation Committee holds at least two meetings per year. Calls to meetings are issued on instructions from the Committee Chairman and include the meeting agenda.

6.4. The ESG Committee

The ESG Committee is made up of no more than seven members, and is tasked with preparing the Board's decisions on ESG matters.

More specifically, its tasks include:

- helping the Board of Directors to determine multi-year strategic guidelines in terms of social and environmental responsibility, particularly with regard to climate change;
- check integration of Group commitments in terms of CSR in respect of the challenges related to its activities and its objectives;
- assist the Board of Directors in the annual review of results and the opportunity, if any, to adapt the action plan or amend objectives, particularly in the light of changes in corporate strategy, technologies, shareholder expectations and the financial ability to implement them;
- reviewing annual non-financial performance.
- review the Group's ratings by rating agencies and extra-financial analyses.;
- review the report by the Ethics Committee annually.

The Committee shall hold at least two meetings per year. Calls to meetings are issued on instructions from the Committee Chairman and include the meeting agenda.

6.5. The International Strategy Committee

The International Strategy Committee comprises all directors. It is responsible for preparing Board meetings and making recommendations to the Board concerning the international strategic guidelines of the Group, and in particular on the following matters:

- strategic priorities for the Group's international hotel development;
- geographic breakdown of the Group's activities, geopolitical issues and risks;
- monitoring of significant international projects, alliances and partnerships.

The Committee shall hold at least two meetings per year. Calls to meetings are issued on instructions from the Committee Chairman and include the meeting agenda.

7. Secretary to the Board of Directors

Pursuant to the Company's Bylaws, the Board of Directors shall name a Secretary who does not need to be a director.

The Board Secretary's role is to call members to meetings of the Board of Directors when requested to do so by the Chairman and Chief Executive Officer and to prepare the draft minutes of the meetings of the Board of Directors, which are then submitted to the Board for approval. He or she is tasked with sending the working documents to the directors according to the procedure set forth in Article 3 of these Bylaws and in general responds to any request from directors for information pertaining to their rights and obligations, the Board's operation or the life of the Company.

His or her duties also include maintaining and updating the statements designed to prevent conflicts of interest, as provided for in Article 9 of the directors' Code of Conduct.

Lastly, the Board Secretary shall attend the meetings of the Board Committees as needed at the request of the Chairman and Chief Executive Officer or the Committee Chairmen. He or she may also be tasked with sending the working documents to the Committee members.

8. Directors' compensation

The annual amount of directors' compensation approved by shareholders is allocated by the Board based on a recommendation by the Appointments and Compensation Committee.

Board members are entitled to a fixed portion of compensation for their duties as directors and, as the case may be, their role as a member or Chairman of one or more Board Committees, as well as a variable portion of compensation determined according to their actual attendance at Board and Committee meetings.

Distribution is based on the following principles:

- the annual amount of directors' compensation is divided into an amount set aside for the Board and an amount set aside for the Board Committees, as determined by the Board of Directors;
- one-third of the amount set aside for the Board and for the Committees is used to pay the fixed portion of directors' compensation;
- two-thirds of the amount set aside for the Board and Committees is used to pay the variable portion of directors' compensation based on a per-meeting amount set by the Board depending in each case on the total number of meetings held during the fiscal year and on the number of members composing each instance. The calculated variable portion of directors' compensation is then paid to each director depending on its attendance rate;
- the Vice-Chairman of the Board of Directors receives the fixed portion of directors' compensation payable to all directors as well as a fixed portion of a lump sum determined by the Board of Directors;
- a lump sum is set aside for non-voting directors to be allocated on the same basis as that applied to the amounts set aside for the Board and for the Board Committees;
- Committee Chairmen receive a fixed portion of directors' compensation equal to double the fixed portion payable to Committee members;
- members of the Audit, Compliance & Risks Committee, and members of the Appointments and Compensation Committee, receive an increased portion of directors' compensation, as decided by the Board of Directors;
- directors who also hold the position of Chairman and Chief Executive Officer, Chief Executive Officer or Deputy Chief Executive Officer do not receive any directors' compensation;
- directors representing employees do not receive any directors' compensation. The compensation that they would have received is not distributed and instead the Company has pledged to allocate the equivalent amount to supporting Group employees in difficulty;
- the Board of Directors may also decide to allocate an exceptional bonus for a given assignment or mandate to a director or non-voting director as part of their variable compensation;
- directors' compensation is paid no later than three months following the end of the previous fiscal year.

9. Conflicts of interest and sensitive information

9.1. Situations giving rise to conflicts of interest

Any director that is directly or indirectly, through a third party or otherwise, exposed to an actual or potential conflict between his or her interests and those of the Company because of the positions that he or she holds and/or any interests that he or she has elsewhere, shall inform the Vice-Chairman of the Board of Directors and the Board Secretary.

As well as giving rise to a conflict of interests, direct or indirect ties to an entity whose interests compete with those of the Company may also lead to a breach of competition rules. Consequently, while they are members of the Company's Board, directors shall not accept any directorship, management position or consulting engagement with an entity whose interests compete with those of the Company without the Board's prior authorization.

Pursuant to Article 15 of the Company's Bylaws, directors and any other persons who attend Board meetings shall be required to treat all information provided during these meetings as strictly confidential.

9.2. Sensitive information as defined in competition law

No sensitive information, as defined in competition law, may be disclosed or discussed in the presence of any director who has direct or indirect ties to an entity whose interests compete with those of the Company (a "Concerned Director").

The definition of sensitive information in competition law covers all information not in the public domain that could enable the Concerned Director to understand or influence the Company's commercial and other strategies in markets served by the entity whose interests compete with those of the Company and with which the Concerned Director has ties.

It notably includes information concerning, for the market or markets in question:

- current or future business development projects, particularly planned mergers and acquisitions;
- current or future prices or pricing strategies (including discount and rebate plans);
- sales, promotional offers, terms and conditions of current or future promotional and advertising campaigns (including promotional or advertising expenditure, terms and conditions of sale and general sales strategies);
- margins and profitability objectives or indicators for specific businesses, products or services;
- current or future capacity, including planned capacity extensions or reductions;
- guests, guest lists, loyalty programs and contract bids or proposed bids;
- product, service or technology costs;
- technology, IT or research and development projects;
- market shares;
- market analyses, covering inter alia forecast changes in offer and/or demand and prices;

in each case unless the information no longer qualifies as sensitive under competition law due to its general nature, or because it is too old or too aggregated, or because it consists solely of information in the public domain.

The risk of an exchange of sensitive information as defined in competition law is equivalent in all respects to a conflict of interest within the meaning of this Article.

9.3. Reporting conflicts of interest

When a director takes office and by January 31 of each year thereafter, he or she shall prepare a statement setting out his or her direct ties or indirect ties through a third party or otherwise – whatever their form – with Group companies, their management or their competitors, guests, partners or suppliers. He or she shall submit this statement to the Chairman and Chief Executive Officer and the Vice-Chairman, with a copy given to the Board Secretary.

If any event occurs that affects the accuracy of all or part of the statement, or if any questions arise as to the existence of an actual or potential conflict of interests, the director shall notify the Vice-Chairman and the Board Secretary without delay.

The Vice-Chairman, assisted by the Board Secretary and, if necessary, by outside consultants, shall prepare a list, director by director, of the issues likely to give rise to a conflict of interest. The Vice-Chairman shall inform the Board of Directors of these issues each year and following each modification, and shall remind the Board of the measures adopted to prevent any risk of a conflict of interest.

9.4. Guidelines for dealing with conflicts of interest

In the event of an actual or potential conflict of interest, the Concerned Director shall not take part in the discussion of the matter concerned or the related vote and shall be asked to step out from the meeting while the discussion and vote take place.

He or she shall not receive the information prepared for Board members on the agenda item giving rise to the conflict of interest or the corresponding section of the minutes of the Board meeting.

If necessary due to the agenda of a given Board or Committee meeting, the Chairman and Chief Executive Officer or the Vice-Chairman may decide to organize the meeting in two parts, with the first part attended by the Concerned Director(s) and dealing with the agenda items not involving disclosure of any sensitive information as defined in competition law or giving rise to any conflicts of interest, and the second held without the Concerned Directors being present.

Decisions by the Board of Directors concerning a conflict of interest shall be recorded in the minutes of the relevant Board meeting.

Any problems concerning application of this Article 9 shall be submitted to the Vice-Chairman of the Board or, at the latter's request if difficulties arise and with its presence, to the Audit, Compliance & Risks Committee. If the problem cannot be resolved by this process, the Board of Directors shall make a decision based on the Committee's recommendation.

4.11.2 Appendix B – Board of Directors' Code of Conduct (as amended on April 29, 2014)

Board of Directors Code of Conduct (as amended on April 29, 2014)

The Board of Directors collectively represents all the shareholders and acts in the Company's interest. Each director, regardless of the reasons for his or her appointment and his or her qualification by the Board of Directors as regards the independence criteria set forth in the AFEP-MEDEF Corporate Governance Code for listed companies, represents all the shareholders and as such adheres to the principles of conduct defined in this Code of Conduct.

The non-voting directors appointed by the Board of Directors and the Founding Co-Chairmen referred to in Article 21 of the Company's Bylaws shall be governed by all of the provisions of this Code of Conduct that are applicable to them.

Duty of due care

Directors shall carry out their duties as they see fit in the best interest of the Company. They shall strive at all times to improve their knowledge of the Group and its business lines and agree to be bound by a duty of vigilance and warning. They shall devote the necessary time and attention to their directorship in particular by attending the meetings of the Committees to which they belong, the meetings of the Board of Directors and the Shareholders' Meetings.

In addition to complying with the applicable statutes and regulations on the holding of several directorships, it is the responsibility of each director to ascertain whether his or her duties as a director of the Company are compatible with the directorships or positions that he or she holds in other companies in particular as regards the workload. Each director shall disclose periodically to the Company the directorships that he or she holds in any other company in order to enable the Company to comply with its statutory disclosure obligations in this regard.

Information

Directors have the duty to request the information that they deem necessary to carry out their duties from the Company's management via the Chairman and Chief Executive Officer or, where applicable, the Board Secretary. They shall have the right to meet with the Company's principal executives, whether or not in the presence of the Chairman and Chief Executive Officer, after having requested such a meeting from the Chairman and Chief Executive Officer.

When a new director takes up office, the Board Secretary shall provide him or her with an information package containing the Company's Bylaws, the Board of Directors Bylaws, the Board of Directors Code of Conduct as well as the principal statutes and regulations regarding directors' liability.

Directors may consult the Board Secretary at any time regarding the scope of said statutes and regulations and the rights and obligations incumbent on him or her.

Transparency and preventing conflicts of interests

Directors strive to remain independent in all circumstances as regards their analysis, judgment, decisions and actions.

Directors agree not to seek out or accept any benefit likely to call into question their independence.

Any director that is directly or indirectly in a position of a conflict of interest – even potentially – with respect to the interest of the Company because of the positions that he or she holds, and/or any interests that he or she has elsewhere, shall inform the Chairman and Chief Executive Officer or any individual designated by the Chairman and Chief Executive Officer. He or she shall abstain from the debates and decision-making on the matters concerned and may have to leave a Board meeting during the debate, and, where applicable, the vote.

When he or she takes up office, and subsequently every year no later than January 31, each director shall fill in a statement according to the template attached to this Code of Conduct in which he or she discloses any relationships of any kind with Group companies, their managers, suppliers, guests, partners or competitors. He or she shall send this statement to the Chairman and Chief Executive Officer and a copy thereof to the Board Secretary.

Directors shall refrain from participating, directly or indirectly, in any transaction of any amount with a Group company involving the sale by said company of one or several hotel assets.

The Board of Directors shall deliberate on the rates granted to directors when staying in a non-official capacity in Group hotels.

Trading in Company securities by the directors

Directors have access to insider information. Such information, if made public, could impact the price of the Company's shares or any other securities issued by the Company.

Pursuant to the applicable statutes and regulations, they shall be required:

- to refrain from using insider information to trade such securities either directly or via an intermediary;
- not to knowingly allow a third party to carry out such trading;
- not to disclose such information to third parties even through carelessness.

During such periods, directors shall refrain from trading the Company's shares or any other securities issued by the Company (including exercising stock options), either directly or via an intermediary, even via the trading of derivatives. Such periods shall consist of (i) 30 calendar days prior to the date of publication of the annual and interim consolidated financial statements, as well as the day of these publications and the following day, and (ii) 15 calendar days prior to the date of publication of quarterly revenue figures, as well as the day of these publications and the following day.

The exact dates of the "negative windows" shall be disclosed each year to the directors by the Board Secretary. If specific "negative windows" are set up in connection with financial or strategic transactions, the directors shall be informed immediately thereof by the Board Secretary.

Directors may not hedge the risks of losses on the Company shares or stock options they own personally.

Each director shall be responsible for reporting to the French securities regulator (Autorité des Marchés Financiers – AMF) and to the Company (to the attention of the Board Secretary) any trading involving the Company's shares or any other securities issued by the Company and carried out by him or her or individuals that are closely related to him or her, pursuant to applicable statutes and regulations.

Directors may consult the Board Secretary at any time regarding the scope of the "negative windows" system and on the conditions of its application to any specific case.

Duty of discretion and confidentiality

Pursuant to Article 15 of the Company's Bylaws, directors shall be bound by a duty of discretion and confidentiality in the interest of the Company. To that end, they undertake that they shall be responsible for maintaining the professional secrecy of all the confidential information to which they have access, the resolutions and the operation of the Board of Directors and of any Committees to which they may belong, as well as the content of the opinions issued or votes cast during Board or Committee meetings.

When requested by the Chairman and Chief Executive Officer, each director agrees to return or destroy immediately any document in his or her possession containing confidential information.

In addition, directors shall be required to consult with the Chairman and Chief Executive Officer prior to any personal disclosure that they may make in the media on matters involving or likely to affect the Group, the Company and/or its governing bodies. This provision shall not apply to directors who concurrently hold the position of Chief Executive Officer or Deputy Executive Officer and who may have to make disclosures in that capacity in the name of the Company.

Shares owned privately

Pursuant to the Company's Bylaws, directors other than those representing employees must own 1,000 shares in the Company. Such shares and any shares acquired in excess of that number must be registered shares.

The permanent representatives of legal entities that are directors shall be subject to the same obligation.

The number of Company shares owned by each director (and each permanent representative of any legal entity that is a director), excluding that of Company shares owned by directors representing employees, shall be publicly disclosed by the Company.

4.12 Statutory Auditors' special report on related-party agreements

Annual Shareholders' Meeting for the approval of the financial statements for the year ended December 31, 2023

This is a free translation into English of the Statutory Auditors' special report on related-party agreements issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of Accor, we hereby report to you on related-party agreements.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of agreements that have been disclosed to us or that we may have identified as part of our engagement, as well as the reasons given as to why they are beneficial for the Company, without commenting on their relevance or substance or identifying any undisclosed agreements. Under the provisions of Article R.225-31 of the French Commercial Code (*Code de commerce*), it is the responsibility of the shareholders to determine whether the agreements are appropriate and should be approved.

Where applicable, it is also our responsibility to provide shareholders with the information required by Article R.225-31 of the French Commercial Code in relation to the implementation during the year of agreements already approved by the Annual Shareholders' Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

Agreements to be submitted for the approval of the Annual Shareholders' Meeting

Agreements authorized and entered into during the year

We were not informed of any agreement authorized or entered into during the year to be submitted for approval at the Annual Shareholders' Meeting pursuant to the provisions of Article L.225-38 of the French Commercial Code.

Agreements authorized and entered into since the year-end

We were informed of the following agreements, authorized and entered into since the year-end, which were authorized in advance by the Board of Directors.

With Rubyrock Capital Co. Ltd

Person concerned

Rubyrock Capital Co. Ltd (indirectly controlled by JinJiang International Holdings Co.), a shareholder holding around 12.16% of Accor's voting rights at the date of the transaction.

Nature and purpose

Signature of an agreement for an off-market buyback of a block of shares from a shareholder holding more than 10% of the Company's voting rights.

Conditions

On March 11, 2024, the Board of Directors, having reviewed the fairness opinion issued by Ledouble, authorized the signature of an agreement concerning the buyback by the Company of 7,000,000 of its own shares from Rubyrock Capital Co. Ltd, representing approximately 2.80% of the Company's capital. The price per Accor share was set at €39.22, representing a 3% discount on the closing price of €40.43 on March 11, 2024. The repurchased shares will then be canceled.

Reasons why the agreement is beneficial for the Company

The Board of Directors has provided the following reasons for the agreement:

This share buyback, totaling €275 million, is part of the Company's share buyback program. This transaction will enable all Accor shareholders to benefit from an accretive effect on their shareholding, consolidating the Company's shareholder base and maintaining significant financial flexibility to ensure the Group's future development and return to shareholders. The transaction will also have an accretive effect on Accor's earnings per share of around 1.50% on an annualized basis.

Agreements already approved by the Annual Shareholders' Meeting

In accordance with Article R.225-30 of the French Commercial Code, we were informed of the following agreements, approved by the Annual Shareholders' Meeting in previous years, which were implemented during the year.

With Paris Saint-Germain Football

Persons concerned

Asma Al-Khulaifi and Ugo Arzani, directors of the Company appointed by Qatar Investment Authority, of which Paris Saint-Germain Football is an indirect subsidiary.

Nature and purpose

Partnership with Paris Saint-Germain Football.

Conditions

On June 19, 2022, the Board of Directors authorized a new partnership agreement with Paris Saint-Germain Football, under which the ALL brand will appear on the sleeve of Paris Saint-Germain Football Club players' training jerseys and the Company will be able to offer members of the ALL loyalty program access to unique and exclusive experiences for four seasons through 2026.

With Rotana Music Holding Limited

Person concerned

Sarmad Zok, director of the Company appointed by Kingdom Holding, of which Rotana Music Holding Limited is an indirect subsidiary.

Nature and purpose

Signature of a share subscription agreement for Rotana Music Holding Limited, a music production company headquartered in Abu Dhabi (United Arab Emirates), and of a Shareholders' Agreement with the other shareholders of said company, the main shareholder of which is a subsidiary of Kingdom Holding (the fourth largest shareholder of the Company and represented on the Board of Directors).

Conditions

On February 23, 2022, the Board of Directors authorized the acquisition of an interest in Rotana Music Holding Limited and the signature of the above-mentioned agreements. Through this acquisition, the Company holds approximately 3% of the capital of Rotana Music Holding Limited.

This investment will enable Accor to continue increasing the visibility of its ALL loyalty program by benefiting from Rotana Music Holding Ltd's media coverage and its broad reach among customers and partners in the Middle East, a region with major growth opportunities for the Group.

With a Qatar Investment Authority Group company (previously Katara Hospitality and now Al Rayyan Holding LLC)

Persons concerned

At the date of the signature of the agreement, the persons concerned were Sheikh Nawaf Bin Jassim Bin Jabor Al-Thani and Aziz Aluthman Fakhroo, directors of the Company appointed by Qatar Investment Authority, of which Paris Saint-Germain Football is an indirect subsidiary. Since the term of office of these two directors expired on May 20, 2022, the persons concerned at December 31, 2023 were Asma Abdulrahman Al-Khulaifi and Ugo Arzani, in the same capacity as the predecessors.

Nature and purpose

Signature of a partnership agreement with Katara Hospitality (now Al Rayyan Holding LLC) to create an investment fund in Africa (Kasada Capital Management).

Conditions

On June 26, 2018, the Board of Directors authorized the Company to enter into a partnership agreement with Katara Hospitality to set up an investment fund dedicated to hospitality in Africa, named Kasada Capital Management.

The fund will have US$ 500 million of equity, of which Katara Hospitality (now Al Rayyan Holding LLC) and the Company will contribute US$ 350 million and US$ 150 million, respectively, over the five to seven years following its creation.

These funds will be used for the construction of new hotels on greenfield sites or as part of urban regeneration projects, as well as for the acquisition of existing establishments which will be rebranded. The entire range of Accor Group brands, from economy to luxury, including residences, will be represented across approximately 40 hotels (roughly 9,000 rooms).

Through this project, the Company and Al Rayyan Holding LLC aim to create the first hospitality fund dedicated to the development of the industry in Africa. For the Company, this fund represents an opportunity to accelerate the development of Accor brands in Africa.

In 2023, the Kasada Capital Management fund acquired hotels to be operated under the Accor brand and worked on other projects to acquire new hotels, which required the two investors (the Company and Al Rayyan Holding LLC) to pay a portion of their investment in proportion to their respective commitments. In this respect, in 2023, the Company contributed an amount of €31 million.

With Worklib

Persons concerned

Sébastien Bazin, Chairman and Chief Executive Officer of Accor and Chairman of Bazeo Europe SAS. Accor and Bazeo Europe SAS act as co-investors in Worklib, without there being any financial relationship between these two companies under this arrangement.

Nature and purpose

Signature of a Shareholders' Agreement with Bazeo Europe SAS (the Chairman of which is Sébastien Bazin), Anima SAS and Alexandre Cadain.

Conditions

On September 28, 2021, the Board of Directors authorized the Company to acquire a stake in Worklib, whose main purpose is to develop and operate an office space reservation platform (a flex office), and to enter into a Shareholders' Agreement with Bazeo Europe SAS, Anima SAS and Alexandre Cadain (the latter two being the founding partners of Worklib), in order to set the rules of their relations within this company and to define its governance principles (the "Agreement").

As of October 11, 2021, the respective interests of the Company and Bazeo Europe SAS stood at 26.66% and 6.66%. They were increased to 40% and 10%, respectively, on January 31, 2022. Under the terms of this Agreement, the Company is entitled to appoint two members of Worklib's Board of Directors (the other two members being appointed by Alexandre Cadain and Anima SAS).

The Company's total investment under this partnership stands at €2.4 million, corresponding to its contribution in the form of a cash subscription to a share capital increase of Worklib, half paid on entry into the capital and half on January 31, 2022.

This transaction allows the Accor Group to benefit from top-level expertise in artificial intelligence to develop a unique and innovative platform for the distribution of flexible workspaces (flex office and coworking). This partnership will also enable the Accor Group to accelerate the deployment of its coworking development strategy in its hotels and dedicated spaces.

In order to avoid any situation likely to create a conflict of interest, Sébastien Bazin will not participate in any of the Company's decisions with respect to its interest in Worklib. The decisions to be made by Accor will be taken exclusively by the Deputy Chief Executive Officer, independently of Sébastien Bazin. Similarly, Sébastien Bazin will not hold any position in Worklib's corporate bodies and will not receive any compensation from Worklib other than any distributions made to all shareholders.

Neuilly-sur-Seine and Paris-La Défense, March 27, 2024

The Statutory Auditors

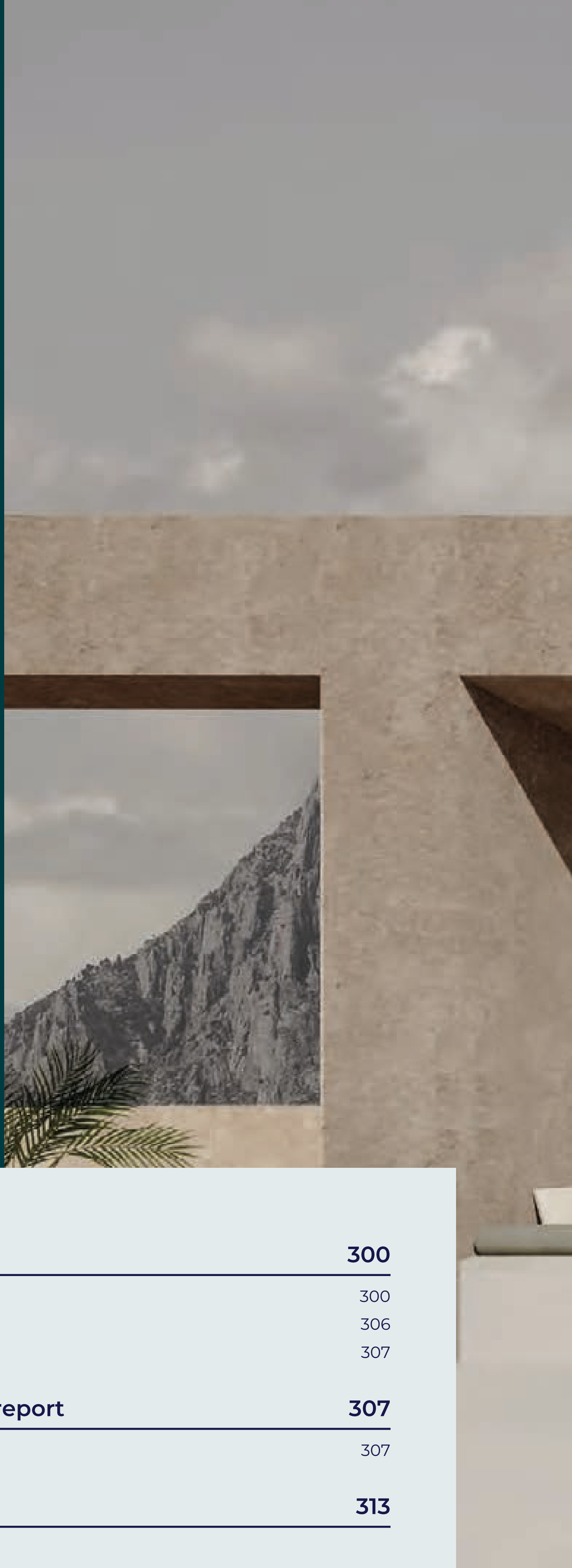
PricewaterhouseCoopers Audit — Julien Laugel, François Jaumain

Ernst & Young et Autres — François-Guillaume Postel

5

Section

Business review and subsequent events



Mercure Benidorm - Spain

5.1 2023 business review

Driven by resolutely solid demand in 2023, Accor was able to set new records in terms of operating and financial performances. All regions and segments benefited from strong growth after a year marked by the post-Covid pandemic recovery in 2022. All performance indicators were in line or exceeded Group guidance in 2023.

This stellar performance and the Group's confidence in continuous business growth enabled shareholders' returns of €676 million during the year.

RevPAR for Accor network hotels was up 23% overall in fiscal 2023 versus fiscal 2022.

For fiscal 2023, the Group had revenue of €5,056 million, up 18% on a like-for-like basis. This increase breaks down into a 17% rise for the Premium, Midscale & Economy division, and a 22% rise for the Luxury & Lifestyle division. Changes in the scope of consolidation, mainly due to the consolidation of Paris Society and Potel & Chabot in the Luxury & Lifestyle division (Hotel Assets & Other segment), contributed positively by €285 million. Currency effects had a negative impact of €228 million, stemming mainly from the Australian Dollar (-7%), the Egyptian Pound (-40%) and the Turkish Lira (-32%).

Current EBITDA came out at €1,003 million in 2023, compared with €675 million in 2022. Operating profit amounted to €779 million taking into account the contribution of equity-accounted investments for €44 million and other income and expenses for €12 million. Net profit, Group share stood at €633 million.

During 2023, Accor opened 291 hotels, representing 41,000 rooms, or net growth in the network of 2.4% over the 12-month period. At end-December 2023, the Group had a hotel portfolio of 821,518 rooms (5,584 hotels) and a pipeline of 225,000 rooms (1,315 hotels).

Group net financial debt at December 31, 2023 came to €2,074 million, versus €1,658 million at December 31, 2022. At December 31, 2023, Accor's average cost of debt was 2.5% with an average maturity of around three years, with no major repayments due before 2026. At end-December 2023, combined with the undrawn credit facility of €1 billion signed in 2023, Accor had a liquidity position of €2.3 billion.

Consolidated results at December 31, 2023

In € millions	**2022**	**2023**
Revenue	4,224	5,056
Current EBITDA	**675**	**1,003**
Current EBITDA margin	16%	20%
Current EBIT	**447**	**723**
Share of net profit of equity-accounted investments	33	44
Non-recurring items	63	12
Operating profit	**543**	**779**
Net profit before profit from discontinued operations, Group share	**359**	**623**
Profit from discontinued operations, Group share	43	10
Net profit, Group share	**402**	**633**

Revenue

Group revenue amounted to €5,056 million, up 20% on a reported basis and (18% like-for-like) versus 2022.

In € millions	2022	2023	Change (as reported)	Change (LFL) [1]
Management & Franchise	695	854	+23%	+27%
Services to Owners	965	1,076	+11%	+11%
Hotel Assets & Other	970	1,030	+6%	+15%
Premium, Mid. & Eco. [2]	**2,629**	**2,960**	**+13%**	**+17%**
Management & Franchise	357	446	+25%	+32%
Services to Owners	1,178	1,359	+15%	+18%
Hotel Assets & Other	114	371	+224%	+32%
Luxury & Lifestyle	**1,649**	**2,175**	**+32%**	**+22%**
Holding & Intercos	**(54)**	**(79)**	**N/A**	**N/A**
TOTAL	**4,224**	**5,056**	**+20%**	**+18%**

(1) Like-for-like: at constant scope of consolidation and exchange rates.
(2) Premium, Midscale & Economy

Changes over the year reflect the following items:

- changes in the scope of consolidation (acquisitions, disposals and reopenings) contributed positively for €285 million and were primarily related to the full year effect of Paris Society (acquired in November 2022) and the acquisition of Potel & Chabot in October 2023 in the Luxury & Lifestyle division (Hotel Assets & Other segment);
- currency effects had a negative impact of €228 million, stemming mainly from the Australian dollar (-7%), the Egyptian pound (-40%) and the Turkish lira (-32%).

The **Premium, Midscale & Economy** division, which includes fees from Management & Franchise (M&F), Services to Owners and Hotel Assets & Other activities of the Group's Premium, Midscale & Economy brands, generated revenue of €2,960 million, up 17% LFL versus 2022. This increase reflects the solid business levels recorded over the period.

Management & Franchise (M&F) revenue stood at €854 million, up 27% LFL versus 2022 and in line with the increase in RevPAR over the period (+24%). The regional performance of Management & Franchise is detailed in the pages hereafter.

Services to Owners revenue, which includes the Sales, Marketing, Distribution and Loyalty division, as well as shared services and the reimbursement of hotel staff costs, came to €1,076 million, up 11% LFL, compared with 2022. This increase, which was more measured than RevPAR growth, reflected a comparative basis of the previous year which included the rebilling of costs incurred by Accor as part of its reception services for supporters during the soccer World Cup in Qatar.

Hotel Assets & Other revenue was up 15% LFL relative to 2022. This segment, closely linked to business in Australia, was impacted by a less favorable base effect owing to the recovery in leisure tourism which materialized earlier than for the rest of the Group.

The **Luxury & Lifestyle** division, which includes fees from Management & Franchise (M&F), Services to Owners and Hotel Assets & Other activities of the Group's Luxury & Lifestyle brands, generated revenue of €2,175 million, up 22% LFL versus 2022. This increase also reflects steady business levels over the period, as was the case for the Premium, Midscale & Economy division.

Management & Franchise (M&F) revenue stood at €446 million, up 32% LFL versus 2022, driven by the increase in RevPAR (+20%) and a sharp acceleration in hotel incentive fees under management contracts.

Services to Owners revenue, which includes the Sales, Marketing, Distribution and Loyalty division, as well as shared services and the reimbursement of hotel staff costs, came to €1,359 million, up 18% LFL, compared with 2022.

Hotel Assets & Other revenue was up 32% LFL relative to 2022. It included a significant scope effect following the consolidation of Paris Society in November 2022 and Potel & Chabot in October 2023.

Management & Franchise revenue

In € millions	2022	2023	Change (as reported)	Change (LFL)[1]
ENA [2]	427	512	+20%	+21%
MEA APAC [3]	212	270	+27%	+38%
Americas	56	71	+28%	+32%
Premium, Mid. & Eco.	**695**	**854**	**+23%**	**+27%**
Luxury	261	326	+25%	+32%
Lifestyle	97	120	+24%	+33%
Luxury & Lifestyle	**357**	**446**	**+25%**	**+32%**
TOTAL	**1,052**	**1,300**	**+24%**	**+29%**

(1) Like-for-like: at constant scope of consolidation and exchange rates.
(2) ENA = Europe North Africa
(3) MEA APAC = Middle East, Africa, Asia-Pacific

Management & Franchise (M&F) revenue stood at €1,300 million, up 29% LFL versus 2022. This change reflects RevPAR growth in the Group's different geographical areas and segments (+23% compared with 2022) amplified by the sharp increase in incentive fees under management contracts.

Current EBITDA

Current EBITDA came to €1,003 million at December 31, 2023, compared with €675 million at December 31, 2022.

In € millions	2022	2023	Change (as reported)	Change (LFL)[1]
Management & Franchise	513	611	+19%	+23%
Services to Owners	(60)	24	N/A	N/A
Hotel Assets & Other	140	115	-18%	-10%
Premium, Mid. & Eco.	**593**	**750**	**+27%**	**+35%**
Management & Franchise	224	298	+33%	+43%
Services to Owners	(16)	25	N/A	N/A
Hotel Assets & Other	(3)	30	N/A	N/A
Luxury & Lifestyle	**205**	**354**	**+72%**	**+82%**
Holding & Intercos	**(123)**	**(101)**	**N/A**	**N/A**
TOTAL	**675**	**1,003**	**+49%**	**+55%**

(1) Like-for-like: at constant scope of consolidation and exchange rates.

Current EBITDA reached €1,003 million in 2023, a record-high level. The performance is linked to a strong recovery in revenue and a strict discipline in costs of Services to Owners, enabling the Group to post marginally positive EBITDA as expected for the period.

The **Premium, Midscale & Economy** division generated an EBITDA of €750 million, up 35% LFL versus 2022.

Management & Franchise (M&F) reported EBITDA of €611 million, up 23% LFL compared with 2022, despite staff transfer from Holding to the Premium, Mid. & Eco. division as part of the new organization.

Services to Owners EBITDA came to €24 million in 2023, slightly positive as a result of strict cost control.

Hotel Assets & Other EBITDA was down 10% LFL relative to 2022. The decline in the EBITDA margin reflected cost inflation in activities in Australia after the sharp increase in room prices reported in 2022. This decline was also amplified by the sharp increase in revenue from variable-rent assets in Brazil and Turkey which only generated limited EBITDA because of the nature of these assets.

The **Luxury & Lifestyle** division generated EBITDA of €354 million, up 82% LFL relative to 2022.

The Management & Franchise (M&F) business posted EBITDA of €298 million, up 43% LFL versus 2022, reflecting the benefits of the operating leverage of the business.

Services to Owners EBITDA came to €25 million in 2023, also slightly positive as a result of strict cost control.

Hotel Assets & Other EBITDA mostly reflected the integration of Paris Society since end of 2022.

EBITDA margin

In 2023, Accor posted current EBITDA of €1,003 million, compared with an EBITDA of €675 million in 2022. The EBITDA margin increased by 4 basis points to reach 20%.

In € millions	PM&E	L&L	Holding & Intercos	Total
2023 revenue	2,960	2,175	(79)	5,056
Current EBITDA 2023	**750**	**354**	**(101)**	**1,003**
Current EBITDA margin 2023	25%	16%	N/A	20%
2022 revenue	2,629	1,649	(54)	4,224
Current EBITDA 2022	**593**	**205**	**(123)**	**675**
Current EBITDA margin 2022	23%	12%	N/A	16%

Current EBIT

Current EBIT reached €723 million at December 31, 2023, compared with €447 million at December 31, 2022.

In € millions	2022	2023
Revenue	**4,224**	**5,056**
Personnel expenses	(2,097)	(2,376)
Rent expense for variable lease payments	(91)	(135)
Other operating expenses	(1,361)	(1,542)
Current EBITDA	**675**	**1,003**
Accumulated depreciation	(228)	(279)
Current EBIT	**447**	**723**

- Personnel expenses amounted to €2,376 million in 2023 compared with €2,097 million in 2022. The increase in salaries and social charges over the year are notably explained by the integration of Paris Society (full-year effect) and Momense activities, as well as the impact of inflation. The personnel costs incurred on behalf of hotel owners as part of hotel management (and fully recharged to them) mainly concerned hotel assets in North America. Their increase over the year reflects both the stabilization of business levels in this region and wages increase.
- Rent expense, which is the variable portion of rents for hotel assets operated under leases, contractually indexed to their performance, was up over the year. It reached €135 million in 2023 compared to €91 million in 2022.
- Other operating expenses, mainly constituted of marketing costs, advertising and promotional spending, distribution and IT costs, increased in line with the business recovery, even though the Group is pursuing its efforts of cost control.
- Depreciation and amortization for the year amounted to €279 million compared with €228 million at December 31, 2022.

Operating profit

Operating profit was up strongly to €779 million compared with €543 million in 2022.

In € millions	2022	2023
Current EBIT	**447**	**723**
Share of net profit of equity-accounted investments	33	44
Asset impairment	61	37
Restructuring expenses	(38)	(1)
Gains and losses on disposal	43	14
Other non recurring income and expenses	(3)	(38)
Operating profit	**543**	**779**

- The share of net profit of equity-accounted investments was positive at €44 million in 2023 (vs. €33 million in 2022) primarily driven by AccorInvest, which benefited from a rebound of activity, particularly in Europe.
- At December 31, 2023, impairment tests led the Group to book a net impairment reversal of €37 million.
- Restructuring expenses totaled €1 million.
- Gains and losses on disposal amounted to €14 million compared with €43 million at December 31, 2022.

Net profit, Group share

In € millions	2022	2023
Operating profit	**543**	**779**
Net financial income (expenses)	(84)	(100)
Income tax	(76)	(39)
Net profit (loss) from discontinued operations	43	10
Net profit of the year	**426**	**650**
Net profit, Group share	402	633
Non-controlling interests	25	17
Earnings per share *(in euros)*	**1.40**	**2.23**

The net financial expense in 2023 amounted to €100 million, versus €84 million in 2022.

In 2023, the Group accounted a tax expense of €39 million.

Income from discontinued operations amounted to €10 million. It corresponds to a net provision reversal of costs incurred (and after deferred taxes) on AccorInvest assets in respect of guarantees given in connection with the sale of the company in June 2018.

Net profit, Group share was €650 million, compared with €426 million in 2022.

Based on a weighted average number of shares outstanding of 264,055,787, earnings per share were €2.23 in 2023, compared with €1.40 in 2022.

Recurring free cash-flow

In € millions	2022	2023
Current EBITDA	**675**	**1,003**
Cost of net debt	(75)	(59)
Income tax paid	(65)	(144)
Repayment of lease liability (excluding interest)	(73)	(100)
Non-cash income and expenses included in EBITDA	49	43
Funds from operations before non-recurring items	**511**	**743**
Recurring investments	(159)	(218)
Change in working capital and contract assets/liabilities (excluding key money)	20	71
Recurring free cash-flow	**373**	**596**

During FY 2023, Group recurring free cash-flow improved significantly, from €373 million in 2022 to €596 million in 2023. The cash conversion rate came to 59%, in line with the Group objective of "higher than 55%".

Recurring expenditure, which includes key money paid for development as well as digital and IT investments, was slightly higher than in 2022 at €218 million, given the Group's acceleration in the Luxury & Lifestyle segment, in line with the guidance provided at the Investor Day on June 27, 2023.

The change in working capital, which was significantly positive, reflects the reception of fees due from AccorInvest which had benefited from payment deadline extensions following the Covid-19 crisis.

Debt and liquidity profile

Group net financial debt at December 31, 2023 came to €2,074 million, versus €1,658 million at December 31, 2022.

At December 31, 2023, Accor's average cost of debt was 2.5% with an average maturity of around three years, with no major repayments due before 2026.

At end-December 2023, combined with the undrawn credit facility of €1 billion signed in 2023, Accor had a liquidity position of €2.3 billion.

Dividend and Payout ratio

Based on the 2023 results, the dividend distribution policy implemented since 2019 (established on the basis of recurring free cash-flow and a payout rate of 50%), and as recommended by the Board of Directors, Accor will submit to the approval of the Annual Shareholders' Meeting of May 31, 2024 the payment of an ordinary dividend of €1.18 per share.

In € millions	2022	2023
Recurring free cash-flow (1)	**373**	**596**
Weighted average shares outstanding *(in millions of shares)*	263	264
Recurring free cash-flow (1) per share *(in euros)*	1.42	2.26
Dividend per share *(in euros)*	**1.05**	**1.18**
Payout ratio	76.6%	52.2%

(1) Corresponds to current funds from operations (after rent payments), less recurring investments, less change in working capital and contract assets.

RevPAR and hotel portfolio

RevPAR excluding tax by segment – 2023

	Occupancy rate		Average room rate		RevPAR	
2023 vs. 2022	**%**	**Chg. pts LFL**	**€**	**Chg. % LFL**	**€**	**Chg. % LFL**
ENA	67.2	4.2	99	10.8	67	18.0
MEA APAC	67.4	8.8	85	16.6	57	33.4
Americas	58.4	1.6	68	17.2	39	20.4
Premium, Mid. & Eco.	**66.3**	**5.7**	**90**	**13.5**	**60**	**23.9**
Luxury	63.0	8.4	252	5.3	159	21.0
Lifestyle	65.1	5.5	217	5.5	141	14.8
Luxury & Lifestyle	**63.5**	**7.9**	**243**	**5.4**	**154**	**19.7**
TOTAL	**66.0**	**6.0**	**110**	**11.8**	**73**	**22.7**

The **Premium, Midscale & Economy (PM&E)** division grew its RevPAR by 12% versus Q4 2022, still mainly driven by prices rather than the rise in occupancy rates.

- The Europe North Africa (ENA) region posted RevPAR up 8% relative to Q4 2022.
  - In France, which represents 43% of the region's room revenue, RevPAR growth slowed. The Paris region was impacted by unfavorable alternating of major events in 2023, such as the Paris Motor Show, the SIAL food show and the SIMA Agriculture show, which did not take place during the year. Meanwhile, the provinces benefited from steady business levels.
  - The United Kingdom, which represents 13% of the region's room revenue, posted solid and balanced growth in RevPAR between London and other cities.
  - In Germany, 14% of the region's room revenue, RevPAR continued to improve compared with previous quarters, notably from Christmas markets. Nevertheless, occupancy rates still harbor strong upside potential. Indeed, they remain significantly behind pre-crisis levels.
- The Middle East Africa Asia-Pacific region reported a 19% increase in RevPAR compared with Q4 2022, benefiting from a considerable rebound in business in Asia.
  - The Middle East, 26% of the region's room revenue, continued to apply solid high prices combined with a steady Leisure demand despite the conflict in Israel.
  - South-East Asia, 29% of the region's room revenue, saw RevPAR growth comparable to the Middle East, mainly driven by prices and supported by Leisure demand.
  - The Pacific, 26% of the region's room revenue, is now going through a normalization phase with more measured RevPAR growth, driven by occupancy rates in the fourth quarter.
  - In China, 19% of the region's room revenue, the recovery continued with marked RevPAR growth compared with Q4 2022. Business is now slightly higher than the level seen in 2019, as seen in the third quarter.
- The Americas region, which mainly reflects the performances of Brazil (65% of the region's room revenue), reported RevPAR growth up 15% compared with Q4 2022. Business continued to benefit from price increases, notably supported by congresses and events which took place over the period.

The **Luxury & Lifestyle (L&L)** division reported an 8% increase in RevPAR compared with Q4 2022, driven mainly by higher occupancy rates.

- The Luxury segment, which accounts for 77% of the division's room revenue, posted a 10% increase in RevPAR compared with Q4 2022. This increase was driven by the APAC region where growth was robust. Although occupancy rates improved clearly, they are still lagging pre-crisis levels by 5 points.
- Lifestyle RevPAR was stable compared with Q4 2022. The more rapid recovery in this segment led to a less favorable basis of comparison, which was amplified by the soccer World Cup which took place in Qatar in Q4 2022. Adjusted for this event, RevPAR in the Lifestyle segment increased by 6% over the quarter.

Hotel portfolio – December 2023

	Owned & leased hotels		Managed		Franchised		Total	
December 2023	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
ENA	8	2,493	917	137,671	2,033	187,689	2,958	327,853
MEA APAC	41	7,181	790	181,292	814	115,366	1,645	303,839
Americas	54	10,930	167	28,494	228	32,169	449	71,593
Premium, Mid. & Eco.	**103**	**20,604**	**1,874**	**347,457**	**3,075**	**335,224**	**5,052**	**703,285**
Luxury	5	811	294	74,214	74	7,953	373	82,978
Lifestyle	2	153	132	27,509	25	7,593	159	35,255
Luxury & Lifestyle	**7**	**964**	**426**	**101,723**	**99**	**15,546**	**532**	**118,233**
TOTAL	**110**	**21,568**	**2,300**	**449,180**	**3,174**	**350,770**	**5,584**	**821,518**

Outlook

The Group confirmed its medium-term growth prospects as disclosed during the Investor Day on June 27, 2023:

- annualized RevPAR growth between 3% and 4% (CAGR 2023-27);
- average annual network expansion between 3% and 5% (CAGR 2023-27);
- M&F revenue growth between 6% and 10% (CAGR 2023-27);
- a marginally positive EBITDA contribution from Services to Owners;
- EBITDA growth between 9% and 12% (CAGR 2023-27);
- recurring free cash-flow conversion higher than 55%;
- a shareholder payout of around €3 billion over 2023-2027.

5.2 2023 parent company management report

Review of the Company's activities

Accor SA (hereafter "the Company") provides other Group companies with hotel management, procurement, cash management, IT and advertising services, as well as various advisory services, and assigns staff to them as required. Billings for these services correspond either to a percentage of the hotel's revenue and/or profit, either as a flat fee or a fee per service. They are charged on an arm's length basis.

As the Group's holding company, the Company manages a substantial portfolio of equity interests, receives dividends from subsidiaries and leads the Group's expansion.

Accor SA has a foreign branch office in Dubai. Their accounting gain contributed €33 million to the Company's net profit as of December 31, 2023.

2023 was underpinned by solid demand. The hotel performance now significantly exceeds the level recorded in 2019.

Review of 2023 results

Revenue includes Accor SA hotel management fees, lease management fees and income from the provision of services. It reached €1,530 million at the end of December 2023, compared with €1,174 million at the end of December 2022 for all activities. This 30.32% increase, *i.e.* €356 million, can mainly be attributed to the increase in management and franchise fees, reflecting the very strong recovery in business over the year.

	2022	2023
France	502	614
International	672	916
Revenue	**1,174**	**1,530**

Operating income at December 31, 2023 amounted to €140 million, compared with a €29 million loss at end-December 2022, representing an increase of €169 million.

Own work capitalized, reversals of depreciation, amortization and provisions and expense transfers, and other income amounted to €95 million, compared with €70 million at December 31, 2022. This €25 million increase can notably be attributed to:

- reversals of depreciation, amortization and provisions, and expense transfers, up by €21 million, including €9 million in respect of the minimum guarantee on the Royal Monceau hotel, €7 million in deferred charges for loan issuance costs, €3 million in impairment of management contracts, and €2 million in provisions for doubtful customers.

Operating expenses stood at €1,485 million as of December 31, 2023, compared with €1,273 million as of December 31, 2022. This €212 million increase can mainly be attributed to:

- an increase in other purchase and external expenses of €125 million, with in particular:
  - for external fees, a €28 million increase in fixed-price fees, a €19 million increase in advertising and marketing fees, and a €15 million increase in Web fees,
  - for the discounts and rebates item, an increase in procurement transfers for €18 million,
  - an increase in the cost of purchasing IT equipment in SAAS mode for €17 million,
  - an increase in banking commissions for €7 million;
- an increase in payroll and social security contributions of €28 million;
- an increase in operating provisions of €59 million explained by the €44 million rise in provisions for contingencies and charges, of which €52 million relative to loyalty points to refund hotels and partners, a €10 million increase in depreciation and amortization and a €5 million increase in allocations to provisions for impairment of receivables;
- a decrease in other operating expenses of €16 million mainly due to the fall in brand fees billed by Soluxury for €23 million.

Net financial income at end-December 2023, amounted to €698 million, compared with a €57 million loss at end-December 2022, representing an improvement of €642 million. This increase was driven by a €460 million rise in dividends received, and a €128 million increase in provision charges and reversals, including a €149 million increase in impairment of subsidiaries and a €15 million decrease in the provision for foreign exchange losses.

In 2023, dividend income amounted to €717 million compared with €257 million in 2022. This increase was mainly explained by the payment of a dividend by Accor Hotel Belgium for €500 million.

Total provision movements included in net financial income and expense, represented net income of €49 million in 2023, compared with a net expense of €79 million in 2022. Increases and reversals of financial provisions mainly related to the impairment of investments in subsidiaries.

Recurring income before tax of €838 million was recorded at end-December 2023, compared with an expense of €27 million at end-December 2022.

Net non-recurring income totaled €103 million in 2023, versus net non-recurring expenses of €122 million in 2022. This amount can be attributed to:

- the effects of internal legal restructuring and disposals linked to the sale of SCI Sequana, which generated a net capital gain of €106 million, the contributions and disposals of assets held in Momense (Financière Louis and Potel et Chabot) to the Accor Luxury & Lifestyle subsidiary, which generated a net capital gain of €9 million, and the sale of hotel management contracts, which generated a capital gain of €53 million;
- recognition of an expense of €28 million in connection with the exercise of the vendor warranties relating to property appraisal costs paid to AccorInvest;

- the recognition of a €43 million charge for payment of the withholding tax on distributions made in 2003 and 2004, which Accor SA had obtained to be reimbursed in 2021, offset by a €53 million reversal of the provision;
- recognition of the costs of organizing the Group into two divisions: "Premium, Midscale & Economy", and "Luxury & Lifestyle" for €34 million.

In 2023, **income tax** broke down into group relief of €13 million and an income tax benefit of €2 million, compared with group relief of €14 million and an income tax expense of €0.4 million at December 31, 2022.

The Company ended 2023 with a **net profit** of €956 million, versus a profit of €164 million at end-December 2022.

Details of the other directorships and positions held by the Company's directors and corporate officers, as well as their compensation, are provided in the "Corporate Governance" section of the Universal Registration Document.

Five-year financial summary

Type of transactions *In € millions*	**2019**	**2020**	**2021**	**2022**	**2023**
Year-end financial position					
Share capital	813	784	786	789	757
Share capital in number of shares	270,932,350	261,382,728	261,856,268	263,031,794	252,289,352
Annual transactions and results					
Revenue excl. tax	1,218	531	630	1,174	1,530
Profit before tax, depreciation, amortization and provisions	90	(33)	(522)	250	952
Income tax	(19)	(3)	(16)	(14)	(15)
Profit after tax, depreciation, amortization and provisions	208	(1,055)	(540)	164	956
Profits distributed	284	-	-	276	298
Earnings per share *(in units)*					
Profit after tax but before depreciation, amortization and provisions	0.40	(0.11)	(1.93)	1.01	3.83
Profit after tax, depreciation, amortization and provisions	0.77	(4.03)	(2.06)	0.62	3.79
Net dividend allocated to each share	1.05	-	-	1.05	1.18
Staff					
Number of employees[1]	1,419	1,298	1,183	1,129	1,146
Payroll and other employee benefits (social security, other staff benefits, etc...)	196	141	151	146	176

(1) Headcount at the expense of Accor SA.

Supplier payment periods

	Invoices received and past due at year-end (incl. tax)					
	0 days	1 to 30 days	31 to 60 days	61 to 90 days	More than 91 days	Total 1 day or more
(A) Breakdown of past due payments						
Number of invoices	3,131	581	161	66	271	1,079
Total amount of invoices *(€)*	118,525,040	19,018,875	12,405,903	4,714,067	5,274,001	41,412,847
Percentage of total purchases for the period (excl. tax)	11.17%	1.79%	1.17%	0.44%	0.50%	3.90%
Percentage of revenue for the period (excl. tax)	N/A	N/A	N/A	N/A	N/A	N/A
(B) Invoices excluded from (A) relating to disputed or unrecognized payables and receivables						
Number of invoices excluded	N/A	N/A	N/A	N/A	N/A	N/A
Total amount of invoices excluded *(€)*	N/A	N/A	N/A	N/A	N/A	N/A
(C) Reference payment terms used (contractual or statutory pursuant to Article L. 441-6 or L.441-10 of the French Commercial Code)						
Payment terms used to calculate past due payments	Contractual terms: 60 days after invoice date					

Customer payment periods

	Invoices issued and past due at year-end (incl. tax)					
	0 days	1 to 30 days	31 to 60 days	61 to 90 days	More than 91 days	Total 1 day or more
(A) Breakdown of past due payments						
Number of invoices	6,392	594	603	416	3,005	4,618
Total amount of invoices *(€)*	235,551,559	15,387,968	12,111,811	19,567,502	72,432,315	354,903,391
Percentage of total purchases for the period (excl. tax)	N/A	N/A	N/A	N/A	N/A	N/A
Percentage of revenue for the period (excl. tax)	15.40%	1.01%	0.79%	1.28%	4.73%	23.20%
(B) Invoices excluded from (A) relating to disputed or unrecognized payables and receivables						
Number of invoices excluded	N/A	N/A	N/A	N/A	N/A	N/A
Total amount of invoices excluded *(€)*	N/A	N/A	N/A	N/A	N/A	N/A
(C) Reference payment terms used (contractual or statutory pursuant to Article L. 441-6 or L.441-10 of the French Commercial Code)						
Payment terms used to calculate past due payments	Statutory terms: 30 days after invoice date					

Accor SA transactions in 2023

During the year, Accor SA benefited from a recovery in business in its tourism and hotel industry.

Accor SA's business activities in 2023 were impacted by the following events:

- In January 2023, Accor SA increased its interest in Reef Technology to 4.98%, as a result of acquiring a 2.65% shareholding from its subsidiary, Gourmet Experience. On May 31, 2023, the Reef group carried out an internal reorganization leading to the separation of the group's two businesses and the creation of two entities, Reef Proximity Aggregator ("Proximity") and Parking Aggregator ("Parking"). As part of this reorganization, Accor exchanged its shares in Reef Technology for a 19.8% stake in Reef Proximity and a 1.6% stake in Reef Parking. Accor also invested €23 million in convertible bonds issued by Reef Proximity TopCo, a subsidiary of Reef Proximity.
- On April 27, 2023, the Board of Directors of Accor Acquisition Company (AAC) (a SPAC vehicle) resolved that the company would not complete an acquisition within the twenty-four month deadline provided in its bylaws and decided to proceed with the buyback of all its market shares to be cancelled by way of capital reduction. On June 2, 2023, all the 27,702,143 market shares were bought back, at a unit price of €10, in accordance with the bylaws and the terms and conditions of the market shares. Accor received €20 million from the buyback and became the majority shareholder of AAC. On June 27, 2023, the Combined Shareholders' Meeting voted to dissolve the company and appointed Accor SA as liquidator. This transaction generated a net capital loss of €14 million.
- On June 22, 2023, the Group sold 99% of its shares in SCI Sequana, which owns its head office building located in Issy-les-Moulineaux and the related bank debt, to The Valesco Group. This transaction generated a net gain of €106 million.
- On August 3, 2023, Accor SA sold its interests in Risma, namely a 33% equity stake and bonds issued by Risma. This transaction generated a net gain of €8 million.
- On October 12, 2023, the contribution of shares and bonds in companies in the Momense Group, Financière Louis and Pôtel et Chabot to its subsidiary, Accor Luxury & Lifestyle, with a value of €29 million in exchange for shares in the subsidiary. This transaction generated a gain of €9 million. On the same day, Accor SA sold bonds for €3 million without any gain or loss on the disposal.

Transactions in Accor SA shares

By resolution of the Annual Shareholders' Meeting held on May 17, 2023, Accor SA paid an ordinary dividend for 2022 of €277 million or €1.05 per share.

On May 27, 2013, Accor SA appointed a bank to act as market maker in its shares on the NYSE Euronext Paris stock exchange, under a liquidity contract complying with the Code of conduct issued by the French Financial Markets Association (AMAFI) and recognized by the French securities regulator (AMF).

To fund the contract, €30 million in cash was allocated to the liquidity account. In 2022, this was cut by €10 million, reducing to €20 million the liquidity made available. The related bank fees amount to a total of €260,000 per year.

In October 2023, Accor SA signed a €400 million share buyback contract with Natixis. Under its terms, the bank bought back 12,641,226 Accor SA shares for €400 million.

In December 2023, Accor SA reduced its share capital by purchasing and canceling 12,641,226 shares.

In 2023, the equity changed as a result of the issue of 1,898,784 new shares and the cancellation of 12,641,226 shares.

These operations reduced the share capital by €32 million.

Financing and placements

In September 2023, Accor SA repaid the balance of €295 million on its €500 million bond issued in September 2015.

In October 2023, Accor SA launched a perpetual hybrid bond issue of €500 million on the market, Accor issued €500 million perpetual hybrid bonds in October 2023. The company then launched an offer to buyback its deeply subordinated undated bonds issued on January 31, 2019. This transaction was successful, with all this hybrid debt bought back by December 31, 2023.

In December 2023, Accor SA entered into an agreement with a consortium of 13 banks for a new €1 billion revolving credit facility (RCF). This new five-year credit facility has two one-year extension options, which can be exercised in 2024 and 2025, and replaces the €1.2 billion undrawn credit facility concluded in June 2018.

As of December 31, 2023, Accor SA had the following bank debts:

- a €600 million, 1.25% seven-year bond issue carried out in January 2017; In November 2021, this issue was partially redeemed by €243 million, bringing the outstanding amount to €357 million at December 31, 2021;
- a seven-year bond issue carried out in February 2019 at a rate of 1.750% and an initial amount of €600 million;
- €500 million in 0.7% seven-year OCEANE bonds (bonds that can be converted and/or swapped for new or existing shares) issued in December 2020 for an initial amount of €500 million;
- a seven-year Sustainability-Linked Bond issued in November 2021 for €700 million with a 2.375% coupon.

Accor SA also has other equity capital breaking down as follows:

- a €500 million hybrid bond issued in October 2019 at 2.625% with a first call date in 2025;
- a €500 million hybrid bond issued in October 2023 at 7.250% with a first call date in 2029.

The company also benefits from an undrawn bank credit line for an amount of €1,000m, maturing in December 2028, with two one-year extension options, exercisable in 2024 and 2025.

In addition, as of December 31, 2023, the Company had €292 million in term deposits and €515 million in cash. The Company also has €382 million invested in mutual funds.

Information about subsidiaries

Accor SA has a 50% or higher interest in 79 companies. Interests are outlined in the table of subsidiaries and interests found in the section that immediately follows the parent company financial statements.

Acquisitions of equity interests in companies headquartered in France

In February 2023, Accor SA took a 17.70% stake in K-Challenge Lab.

In June 2023, Accor SA acquired a 19% stake in EO Concept, a subsidiary of Energy Observer in which Accor SA holds a 10.91% stake.

In June 2023, Accor SA took a 36.47% stake in Alltheway.

In December 2023, Accor SA subscribed to 100% of the capital of Société Hôtelière de Prytanée.

Subsequent events

No significant event occurred between the closing date and the date of issuance of the interim condensed consolidated financial statements.

5.3 Material contracts

In fiscal 2023, material contracts (other than contracts entered into in the ordinary course of business) corresponded to agreements signed in relation to disposals, and external growth transactions concluded on an arm's length basis. These contracts are described in the consolidated financial statements in notes 3 and 6.

5.4 Subsequent events

On January 30, 2024, Accor entered into an agreement with Travel + Leisure to sell Accor Vacation Club, its timeshare business in Australia, New Zealand and Indonesia on the basis of an enterprise value of AUD78 million (€48 million). The agreement also includes an exclusive franchise agreement for Travel + Leisure's future new timeshares under the Accor brands in Asia Pacific, the Middle East, Africa and Turkey. This transaction is in line with the Group's asset-light strategy and is expected to be completed by the end of the first quarter of 2024.

6

Section

Financial statements

Les Capitouls Toulouse Centre - Handwritten Collection - France

6.1 Consolidated financial statements and notes

Unless stated otherwise, the amounts presented are in millions of euros, rounded to the nearest million. In general, the amounts presented in the consolidated financial statements and the notes to the financial statements are rounded to the nearest unit. This may result in a non-material difference between the sum of the rounded amounts and the reported total. All ratios and variances are calculated using the underlying amounts rather than the rounded amounts.

6.1.1 Consolidated income statement

(in millions of euros)	Notes	2022	2023
Revenue	**4**	**4,224**	**5,056**
Operating expense	4	(3,549)	(4,053)
EBITDA	**4**	**675**	**1,003**
Depreciation and amortization		(228)	(279)
EBIT		**447**	**723**
Share of net profit/(loss) of equity-investments	6	33	44
EBIT including share of net profit/(loss) of equity-investments		**480**	**768**
Other income and expenses	7	63	12
Operating profit		**543**	**779**
Net financial expense	11	(84)	(100)
Income tax	12	(76)	(39)
Profit from continuing operations		**384**	**640**
Profit from discontinued operations	3	43	10
Net profit of the year		**426**	**650**
• **Group share**		**402**	**633**
• from continuing operations		359	623
• from discontinued operations		43	10
• **Minority interests**		**25**	**17**
• from continuing operations		25	17
• from discontinued operations		-	-
Basic earnings per share *(in euros)*			
Earnings per share from continuing operations		1.23	2.19
Earnings per share from discontinued operations		0.16	0.04
Basic earnings per share	**13**	**1.40**	**2.23**
Diluted earnings per share *(in euros)*			
Diluted earnings per share from continuing operations		1.23	2.18
Diluted earnings per share from discontinued operations		0.16	0.04
Diluted earnings per share	**13**	**1.39**	**2.22**

6.1.2 Consolidated statement of other comprehensive income

(in millions of euros)	Notes	2022	2023
Net profit of the year		**426**	**650**
Currency translation adjustments	13	101	(42)
Effective portion of gains and losses on hedging instruments	13	69	(20)
Items that may be reclassified subsequently to profit or loss		**171**	**(62)**
Changes in the fair value of non-consolidated investments	13	142	53
Actuarial gains and losses on defined benefit plans	13	12	(3)
Items that will not be reclassified to profit or loss		**154**	**50**
Other comprehensive income, net of tax		**325**	**(12)**
Total comprehensive income of the year		**751**	**638**
• Group share		720	625
• Minority interests		31	13

6.1.3 Consolidated statement of financial position

Assets

(in millions of euros)	Notes	Dec. 2022	Dec. 2023
Goodwill	**8**	**2,282**	**2,340**
Other intangible assets	**8**	**3,128**	**3,156**
Property, plant & equipment	**8**	**305**	**416**
Right-of-use assets	**9**	**430**	**689**
Equity-accounted investments	6	1,012	988
Other non-current financial assets	11	438	310
Non-current financial assets		**1,450**	**1,298**
Deferred tax assets	12	193	229
Non-current contract assets	4	339	357
Other non-current assets		2	1
Non-current assets		**8,129**	**8,486**
Inventories	4	19	36
Trade receivables	4	794	824
Other current assets	4	403	434
Current financial assets	11	37	152
Cash and cash equivalents	11	1,643	1,283
Assets classified as held for sale	3	687	53
Current assets		**3,584**	**2,781**
TOTAL ASSETS		**11,713**	**11,267**

Equity and Liabilities

(in millions of euros)	Notes	Dec. 2022	Dec. 2023
Share capital	13	789	757
Additional paid-in capital and reserves	13	2,868	2,541
Net profit of the year		402	633
Ordinary shareholders' equity		**4,059**	**3,931**
Perpetual subordinated bonds	13	1,000	1,000
Shareholders' equity – Group share		**5,059**	**4,931**
Minority interests	13	397	380
Shareholders' equity	**13**	**5,456**	**5,311**
Non-current financial debt	11	2,261	1,887
Non-current lease liabilities	9	377	639
Deferred tax liabilities	12	540	491
Non-current provisions	10	79	31
Pensions and other benefits	5	47	52
Non-current contract liabilities	4	33	27
Non-current liabilities		**3,337**	**3,127**
Current financial debt	11	608	736
Current lease liabilities	9	92	110
Current provisions	10	165	99
Trade payables	4	489	515
Current liabilities	4	859	887
Current contract liabilities	4	193	152
Loyalty program liabilities	11	239	319
Liabilities associated with assets classified as held for sale	3	276	13
Current liabilities		**2,920**	**2,829**
TOTAL EQUITY AND LIABILITIES		**11,713**	**11,267**

6.1.4 *Consolidated statement of cash flows*

(in millions of euros)	Notes	2022	2023
EBITDA	4	675	1,003
Interests received/(paid)	11	(75)	(59)
Income tax paid		(65)	(144)
Non-cash revenue and expenses included in EBITDA		49	43
Funds from (used in) operations		**584**	**843**
Decrease/(increase) in working capital	4	18	(29)
Decrease/(increase) in contract assets and liabilities	4	39	12
Net cash flows from (used in) current operating activities		**640**	**826**
Cash received/(paid) on non-recurring items		(129)	(129)
Net cash flows used in operating activities of discontinued operations	3	-	(28)
Net cash flows from (used in) operating activities (A)		**511**	**669**
Acquisition of subsidiaries, net of cash acquired	8	(82)	(85)
Acquisition of property, plant and equipment and intangible assets	8	(111)	(254)
Acquisition of equity-investments and non-current financial assets		(133)	(84)
Loans granted to third parties		(17)	(55)
Proceeds from disposal of subsidiaries, net of cash transferred	3	7	106
Proceeds from disposal of equity-investments and non-current financial assets	3	158	371
Dividends received		20	18
Net cash flows from (used in) investing activities (B)		**(157)**	**16**
Increase/(decrease) of rights granted over share capital	13	2	-
Acquisition of minority interests	3	(19)	(24)
Disposal of minority interests	3	180	-
Share buyback programs	13	-	(401)
Issuance of perpetual subordinated bonds	13	-	495
Proceeds from issue of perpetual subordinated bonds	13	-	(501)
Coupons on perpetual subordinated bonds	13	(35)	(45)
Dividends paid		(12)	(297)
New loans issued	11	1,558	1,020
Repayment of loans	11	(1,977)	(1,179)
Repayment of lease liabilities	9	(73)	(100)
Changes in other short-term debts	11	(5)	(12)
Net cash flows from (used in) financing activities (C)		**(381)**	**(1,045)**
Net change in cash and cash equivalents (D) = (A) + (B) + (C)		**(27)**	**(359)**
Cash and cash equivalents at beginning of the period		**1,658**	**1,625**
Net change in cash and cash equivalents		(27)	(359)
Effect of changes in exchange rates on cash and cash equivalents		(8)	(15)
Reclassification of change in cash and cash equivalents from assets held for sale		1	29
Cash and cash equivalents at end of the period		**1,625**	**1,279**

6.1.5 Consolidated statement of changes in equity

(in millions of euros)	Number of shares	Share capital	Additional paid-in capital	Currency translation reserve	Reserves	Equity Group share	Minority interests	Total Equity
Balance as at January 1, 2022	**261,856,268**	**786**	**1,675**	**(229)**	**2,041**	**4,272**	**314**	**4,586**
Capital increase	1,175,526	4	0	-	(4)	0	(0)	(0)
Dividends paid	-	-	-	-	(0)	(0)	(8)	(9)
Share-based payments	-	-	-	-	43	43	-	43
Perpetual subordinated bonds	-	-	-	-	(35)	(35)	-	(35)
Effects of scope changes	-	-	-	-	94	94	49	143
Other movements	-	-	-	-	(36)	(36)	13	(24)
Transactions with shareholders	**1,175,526**	**4**	**0**	**-**	**63**	**66**	**53**	**119**
Net profit of the year	-	-	-	-	402	402	25	426
Other comprehensive income	-	-	-	95	223	319	6	325
Total comprehensive income	**-**	**-**	**-**	**95**	**625**	**720**	**31**	**751**
Balance as at December 31, 2022	**263,031,794**	**789**	**1,675**	**(133)**	**2,728**	**5,059**	**397**	**5,456**

(in millions of euros)	Number of shares	Share capital	Additional paid-in capital	Currency translation reserve	Retained earnings	**Equity Group share**	Minority interests	**Total Equity**
Balance as at January 1, 2023	**263,031,794**	**789**	**1,675**	**(133)**	**2,728**	**5,059**	**397**	**5,456**
Capital increase	1,898,784	6	(4)	-	(2)	-	0	0
Share buyback	(12,641,226)	(38)	(362)	-	(2)	(401)	-	(401)
Dividends paid	-	-	-	-	(277)	(277)	(16)	(293)
Share-based payments	-	-	-	-	38	38	-	38
Perpetual subordinated bonds	-	-	-	-	(43)	(43)	-	(43)
Effects of scope changes	-	-	-	-	(7)	(7)	(10)	(18)
Other movements	-	-	-	-	(63)	(63)	(4)	(67)
Transactions with shareholders	**(10,742,442)**	**(32)**	**(366)**	**-**	**(355)**	**(753)**	**(30)**	**(783)**
Net profit of the year	-	-	-	-	633	633	17	650
Other comprehensive income	-	-	-	(38)	31	(7)	(4)	(12)
Total comprehensive income	**-**	**-**	**-**	**(38)**	**663**	**625**	**13**	**638**
Balance as at December 31, 2023	**252,289,352**	**757**	**1,309**	**(171)**	**3,036**	**4,931**	**380**	**5,311**

6.1.6 *Notes to the consolidated financial statements*

NOTE 1 BASIS OF PREPARATION

The consolidated financial statements of Accor Group for the year ended December 31, 2023, were authorized for issue by the Board of Directors on February 21, 2024. They will be submitted to shareholders for final approval at the Annual General Meeting on May 31, 2024.

The consolidated financial statements comprise the financial statements of Accor SA ("the Company") and its subsidiaries (collectively "the Group") as well as the Group's interests in entities accounted for under the equity method (associates and joint ventures).

1.1. Accounting framework

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board ("IASB") and adopted by the European Union as at December 31, 2023. These standards are available on the European Commission's website[1].

New standards and amendments

As at December 31, 2023, the Group applied the same accounting policies and measurement methods as for the consolidated financial statements for the year ended December 31, 2022, except for changes required by new IFRS applicable from January 1, 2023.

IFRS 17 Insurance Contracts

The application of IFRS 17, mandatory from January 1, 2023, had no significant impact on the Group's consolidated financial statements. This new standard replaces IFRS 4 and applies to all insurance contracts, *i.e.*, contracts under which the issuer accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder.

IFRS 17 applies to Comura's business. This subsidiary, specialized in reinsurance, covers notably property damages and third-party liability risks for half of the hotels of the network.

The Group also analyzed its hotel management contracts where a contractually agreed performance is provided to owners and concluded that these contracts do not contain any significant insurance coverage component. These guarantees must therefore be analyzed regarding the IFRS 15 revenue recognition requirements.

Revenue from reinsurance contracts and related expenses amounted both to €61 million in 2023.

Amendments to standards

The application of following amendments, mandatory from January 1, 2023, had no significant impact on the Group's consolidated financial statements:

- Amendment to IAS 1 *Disclosure of accounting policies* clarifies the information to be provided regarding "material" accounting policies, which are those that could influence the decisions that users make based on the financial statements.
- Amendment to IAS 8 *Definition of accounting estimates* clarifies how to distinguish changes in accounting policies from changes in accounting estimates as the accounting treatments are not the same.
- Amendments to IAS 12 Deferred tax related to Assets and Liabilities arising from a Single Transaction require to recognize a deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences (lease contracts and decommissioning obligations).

(1) *https://eur-lex.europa.eu/legal-content/FR/TXT/?uri=CELEX%3A02008R1126-20230101*

- The amendment to IAS 12 *International Tax Reform Pillar 2* introduces a temporary exception from accounting for deferred taxes arising from the implementation of the Pillar II model rules. This amendment follows the publication of the tax reform drawn up by the OECD, which aimed in particular to establish a 15% minimum tax rate in each jurisdiction where the Group operates.

The Group has implemented a project to identify the impacts of this new tax reform mandatory in France from 2024. According to an initial assessment based 2022 CbCR ("Country by Country Reporting") data, the effective tax rates would be above 15% in most jurisdictions where the Group operates. The Group has identified approximately fifteen countries potentially affected by the introduction of Pillar 2. However, the internal reorganization implemented since January 2023 might modify this first list. The Group continues its efforts to refine the assessment and impacts of this reform.

Future standards, amendments, and interpretations

The Group has not applied any standards, amendments to standards or interpretations in advance as at January 1, 2023, regardless of whether they were or not adopted by the European Union.

The amendment to IAS 1 *Classification of liabilities as current or non-current*, mandatory from January 1, 2024, specifies that the classification as a current or non-current liability should be based on the rights, which exist at the end of the reporting period, to defer settlement for at least twelve months after the reporting date. This amendment should not have a significant impact on the Group's financial statements.

1.2. Foreign currency translation

The consolidated financial statements are presented in euros, which is the Company's functional currency.

Financial statements denominated in foreign currencies

The financial statements of consolidated companies are prepared in their functional currency, corresponding to the currency of the primary economic environment in which the company operates. The financial statements of foreign operations whose functional currency is not the euro are translated into euros as follows:

- assets and liabilities are translated at the closing exchange rate;
- income and expenses are translated at the average exchange rate of the period, unless the use of the average rate is inappropriate due to significant fluctuations in exchange rates;
- the resulting translation gains and losses are recognized in other comprehensive income on the line "Currency translation adjustments" and are recycled to profit or loss when all or part of the investment in the foreign operation is derecognized (*i.e.*, when the Group no longer exercises control, joint control or significant influence over the company).

Foreign currency transactions

Transactions by Group companies that are denominated in a currency other than the company's functional currency are translated at the transaction date exchange rate. At closing date, the corresponding receivables and payables are translated using the closing exchange rate. The resulting unrealized foreign exchange gains and losses are recognized in financial income and expenses.

1.3. Use of estimates and judgments

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at closing date, income and expenses of the year and accompanying disclosures. Management also needs to exercise judgement in applying the Group's accounting policies. Actual outcome may vary from these estimates, due to changes in facts and circumstances.

The estimates and assumptions used are reviewed on an on-going basis, based on historical experience and all other factors considered to be decisive given the environment and circumstances. The main areas that involved significant estimates and a high degree of judgement are:

- the useful lives of tangible and intangible assets;
- the measurement at fair value of consideration transferred and intangible assets acquired in business combinations;
- the measurement of the recoverable value of goodwill and other non-current assets;
- the measurement of the recoverable value of equity-accounted investments;
- the assessment of lease term and measurement of lease liability;
- the measurement of variable considerations from contracts with hotel owners;
- the measurement of unexercised benefits granted to customers under the loyalty program ("breakage");
- the assumptions used to determine obligations under pension plans and share-based payment plans;
- the assessment of available future taxable profits over which deferred tax assets can be utilized;
- the fair value measurement of financial assets;
- the measurement of provisions.

1.4. Climate risks

Accor estimates that climate change could have physical impacts by 2030-2050, particularly in extreme scenarios (temperature increase of 4°C). Some hotels could be threatened by flooding linked to rising water levels or severe heat waves leading to increase investing and operating costs.

Given its asset-light model, the Group holds few hotel assets located in high-risk areas, whose book value could be significantly affected by climate change. In addition, Accor has identified management contracts, recognized as intangible assets, for hotels located in areas potentially exposed to climate risks by 2030-2050, in a +4°C scenario. The analyses carried out by the Group concluded that there is an immaterial risk on the total fixed assets.

The Group is studying the risks and opportunities related to climate change that could affect its business. Business travel, could also be negatively affected in the medium term as most companies, committed to reduce carbon emissions may have to reduce the business trips of their employees. At the same time, the paradigm shift will also create multiple revenue opportunities in short-haul leisure travel and for more competitive low carbon hotels, in line with Accor's objectives.

The consequences of climate change on the Group's business, which depends on multiple external factors (business travel, air traffic, consumer choices, etc.) and the remediation plans implemented, remain difficult to foresee, particularly looking beyond 2030. For its five-year business plan used for the impairment tests of non-current assets, the Group adopted assumptions consistent with the macroeconomic trends resulting from independent market studies which reflected a reduction in international travel on medium term. In addition, Accor performed sensitivity analyses on the perpetuity growth rate, presented in Note 8.3.

Furthermore, the Group is accelerating its transition towards a more sustainable model to contribute to a global carbon neutrality by 2050. In line with this strategy, in November 2021, the Group issued Sustainability-Linked Bonds where the bond coupons are linked to the greenhouse gas emission reduction targets of the Group and its network (see Note 11.3.2). As at December 31, 2023, when determining the effective interest rate of the debt, the Group considered that the targets will be met. In addition, when drawing up its business plan, the Group has estimated that it would not bear additional costs for the achievement of the objectives assigned to the hotels of its network.

In October 2023, Accor set up a new undrawn credit facility indexed to three environmental, social, and governance ("ESG") criteria, one of which relates to the greenhouse gas emission reduction targets of the Group and its network (see Note 11.3.2).

Finally, since 2022 the Group has introduced environmental criteria into the variable compensation of managers and some employees. For 2022 and 2023 fiscal years, the Group set up share-based payments plans for some of its employees and managers, whose performance criteria include carbon footprint reduction targets by the end of 2024. The achievement of these criteria was considered when assessing the charge relating to these plans (see Note 5).

Based on these elements, the judgments and estimates made by Management regarding the consequences of climate change and the transition to a low-carbon economy did not have a significant impact on the consolidated financial statements as at December 31, 2023.

NOTE 2 SIGNIFICANT EVENTS IN THE CURRENT YEAR

2.1. New acceleration in activities

Group's activities

The year 2023 was marked by the continued growth of the Group's operating and financial performances, after a year 2022 characterized by the recovery of activity post Covid-19 pandemic. The performance of the hotel network now significantly exceeds the level of 2019 in all geographical areas and segments, notably driven by higher prices.

Europe, which experienced a gradual post-crisis rebound during the first quarter of 2022, benefited from the return of international travelers in early 2023, resulting in occupancy rates similar to pre-crisis levels, combined with higher prices than in 2019. Asia, after a late activity recovery at the end of 2022, benefited from a sustained growth thanks to a price momentum combined with a clear improvement in occupancy.

The RevPAR (Revenue Per Available Room) of the hotel network increased by 23% compared to 2022. The occupancy rate reached 66%.

Consolidated revenue amounted to €5,056 million in 2023, compared to €4,224 million in 2022 (see Note 4.1). It significantly exceeded the revenue of €4,049 million in 2019, which the Group used as a reference period in the context of the Covid-19 health crisis.

Cash management

As at December 31, 2023, Accor has a stable financial structure, with net cash and cash equivalent of €1,279 million.

In October 2023, the Group refinanced its €500 million hybrid bond issued in January 2019 (see Note 13.1.3). In December 2023, Accor entered into an agreement with a consortium of 13 banks to set up a new €1 billion credit facility. This new five-year credit line with two one-year extension options, exercisable in 2024 and 2025, replaces the €1.2 billion undrawn credit facility concluded in June 2018.

The Group's long-term credit ratings were favorably revised during the year by Standard & Poor's and Fitch Rating (see Note 11.3.3).

2.2. Change in the Group's organization

In a context of acceleration of its activity, the Group has changed its organization to meet the expectations of its customers more efficiently and effectively, addressing their needs and facing the challenges related to the transformation of its markets. Accor aims to specialize its teams, simplify, and industrialize its operational processes to accelerate its growth.

This change resulted in the setting up, on January 1, 2023, of two independent divisions, with clearly identified expertise, ambitions and objectives:

- the "Premium, Midscale & Economy" division, organized by geographical area, which notably includes ibis, Novotel, Mercure, Swissôtel, Mövenpick and Pullman brands;
- the "Luxury & Lifestyle" division, organized by brand, which brings together the Group's collection of Luxury brands such as Fairmont, Orient Express, Raffles, Sofitel, MGallery and Emblems as well as its Lifestyle activity carried by Ennismore.

This new organization led the Group to modify its internal reporting and, consequently, to review the identification of its operating segments (see Note 4) and the composition of its groups of cash-generating units (see Note 8.3).

2.3. Other significant events

Other key events of the financial year are summarized below:

- the acquisition of Momense Group (Note 3.1.1);
- the sale of SCI Sequana that owns the Group's head office (Note 3.1.2);
- the restructuring of the Group's stake in REEF Technology Inc. (Note 3.1.3);
- the sale of the Group's stake in Risma, the first hotel operator in Morocco (Note 3.1.3);
- the liquidation of the SPAC (Special Purpose Acquisition Company) Accor Acquisition Company (AAC) (Note 3.1.4);
- the disposal of the residual stake in H World Group Ltd (formerly Huazhu Group Ltd) (Note 3.1.4);
- the refinancing of the €500 million perpetual hybrid bond issued in January 2019 (Note 13.1.3); and
- the execution of a €400 million share buyback program (Note 13.1.4).

NOTE 3 GROUP STRUCTURE

3.1. Changes in the scope of consolidation

The list of the main consolidated companies as at December 31, 2023 is presented in Note 15.3.

ACCOUNTING POLICY

Basis of consolidation

Full consolidation method

Entities over which the Group exercises exclusive control, directly or indirectly, are fully consolidated. Control is deemed to exist when the Group is exposed, or has rights, to variable returns from its involvement with an investee and has the ability to affect those returns through its power. In the hospitality industry, assessment of power relies on the ability to make all operational, financial and strategic management decisions. In practice, this means that the investor has the power to appoint the hotel's management and to approve the business plan. More specifically, for the case of managed hotels, Accor acts on behalf and for the benefit of the hotel owner and, as such, is considered as an agent for the owner.

All transactions between consolidated companies are eliminated, together with all intra-group profits (gains, dividends, etc.). Newly acquired subsidiaries are consolidated from the date when control is acquired.

Equity method (applied to associates and joint ventures)

Entities over which the Group exercises significant influence (associates) and arrangements whereby the Group shares joint control and has rights only to the net assets of the arrangement (joint ventures) are accounted for by the equity method.

Significant influence is the power to participate in the financial and operating policy decisions of the investee without having control or having joint control of those policies. If the Group holds 20% or more of the voting power of the investee, it is presumed to have significant influence. In some countries, Accor may choose to acquire a minority interest in a local company that is then used as a vehicle for developing hotel projects. In exchange for its investment, Accor may be granted the right to manage the hotels concerned. In most cases, Accor has a seat on the Board, allowing it to participate in decisions.

Joint control is the contractually agreed sharing of control of an arrangement between two or more partners, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The principles applicable to investments accounted for by the equity method are presented in Note 6.

Investments in non-consolidated companies

When the Group does not exercise control, joint control or significant influence over the financial and operating policy decisions of an investee, the investment is accounted for as a financial asset measured at fair value, as explained in Note 11.2. It is presented as an investment in non-consolidated companies under "Other non-current financial assets" in the statement of financial position.

Business combinations

Business combinations are accounted for using the acquisition method.

The acquisition price corresponds to the acquisition-date fair value of the consideration transferred to the vendor in exchange for control of the investee, including any contingent consideration. Goodwill arising from a business combination is measured as the difference between:

- the fair value of consideration transferred, increased by the amount of any non-controlling interest recognized and, if applicable, the fair value of any previously held interest in the acquiree; and
- the acquisition-date fair value of the assets acquired, and liabilities assumed.

In the case of a bargain purchase, the negative goodwill is recognized immediately as profit in the consolidated income statement.

In a business combination involving the acquisition of an interest of less than 100%, non-controlling interests in the acquiree are measured at either:

- their proportionate share in the acquiree's identifiable net assets, leading to the recognition of a goodwill only for the share acquired ("partial goodwill" method); or
- their fair value, leading to the recognition of the goodwill attributable to these non-controlling interests ("full goodwill" method).

Identifiable assets acquired and liabilities assumed are initially measured at their fair value at acquisition date. The accounting for the business combination is completed during a twelve-month measurement period following the acquisition date.

Contingent consideration is included in the acquisition price at its acquisition-date fair value, regardless of the probability that it will be paid. Adjustments to the provisional accounting for the business combination during the measurement period are recognized by adjusting goodwill when they relate to facts and circumstances that existed at the acquisition date. When this is not the case, and after the end of the measurement period, adjustments are recognized directly in the income statement.

When a business combination is achieved in stages, the previously held equity interest is remeasured at fair value at the acquisition date through profit or loss. The attributable other comprehensive income, if any, is fully reclassified to profit or loss. In order to determinate the goodwill, the acquisition price is increased with the fair value of previously held interest.

The costs directly related to the acquisition are recorded under "Other income and expenses" in the period in which they are incurred, except for the costs of issuing equity instruments.

Disposals resulting in a loss of control

If a transaction leads to a loss of exclusive control, the carrying amounts of the subsidiary's assets (including goodwill) and liabilities are derecognized, together with minority interests, and the disposal gain, or loss is recognized in the income statement. If the Group retains a residual interest in the subsidiary sold, the remaining investment is reclassified under "Investments in associates and joint ventures" or "Investments in non-consolidated companies" as appropriate and remeasured at fair value through profit or loss. The total gain or loss recognized on the date when control is lost corresponds to the sum of the gain or loss realized on the sold interest and the gain or loss arising from remeasurement at fair value of the residual interest.

3.1.1. Momense takeover

On October 12, 2023, the Group acquired an additional 63.38% stake in the Momense Group (Potel & Chabot) for €62 million. After this transaction, Accor became the sole shareholder of Momense, which has been integrated into the Group's Luxury & Lifestyle division.

Founded in 1820, Momense has developed incomparable know-how in organizing prestigious, tailor-made receptions and has become the leading caterer for major events in France and abroad through its two brands Potel & Chabot and Saint-Clair. Its offer covers three activities: receptions for large companies and private customers, major sporting and cultural events and management of exceptional venues. Accor will fully benefit from synergies resulting from this acquisition and from Momense's recognized know-how in catering and organization of high-end events.

The transaction qualifies as a business combination under IFRS 3 *Business Combinations* and is accounted for using the acquisition method. The goodwill amounts to €67 million based on:

- a transaction price for the 63.38% stake of €62 million;
- the fair value of the share previously held, so far accounted for using the equity method, of €30 million, whose revaluation generated a profit of €20 million recognized in other income and expenses in the income statement; and
- net assets acquired of €26 million, including mainly property, plant and equipment and rights-of-use assets (€70 million), Potel & Chabot and Saint-Clair trademarks (€20 million), customer relationships (€10 million), cash (€15 million) and financial and lease liabilities (€57 million).

The purchase price allocation will be completed within the 12-month measurement period following the acquisition date.

The contribution of Momense to the Group's revenue and consolidated net income is €33 million and €1 million respectively. This acquisition resulted in a total cash outflow (net of cash acquired) of €46 million presented within cash flows investing activities in the consolidated statement of cash flows.

3.1.2. Disposal of SCI Sequana

On June 22, 2023, the Group sold 99% of its shares in SCI Sequana, which owns its head office building located in Issy-les-Moulineaux and the related bank debt, to The Valesco Group. The transaction was negotiated based on a value for the building of €460 million. Prior to this sale, SCI Sequana partially reimbursed its bank debt for €25 million, reducing it to €250 million.

The transaction structure included a 12-year leaseback agreement with an initial annual rent of €22 million. Accor also granted The Valesco Group a subordinated loan of €100 million, which is repayable no later than April 25, 2027. The contract includes a step-up clause that will be applied in the event of non-reimbursement before the end of June 2024. As a result, the Group expects a reimbursement within 12 months.

The Group applied the provisions of IFRS 16 *Leases* on sale and leaseback transactions to the disposal of SCI Sequana shares followed by a leaseback of the building, which limit the gain on disposal to the proportion of the gain that relates to the rights transferred to the buyer-lessor.

This transaction resulted in:

- the derecognition of assets and liabilities held for sale (see Note 3.2);
- the recognition of a right-of-use asset for €188 million and a lease liability of €211 million; and
- the recognition of a gain on disposal net of transaction costs of €45 million, recognized in other income and expenses in the income statement.

In the consolidated statement of cash flows, this transaction resulted in a cash inflow of €106 million in respect of the disposal of the subsidiary, presented within cash flows from investing activities, and a cash outflow of €25 million in respect of the early repayment of bank debt, presented within cash flows from financing activities.

3.1.3. Equity-accounted investment

Restructuring of REEF Technology Inc. participation

In June 2022, the Group acquired a 4.92% minority stake in REEF Technology Inc. ("REEF"), a US-based leader in parking real estate, close-to-the-customer service, especially relocated delivery kitchens. This investment was recognized as non-consolidated investments at fair value through other comprehensive income.

On May 31, 2023, the REEF group initiated an internal reorganization that led to the separation of the two activities of REEF and the creation of two entities REEF Proximity Aggregator ("Proximity") and Parking Aggregator ("Parking"). Proximity provides proximity services developing technology solutions and providing operational capabilities that transform urban spaces into community hubs, connecting people to top-tier brands, goods, services, and experiences. Parking is dedicated to the management, rental, and operation of commercial or residential parking.

As a result of this reorganization, Accor exchanged its shares in REEF for a 19.8% stake in Proximity and 1.6% stake in Parking. Accor also invested $25 million (€23 million) in convertible bonds issued by REEF Proximity TopCo, a subsidiary of Proximity. The bonds have a 10-year maturity and are convertible, by Accor, into Proximity shares starting May 2025. If exercised, Accor would hold 38% of Proximity shares and voting rights.

This transaction resulted in:

- the derecognition of REEF shares for €74 million. Those shares were remeasured at fair value prior to the exchange transaction, resulting in a €74 million negative variation in other comprehensive income;
- the recognition of the shares in Proximity shares as equity-accounted investments for $38 million (€35 million);
- the recognition of the convertible bonds as financial assets measured at fair value through profit or loss for $65 million (€60 million);
- the recognition of the shares in Parking as non-consolidated investments measured at fair value through other comprehensive income for $2 million (€2 million).

This operation resulted in a cash outflow of €23 million presented within cash flows from investing activities in the consolidated statement of cash flows.

Disposal of Risma

On August 3, 2023, the Group sold its 33% stake in Risma, the first hotel operator listed in Morocco, to Mutris, a Moroccan investment company composed of private and institutional investors, at a price of MAD 130 per share for total of €58 million. The Group also sold the bonds issued by Risma for an amount of €8 million. This transaction has no impacts on the contractual agreements concluded between Accor and Risma.

This transaction resulted in:

- the derecognition of Risma shares and bonds for €45 million and €9 million respectively; and
- the recognition of a capital gain (net of transaction costs) of €12 million, presented in other income and expenses.

Besides, Accor acquired the remaining 22% stake held by Risma in its subsidiary “Accor Gestion Maroc”, the management company for hotels operated under the Accor brands in Morocco, for MAD 174 million (€16 million). Accor now owns 100% of Accor Gestion Maroc.

Being analyzed as a transaction with shareholders, the difference between the purchase price of the shares (€16 million) and the additional share of consolidated shareholders’ equity acquired (€3 million) was recorded as a reduction in equity – Group share.

In the consolidated statement of cash flow, these operations resulted in a cash inflow of €66 million presented within cash flows from investing activities and a cash outflow of €(16) million presented within cash flow from financing activities.

3.1.4. Other transactions

Liquidation of the SPAC (Special Purpose Acquisition Company)

In April 2021, Accor incorporated the Accor Acquisition Company (AAC) vehicle, a “Special Purpose Acquisition Company” (SPAC), whose purpose was to complete one or several business combinations in services adjacent to hospitality. On June 1, 2021, AAC completed an Initial Public Offering, through the issuance of 30 million units, each comprising one market share and one market warrant, with a reference price of €10 per unit, on the Professional Segment of the regulated market of Euronext Paris. The proceeds of the public offering, the purpose of which was to finance the business combination, were deposited in an escrow account.

Accor owned 25.1% of the share capital of AAC for a total investment of €34 million. It comprised 6.8 million unlisted preferred shares and 2 million market shares subscribed under the same conditions as qualified investors, along with 3.5 million warrants exercisable over a five-year period starting from the completion date of the business combination.

On April 27, 2023, the Board of Directors of AAC resolved that the company has not completed an Initial Business Combination within the deadlines provided in its Articles of Association and decided to proceed with the early buyback of all its market shares to be immediately cancelled by way of capital reduction. On June 2, 2023, all the 27,702,143 market shares were repurchased, at a unit price of €10, in accordance with the Articles of Association and the terms and conditions of the market shares. Accor received €20 million from the buyback and became the majority shareholder of AAC. On June 27, 2023, the combined general meeting voted to dissolve the company and appointed Accor SA as liquidator.

In the Group’s financial accounts, these operations result in:

- the derecognition of the equity-accounted investment in AAC (see Note 6);
- a cash inflow of €22 million (including the cash acquired); and
- the recognition of a €9 million expense comprising:
  - €2 million for Accor share in AAC losses until June 2, 2023, and
  - €7 million for the revaluation at fair value of AAC shares, presented within other income and expenses.

Disposal of residual stake in H World Group Ltd. (formerly Huazhu Group Ltd)

At the end of 2022, the Group decided to sell its entire stake in H World Group Ltd. Following the disposal of the 1.2% stake in the market between November 29, and December 31, 2022, the Group executed the disposal of its residual stake of 2.1% in January 2023 for $297 million (€277 million). In accordance with IFRS 5 *Non-current assets held for sale and discontinued operations*, those remaining shares, which had a net book value of €264 million as at December 31, 2022, were classified as assets held for sale (see Note 3.2).

The disposal of shares resulted in the reclassification to Group reserves of €(56) million of cumulative changes in fair value and €15 million of currency translation adjustments recognized in other comprehensive income, representing a total amount of €(41) million.

Following those transactions, Accor no longer holds shares in H World Group Ltd. These transactions contribute to the Group's asset light strategy and aim to finalize the value creation on the investment initiated in 2016. The accumulated gain on disposal since 2019 reached $1.2 billion (€1.1 billion) compared to an initial investment of $189 million (€173 million).

In addition, H World Group Ltd had a put option on its 28.1% stake in the Luxury and Upscale business of Accor in China, which expired in May 2023. The related debt of €62 million was written off against equity (see Note 11).

3.2. Assets or disposal groups held for sale and discontinued operations

ACCOUNTING POLICY

When the carrying amount of a non-current asset or disposal group is expected to be recovered principally through a sale transaction rather than through continuing use, it is presented separately in the consolidated statement of financial position under "Assets classified as held for sale". Any related liabilities are also reported on a separate line item under "Liabilities associated with assets classified as held for sale". For the reclassification to be made, the following criteria shall be met:

- the sale must be highly probable within a reasonable timeframe;
- management must be committed to a plan to sell the asset (or disposal group); and
- the asset (or disposal group) must be available for immediate sale in its present condition.

Assets and liabilities held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Depreciation of the assets ceases when it is reclassified as held for sale.

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations, or is a part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

The post-tax profit or loss of the discontinued operation and related disposal gains or losses are presented as a single amount on a separate line of the income statement, with restatement of the prior year as a comparative. Cash flows from discontinued operations are also reported separately in the consolidated statement of cash flows.

3.2.1. Assets held for sale

As at December 31, 2023, assets and liabilities classified as held for sale were as follows:

	Dec. 2022		Dec. 2023	
(in millions of euros)	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Accor Vacation Club	-	-	29	13
SCI Sequana	422	276	-	-
H World Group Ltd	264	-	-	-
Others	1	-	24	-
Total	**687**	**276**	**53**	**13**

On January 30, 2024, Accor entered into an agreement with Travel + Leisure to sell Accor Vacation Club, its timeshare business in Australia, New Zealand and Indonesia on the basis of an enterprise value of AUD78 million (€48 million). The agreement also includes an exclusive franchise agreement for Travel + Leisure's future new timeshares under the Accor brands in Asia Pacific, the Middle East, Africa and Turkey. This transaction is in line with the Group's "Asset Light" strategy and is expected to be completed by the end of the first quarter of 2024.

As the December 31, 2023, in accordance with IFRS 5 *non-current assets held for sale and discontinued operations*, those assets and liabilities are classified as assets held for sale. The comparison of the net book value of the group assets with the fair value less costs of disposal does not reveal any impairment loss.

The other items classified as assets held for sale for €24 million as at December 31, 2023 correspond to equity-accounted investments for which the Group has initiated a planned disposal.

In addition, as indicated above, the assets and liabilities of the SCI Sequana and H World Group Ltd shares were sold during the year (Note 3.1.2 and 3.1.4).

3.2.2. Discontinued operations

In 2023, the net income from discontinued operations amounts to €10 million. It corresponds to a reversal of the provision, net of costs incurred (after deferred tax), in relation to guarantees on assets given as part of the sale of AccorInvest in June 2018.

In the comparative year, the €43 million net result from discontinued operations corresponded to a net reversal of the provision related to the same guarantees, including a reversal of provision on risk related to assets for €30 million and the reversal of the provision related to tax risks for €14 million (net of compensation paid to AccorInvest).

NOTE 4 OPERATING ACTIVITIES

4.1. Segment information

ACCOUNTING POLICY

In accordance with IFRS 8 *Operating segments*, the segment information presented below is based on the Group's internal reporting that is provided to the Executive Committee (defined as the Chief Operating Decision Maker) to assess operating performance and make decisions about resources allocation.

The Group has undergone a reorganization to capitalize on the transformation undertaken in recent years. Accor aims to consolidate its leadership positions, strengthen its know-how, accelerate its growth, and continue to improve its profitability.

Since January 1, 2023, the Group's organization has been structured around two dedicated divisions, each comprising distinctive expertise. The aim is to further strengthen the excellence of each brand and improve their operational and financial performance:

- **"Premium, Midscale & Economy (Premium, Mid. & Eco.)"**, comprising notably the Group's brands ibis, Novotel, Mercure, Swissôtel, Mövenpick and Pullman, covering 5,052 hotels (703,285 rooms) worldwide and more than 1,000 projects in development (171,000 rooms). This division has leadership positions in Europe, Latin America, Asia-Pacific and the Middle East. It focuses its strategy on accelerating its development notably through franchises, the rejuvenation of its brands and the industrialization of its operating model. It is structured around four regions:
  - Europe & North Africa (ENA);
  - Middle East, Asia-Pacific (MEA APAC);
  - Americas;
  - China.
- **"Luxury & Lifestyle"**, bringing together the Group's luxury brands as well as its lifestyle entity, Ennismore, covering 532 hotels (118,233 rooms) worldwide and more than 250 projects in development (53,000 rooms). This division is committed to strengthening the identities of its iconic brands, selecting the best locations, and offering unique and innovative experiences. Luxury & Lifestyle is structured by brand around 4 pillars:
  - Raffles & Orient Express;
  - Fairmont;
  - Sofitel & MGallery & Emblems;
  - Ennismore.

Both divisions are supported by a Global Shared Platform that provides expertise and services, including Digital, Technology and Suppliers referencing to both divisions.

The Management Board is responsible for ensuring consistency and alignment between the two divisions, both in terms of strategic orientation and cross-functional performance levers within the Group.

This new organization led the Group to redefine its internal reporting reviewed by the Management Board (Chief Operating Decision Maker) and to review the identification of its operating segments accordingly. The Group has identified two segments: "Premium, Midscale & Economy" division and "Luxury & Lifestyle" division. Strategic decisions are taken, and resource allocations are determined based on this internal reporting.

For each division, the internal reporting presents information at a more granular level by typology of revenue:

- **"Management & Franchise"** – The hotel management and franchise business involve collecting fees from hotel owners and includes commissions received on centralized purchases.
- **"Services to Owners"**, which gathers all the services rendered in terms of sales, marketing, distribution and loyalty program as well as shared services and reimbursement of costs incurred on behalf of hotel owners.
- **"Hotel Assets & Other"**, which includes the activities that are not part of the Group's core business as hotel operator:
  - Hotel Assets – corresponding to the hotel owner-operator business (owned and leased hotels), including accommodation and F&B sales to guests as well as management of the asset portfolio.

- Other activities – which includes:
  - the high-end catering and event management business carried out by Paris Society (acquired in 2022);
  - the organization of prestigious receptions and catering for major events carried out by Momense (Potel & Chabot), acquired in 2023;
  - the Accor Vacation Club (timeshare business) and Strata (room distribution and hotel common area management business) businesses carried out in Asia Pacific; as well as
  - the other businesses developed by the Group, primarily through external growth operations (Digital Services, Private luxury home rentals, Concierge services and performance halls operations with the Lido).

The comparative segment information presented for the exercise of 2022 has been restated to reflect the Group's new organization.

4.1.1. Revenue

(in millions of euros)	**2022**	**2023**
Management & Franchise	695	854
Services to owners	965	1,076
Hotel Assets & Other	970	1,030
Premium, Mid. & Eco.	**2,629**	**2,960**
Management & Franchise	357	446
Services to owners	1,178	1,359
Hotel Assets & Other	**114**	**371**
Luxury & Lifestyle	1,649	2,175
Holding & Intercos	(54)	(79)
Revenue	**4,224**	**5,056**

"Services to owners" revenue includes reimbursement of costs incurred on behalf of hotel owners for €1,239 million in 2023 (compared to €1,273 million in 2022), mainly related to luxury assets in North America. In 2022, this line item also included reimbursement costs incurred under the accommodation management agreement for the FIFA World Cup in Qatar in November and December 2022.

In 2023, revenue in France amounted to €1,027 million (compared to €627 million in 2022). This increase is explained by the improvement in activity combined with the full-year effect of the contribution of Paris Society acquired at the end of 2022 and the acquisition of Momense in October 2023.

The Management & Franchise revenue is composed as follows:

(in millions of euros)	**2022**	**2023**
ENA	427	512
MEA APAC	212	270
Americas	56	71
Premium, Mid. & Eco.	**695**	**854**
Luxury	261	326
Lifestyle	97	120
Luxury & Lifestyle	**357**	**446**
M&F Revenue	**1,052**	**1,300**

4.1.2. EBITDA

(in millions of euros)	2022	2023
Management & Franchise	513	611
Services to owners	(60)	24
Hotel Assets & Other	140	115
Premium, Mid. & Eco.	**593**	**750**
Management & Franchise	224	298
Services to owners	(16)	25
Hotel Assets & Other	(3)	30
Luxury & Lifestyle	**205**	**354**
Holding & Intercos	(123)	(101)
EBITDA	**675**	**1,003**

4.2. Revenue

ACCOUNTING POLICY

Revenue corresponds to the value of goods and services sold by the Group in the ordinary course of business. Revenues are primarily derived from management and franchise contracts with third-party hotel owners, as well as owned and leased hotels. The Group presents revenue net of sales, occupancy, and other taxes collected on behalf of local governmental taxing authorities.

Hotel management and franchise activities

As an asset-light group, the Group offers owners the right to operate their hotels under one of its network's brands (franchise contracts) and may also be entrusted with the management of hotels on their behalf (management contracts).

Trademark royalty fees

These fees are invoiced to hotel owners for the use of the Group's brands granted to them. They are generally based on the hotel's Room revenue. The Group applies the sales-based royalty guidance on licenses of intellectual property, which allows the recognition of trademark royalty fees as the underlying hotel revenues occur.

Management fees

Fees invoiced for hotel management generally consist of a base fee based on hotel's revenue and an incentive fee subject to hotel profitability.

The Group may provide a contractually agreed performance to hotel owners, generally during the first years of hotel operations. These variable considerations payable to owners are estimated using the most likely amount method, based on all reasonably available information and are recognized as a reduction of revenue over the contract term. At each reporting period, the Group revises its estimates of variable considerations and assesses whether the revenue recognized is highly probable.

Key money might be paid to incentivize hotel owners to enter management contracts. It constitutes a consideration payable to customers and is recognized as a reduction of revenue over the term of the contract.

Service To Owners

Service To Owners correspond to revenues from the Sales, Marketing, Distribution and Loyalty (SMDL) division, other services provided such as IT and technology services, shared services, as well as the reimbursement of costs incurred in relation to the management of the hotels.

Sales, Marketing, Distribution fees

These fees cover hotel rooms distribution, access to the Group worldwide distribution and reservations systems (TARS), as well as actions of brand visibility and customer development. Fees are based on a percentage of room revenue or total revenue of the hotel. Those services represent distinct performance obligations which are satisfied over time as services are provided.

Loyalty program

Accor manages the loyalty program on behalf of the Group's hotels. The loyalty program has one distinct performance obligation that consists of marketing and managing the program. Loyalty program fees invoiced to hotel owners are deferred and are recognized as revenue when the reward points and other advantages are redeemed. The amount of revenue recognized upon redemption is based on a blend of historical funding rates and is impacted by the estimate of the breakage for points that members will never redeem. Accor estimates breakage based on our historical experience and expectations of future member behavior. Determining breakage involves significant judgment, and Accor engages third-party actuaries to estimate the ultimate redemption ratios used in the breakage calculations. Changes to the expected ultimate redemption assumptions are reflected in the current period.

The Group is responsible for arranging the redemption of promotional awards, but it do not directly fulfill the award night obligation. Therefore, Accor is agent with respect to this performance obligation. Accordingly, revenue is presented net of the redemption cost paid to the hotels that provide the service to members.

Reimbursed costs

Accor is entitled to be reimbursed for certain costs incurred on behalf of hotel owners. These costs primarily consist of payroll and related expenses where Accor is the employer of the staff at the properties.

As Accor has generally full discretion over how employee management services are provided, Accor is the principal. Therefore, the reimbursements are recognized over time within revenue for the reimbursement of costs incurred on behalf of owners. Staff costs incurred on behalf of owners are recognized within "Salaries and social security charges recharged to owners" in operating expenses.

Owned and leased hotels

It corresponds to all the revenues received from guests by owned and leased hotels. The services rendered (including room sales, food and beverage sales and other ancillary services) are distinct performance obligations, for which prices invoiced to the guests are representative of their stand-alone selling prices. These obligations are fulfilled over time when they relate to room sales, along the stay in the hotel, and at a point in time for other goods or services, when they have been delivered or rendered.

For most of the arrangements, Accor consider that the amount invoiced to clients corresponds directly with the value of service performed to date. Therefore, the Group elects the practical expedient to recognize revenue in the amount to which it has the right to invoice.

The disaggregation of revenue is outlined in the Note 4.1 above.

4.3. Operating expenses

(in millions of euros)	2022	2023
Cost of goods sold	(82)	(126)
Personnel expenses	(2,097)	(2,376)
Property variable lease payments	(91)	(135)
Non-property variable lease payments	(14)	(23)
Energy, maintenance and repairs	(63)	(77)
Taxes	(50)	(56)
Other operating expenses	(1,152)	(1,260)
Operating expenses	**(3,549)**	**(4,053)**

The increase in operating expenses in 2023 is mainly due to the full-year effect of Paris Society's activities (acquisition in November 2022) and an increase in marketing and distribution expenses linked to the rebound in activity.

Property variable lease payments corresponds to the variable lease payments based on the performance of hotel assets operated under lease contracts, mainly in Brazil, whose operating performance has significantly improved, and to a lesser extent in Turkey, and restaurants of Paris Society operated under leases or concession contracts.

Personnel expenses are disclosed in Note 5.2.

4.4. Working capital

Working capital can be analyzed as follows:

(in millions of euros)	Dec. 2022	**Dec. 2023**	Variation	Neutralization of non-cash items	**Cash flow statement items**
Inventories	19	36	17	15	2
Trade receivables	794	824	29	(1)	30
Other current assets	403	434	30	(9)	40
Current assets	**1,217**	**1,293**	**76**	**5**	**71**
Trade payables	489	515	26	17	10
Other current liabilities	859	887	28	(5)	33
Current liabilities	**1,348**	**1,402**	**54**	**12**	**42**
Working capital	**(131)**	**(109)**	**22**	**(7)**	**29**

4.4.1. Current assets

ACCOUNTING POLICY

Trade receivables are measured at amortized cost. They are impaired based on their expected lifetime credit losses, using the simplified approach under IFRS 9 *financial instruments*. When a credit event has been identified, the loss allowance is measured on an individual basis considering the risk profile of the counterparty, historical probabilities of default and estimated losses.

Trade receivables can be analyzed as follows:

(in millions of euros)	Dec. 2022	**Dec. 2023**
Gross value	945	965
Loss allowance	(151)	(141)
Trade receivables, net	**794**	**824**

The maturity of trade receivables (excluding accrued receivables) is presented in Note 11.3.4.

Other current assets breakdown as follows:

(in millions of euros)	Dec. 2022	**Dec. 2023**
Recoverable VAT	110	125
Income tax and other taxes receivables	33	39
Other receivables	229	215
Prepaid expenses	41	62
Gross value	**413**	**441**
Loss allowance	(10)	(7)
Other current assets, net	**403**	**434**

4.4.2. Current liabilities

Other current liabilities breakdown as follows:

(in millions of euros)	Dec. 2022	**Dec. 2023**
VAT payable	104	105
Wages salaries and payroll tax payables	241	269
Income tax and other tax payables	140	123
Other payables	374	389
Other current liabilities	**859**	**887**

4.5. Contract assets and liabilities

ACCOUNTING POLICY

In accordance with IFRS 15 *Revenue from Contracts with Customers*, the Group recognizes assets and liabilities on its contracts with customers:

- Contract assets represent a right for the Group to receive consideration in exchange for goods or services already transferred to a customer, when that right is conditioned on something other than the passage of time. They mainly include amounts paid to hotel owners to secure management and franchise contracts ("key moneys") and the value of payments under performance guarantees provided to hotel owners. They are subsequently recognized as a reduction to revenue over the life of the contract.
- Contract liabilities represent the Group's obligation to transfer goods or services, for which the customer has already paid a consideration, or when the amount is unconditionally due from the customer. They mainly correspond to loyalty fees invoiced to hotel owners that are deferred in the statement of financial position and, subsequently, recognized in revenue upon redemption or expiry of rewards points and other advantages (net of the amount to be paid to hotel owners and partners, who rendered the service). This category also comprises entrance fees that are invoiced upon signing of management and franchise contracts.

Contract assets and liabilities are as follows:

(in millions of euros)	Dec. 2022	**Dec. 2023**	Variation	Neutralization of non-cash items	**Cash flow statement items**
Key moneys and other payments to owners	339	357	18	0	18
Contract assets	**339**	**357**	**18**	**0**	**18**
Deferred income	225	179	(47)	4	(50)
Contract liabilities	**225**	**179**	**(47)**	**4**	**(50)**
Loyalty program liability	**239**	**319**	**80**	**(1)**	**81**
Net contract assets and liabilities	**(125)**	**(140)**	**(15)**	**(3)**	**(12)**

NOTE 5 PERSONNEL EXPENSES AND EMPLOYEE BENEFITS

5.1. Headcount

The Group's headcount is as follows:

	2022	**2023**
Average employees	17,334	19,198

It corresponds to the arithmetic average of the employees present in the Group at the end of each month. Employees recharged to hotel owners, as well as employees from equity investments are not included.

The increase in headcount is mainly due to the full-year effect of the integration of Paris Society's employees.

5.2. Personnel expenses

ACCOUNTING POLICY

Group employees are entitled to short-term benefits such as paid annual leave, paid sick leave, bonuses and profit-shares payable within twelve months of the end of the period in which the corresponding services are rendered. These benefits are recorded in current liabilities and expenses when the service is rendered by the employee.

Employees are also entitled to various long-term benefits, including:

- post-employment benefits payable after the employee leaves the Group, such retirement termination benefits and pension benefits;
- other long-term benefits payable during employment, such as long-service bonuses, loyalty bonuses and seniority bonuses.

Benefit plans depend on local legislation and on collective bargaining in force in each of the Group's countries. Post-employment benefits are broken down into two categories:

- defined contribution plans, under which the Group pays periodic contributions to external organizations that are responsible for the administrative and financial management of the plans. The Group has legal or constructive obligation to pay further contributions. These are recognized as expenses for the period to which they relate;
- defined benefit plans, under which the Group guarantees a contractually future level of benefits. The Group's obligation is recognized as a liability in the consolidated statement of financial position.

Equity-settled long-term incentive plans have also been set up for executive officers and certain employees. The accounting treatment of these plans is presented in Note 5.4.

The personnel expenses are presented as follows:

(in millions of euros)	2022	2023
Salaries and social contributions	(986)	(1,162)
Salaries and social contributions recharged to owners	(1,068)	(1,175)
Share-based payments	(43)	(38)
Personnel expenses	**(2,097)**	**(2,376)**

The increase in salaries and social charges is mainly due to the integration of Paris Society (full-year effect) and Momense activities, as well as to the impact of inflation.

Personnel costs incurred on behalf of owners in connection with hotel management (and fully reimbursed to them) mainly concern hotel assets in North America. Their increase in 2023 reflects both the stabilization of the activity levels in this region and wage increases.

5.3. Pensions and other benefits

ACCOUNTING POLICY

The pensions liability corresponds to the present value of the projected benefit obligation less the fair value of plan assets in funds allocated to finance such benefits, if any. If plan assets exceed the projected benefit obligation, the surplus is recognized only if it represents future economic benefits that are available to the Group.

The projected benefit obligation is determined by independent actuaries using the projected unit credit method, based on actuarial assumptions such as increase in salaries, retirement age, mortality, employee turnover and discount rate. These assumptions take into account the macro-economic environment and other specific conditions in the various countries in which the Group operates.

The expense recorded in the consolidated income statement includes:

- current service cost and past service cost resulting from a new plan, a plan amendment or a plan curtailment or settlement, recognized in operating expenses; and
- net interest cost on defined benefit obligation and plan assets, recognized in net financial expense.

Actuarial gains and losses on post-employment benefit plans that arise from changes in actuarial assumptions and experience adjustments are recognized in the statement of comprehensive income.

Actuarial gains and losses on other long-term benefit plans are recognized immediately in profit or loss.

5.3.1. Pensions and other post-employment benefit obligations

(in millions of euros)	Dec. 2022	**Dec. 2023**
Pension plans	44	49
Other long-term benefits	3	3
Pension obligation and other benefits	**47**	**52**
Surplus on pension plans	2	1
Pensions asset	**2**	**1**
Net pension obligation	**45**	**51**
• of which net pension obligation	42	48
• of which other benefits	3	3

5.3.2. Description of the plans

The main post-employment defined benefit plans of the Group concern:

- **pension plans:** the main pension plans are in France (39% of the obligation), in the United Kingdom (24%) and in Canada (23%). Pension benefit obligations are determined based on end-on-career salaries and number of years of service within the Group. They are funded by payments to external organizations that are legally separated from the Group. Pension rights are unvested and plan participants receive annuities;
- **length-of-service awards** in France: these are lump sum benefits determined based on the number of years of service and annual salary upon retirement;
- **supplementary pension plans** in France:
  - defined benefit plan known as "article 39" (closed and frozen since December 31, 2019): this plan provides for the payment of periodic benefits to executive officers and senior executives whose final annual compensation represents more than five times the annual ceiling used for calculating social security contributions ("PASS"). The granting of this benefit is subject to the beneficiary completing his/her career with the Group,
  - defined benefit plan with acquired rights pursuant to the provisions of Article L. 137-11-2 of the Social Security Code (in force since January 1, 2021): this plan provides for the payment of periodic benefits to executive officers and senior executives whose final annual compensation represents more than eight times the annual ceiling used for calculating social security contributions ("PASS").

5.3.3. Actuarial assumptions

The main actuarial assumptions used by the Group to estimate the obligation are as follows:

	Discount rate		Salary growth rate	
	Dec. 2022	**Dec. 2023**	Dec. 2022	**Dec. 2023**
France	2%* – 3.9%	2%* – 3.2%	3% – 4%	3% – 4%
Canada	5.0%	4.7%	2.8%	2.8%
Belgium	3.9%	3.2%	3.0%	3.0%
Switzerland	2.4%	2.0%	1.5%	1.5%
United Kingdom	4.8%	4.5%	N/A	N/A

* *Rate used one of the supplementary pensions plans closed.*

The discount rate in each country is determined by reference to market yield on investment grade corporate bonds with maturities equivalent to the related employee benefits. If the local corporate bond market is not sufficiently liquid, the government bond rate is used.

5.3.4. Breakdown and changes in the pension obligations

As at December 31, 2023, pension obligations breakdown by country as follows:

(in millions of euros)	France	Canada	Belgium	United Kingdom	Others	**Total**
Present value of obligation	64	38	12	38	11	162
Fair value of plan assets	(35)	(29)	(8)	(39)	(5)	(116)
Asset ceiling	-	2	-	-	-	2
Net pension obligation	**29**	**11**	**3**	**(1)**	**6**	**48**

The change in the net obligation for pensions is as follows:

(in millions of euros)	Present value of obligation	Fair value of plan assets	Asset ceiling	Net
At December 31, 2022	**157**	**(117)**	**1**	**42**
Current service cost	5	-	-	5
Interest expense/(income)	7	(5)	-	2
Others	(1)	-	-	(1)
Total recognized in profit or loss	**11**	**(5)**	**-**	**6**
Actuarial (gains)/losses related to experience adjustments	4	-	-	4
Actuarial (gains)/losses related to changes in demographic assumptions	(0)	-	-	(0)
Actuarial (gains)/losses related to changes in financial assumptions	2	(2)	-	(1)
Change in asset ceiling (excluding net interest)	-	-	0	0
Actuarial (gains)/losses	**5**	**(2)**	**0**	**4**
Benefits paid	(12)	6	-	(7)
Exchange differences and others	(1)	3	-	2
At December 31, 2023	**162**	**(116)**	**2**	**48**

5.3.5. Plan assets

The Group's pension obligations are funded under insured plans or by external funds. The assets of insured plans are invested in investment funds in each of the countries concerned.

As at December 31, 2023, the breakdown of plan assets is as follows:

(in millions of euros)	United Kingdom	France	Canada	Belgium	Others	Total
Bonds	-	26	7	-	1	34
Shares	-	5	22	-	1	27
Insurance contracts	-	-	-	8	2	10
Liquidity	2	1	0	-	0	3
Real Estate	-	3	-	-	1	4
Others	37	-	-	-	0	38
Plan assets	**39**	**35**	**29**	**8**	**5**	**116**

The expected long-term return on plan assets is aligned with the discount rate.

5.3.6. Sensitivity analysis

As at December 31, 2023, the sensitivity of provisions for pensions to a change in discount rate is as follows:

(in millions of euros)	Impact on obligation
Impact of increase in discount rate by 0.5 pt	(4)
Impact of decrease in discount rate by 0.5 pt	5

5.3.7. Expected cash flows

The following table shows expected cash outflows for the coming years, without taking into account any cash inflows generated by plan assets:

(in millions of euros)	2024	2025	Hereafter	Total
Expected cash flows	10	9	80	99

5.4. Share-based payments

ACCOUNTING POLICY

Performance share plans

Performance share plans are set up regularly for executive officers and certain employees. The plans generally have a vesting period between two and four years and the shares vest only if the grantee is still employed by the Group on the vesting date.

The fair value of the employee benefit is determined by independent experts using the "Monte Carlo" model. It corresponds to the share price at grant date, less the present value of dividends not received during the vesting period, and a discount reflecting the estimated probability of the external performance conditions being fulfilled. The total cost of each plan is calculated at grant date and is not adjusted in subsequent periods.

Internal performance conditions (continued presence within the Group at vesting date and internal performance objectives) are not considered for the fair value calculations. However, they are taken into account for the purpose of estimating the number of shares that are likely to vest. This estimate is updated at each period end.

Stock option plans

No stock options have been granted since 2013. The plans set up in previous years included plans for which the only condition was the grantee's continued presence within the Group at the exercise date and performance stock option plans.

The cost of these plans corresponds to the fair value of the options, determined using the Black & Scholes option-pricing model based on the plan's characteristics and market data (such as the underlying share price and stock market volatility). The number of potentially exercisable options is reviewed at each period end.

Employee share plans

As part of its incentive policy, the Group may organize employee rights issues giving staff the opportunity to purchase Accor SA shares at a discount. The employee benefit corresponds to the difference between the price at which the shares are offered to employees and the Accor SA share price on the date the rights are exercised.

The cost of share-based payment plans is recognized in employee benefits expenses on a straight-line basis over the vesting period, with the corresponding liability recognized in:

- shareholders' equity for equity-settled plans;
- employee benefit obligations for cash-settled plans, adjusted at each period end.

If the plan is not subject to any vesting conditions, the cost is fully recognized on the grant date. All ongoing plans as at December 31, 2023 were equity-settled plans. The dilutive effect of plans that have not yet vested is reflected in diluted earnings per share calculations.

In 2023, the expense in respect of share-based plans amounts to €38 million:

(in millions of euros)	2022	2023
2019 Plans	4	-
2020 Plans	12	2
2021 Plans	19	14
2022 Plans	9	12
2023 Plans	-	9
Total	**43**	**38**

The movements over the year are as follows:

(in number of shares)	2022	2023
Number of shares at beginning of the year	**4,664,858**	**4,820,564**
Shares granted	1,473,134	1,696,027
Shares cancelled or expired during the year	(141,902)	(195,652)
Shares vested during the year	(1,175,526)	(1,898,784)
Number of shares at end of the year	**4,820,564**	**4,422,155**

On May 17, 2023, the Group granted 1,556,152 performance shares to some of its employees, subject to a three-year vesting period. At this date, the fair value of the performance share was €27.52, corresponding to a share price of €31.55 adjusted downwards to reflect the expected dividends forgone over the vesting period and the probability of meeting the market conditions.

The shares will vest provided the grantee remains within the Group until the end of the vesting period, and the following performance conditions are fulfilled:

- Non-market conditions (80% weighting): level of achievement of Group EBITDA (40%) and Recurring free cash-flows (20%) compared to the budget over the years 2023 to 2025 and carbon reduction targets at the end of 2025 compared to 2019 (20%).
- Market condition (20% weighting): change in Accor's Total Shareholder Return (TSR) compared to a reference synthetic index composed of European and international hotel groups.

On October 26, 2023, the Group set up a plan of 139,875 performance shares with similar characteristics to the April plan, whose fair value was €25.40.

The fair value of these plans amounts to €46 million and will be recognized on a straight-line basis over the vesting period under employee benefits expenses with a corresponding adjustment to equity. The expense recognized in respect of these plans amounted to €9 million.

5.5. Compensation of key management personnel

The Executive Committee and the Board of Directors have respectively twenty-five members and thirteen members at December 31, 2023.

The compensation granted to the members of the Executive Committee is as follows:

(in millions of euros)	2022	2023
Short term employee benefits	24	32
Share-based payments	9	9
Post-employment benefits	5	5
Termination benefits	4	-
Total compensation	**42**	**46**

Members of the Board of Directors do not receive any compensation, they only receive attendance fees. The amount granted in 2023 was €1 million.

NOTE 6 EQUITY-ACCOUNTED INVESTMENTS

ACCOUNTING POLICY

The consolidated financial statements include the Group’s share of changes in the net assets of associates and joint ventures accounted for using the equity method. Investments in associates and joint ventures are initially recorded at cost in the consolidated statement of financial position and are subsequently adjusted at each period end to include the Group’s share of their undistributed net profit.

In the following specific cases, the investment is initially recognized at fair value:

- upon loss of control of an investee with a retained interest providing joint-control or significant influence;
- upon gain of significant influence or joint control over a previously non-consolidated investment.

Goodwill arising on acquisition of associates and joint ventures is included in the carrying amount of the investment.

If the carrying amount of an investment is reduced to zero due to the cumulative losses of the associate or joint venture, the Group’s share of any further losses is not recognized unless it has a legal or constructive obligation in relation to the investee’s negative net assets. Investments in associates and joint ventures are tested for impairment when there is an indication that they may be impaired.

Entities accounted for under the equity method are an integral part of the Group’s operations.

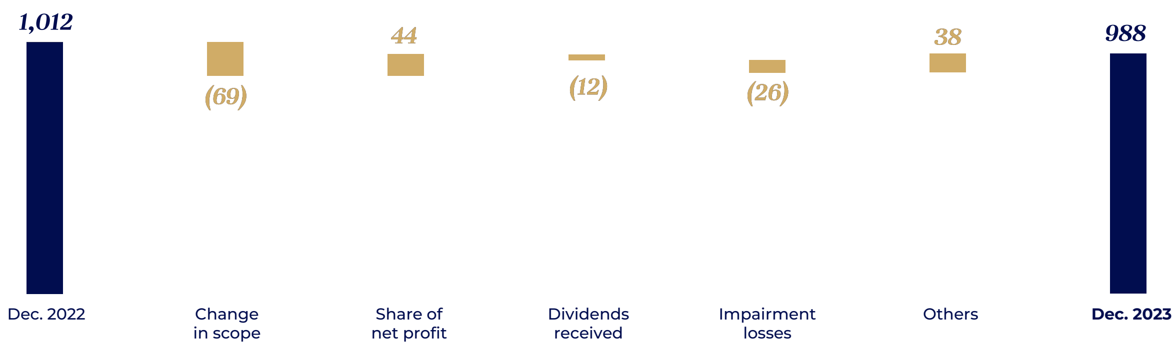
6.1. Share of net results of equity-accounted investments

The main contributions of associates and joint ventures are as follows:

(in millions of euros)	2022	2023
AccorInvest	14	20
Kasada	7	15
Others	1	(3)
Associates	**21**	**32**
Joint ventures	**13**	**12**
Share in net results of equity-accounted investments	**33**	**44**

6.2. Carrying value of equity-accounted investments

(in millions of euros)	Dec. 2022	Dec. 2023
AccorInvest	586	609
Kasada	73	115
Interglobe	37	33
Atton	34	30
Others	235	159
Associates	**966**	**947**
Joint ventures	**46**	**41**
Carrying value	**1,012**	**988**



The main changes in scope (see Note 3.1) relate to:

- the equity-accounted investment in REEF Proximity recognized in exchange for REEF Technology Inc. shares, previously accounted as non-consolidated investment for €35 million;
- the disposal of Risma shares for €(44) million;
- the derecognition of Accor Acquisition Company (AAC) for €(27) million following the buyback by AAC of its market shares prior to the winding-up of the company; and
- the reclassification of investments as assets held for sale (see Note 3.2.1).

As indicated in Note 8.3, the impairment tests carried out led to the recognition of impairment losses of €26 million.

Other changes include a capital increase in Kasada investment funds and the Group's share of other comprehensive income from equity-accounted investments.

6.3. Summarized financial information

Accor owns a 30.5% stake in AccorInvest, a hotel operator.

Key financial information of the entity on a 100% basis is as follows:

(in millions of euros)	Dec. 2022	Dec. 2023
Balance sheet		
Current assets	1,240	1,423
Non-current assets	6,474	5,755
Assets held for sale	6	453
Current liabilities	(1,503)	(1,674)
Non-current liabilities	(7,006)	(6,601)
Liabilities associated with assets held for sale	(2)	(41)
Net assets	**(791)**	**(685)**
Group's share in %	30.5%	30.5%
Group's share in net assets	(241)	(209)
Goodwill	827	818
Carrying amount of equity-accounted investment	**586**	**609**
Income statement		
Revenue	3,576	4,259
Net profit/(loss)	**45**	**65**
Other comprehensive income	80	(23)
Total comprehensive income	**125**	**42**

AccorInvest experienced a sustained rebound in activity in 2023, surpassing pre-pandemic levels, which significantly strengthened its profitability and its cash flow generation, and achieved a good level of liquidity.

Besides, the company has engaged an assets disposal plan of €1.7 billion by 2025 aimed at optimizing its financial structure by reducing its debt and improving the profitability of its asset portfolio. The Group does not expect AccorInvest assets disposal plan to have a significant impact on Accor and is supporting the execution of this plan to ensure the continuity of operations for hotels expected to be sold.

Simultaneously, AccorInvest initiated the renegotiation of its financial debt at the end of September 2023, ahead of its maturities in 2025. Accor, like all AccorInvest shareholders, is actively involved in the ongoing negotiations and remains confident in the ability of AccorInvest and its shareholders to successfully finalize the refinancing.

Revenue of AccorInvest recognized in 2023 represents 9% of the Group’s total revenue. As at December 31, 2023, the gross value of receivables towards AccorInvest amounted to €87 million in the consolidated balance sheet of the Group.

NOTE 7 OTHER INCOME AND EXPENSES

ACCOUNTING POLICY

To facilitate assessment of the Group's underlying performance, unusual items of income and expenses that are material at Group level, and income and expense items which, by definition, do not contribute to the Group's operating performance, are presented separately in the income statement on the line "Other income and expenses". This caption is used primarily to report restructuring costs, impairment losses recognized following impairment tests, gains and losses on disposals of non-current assets as well as the impacts related to scope changes (transaction costs, gains and losses arising on disposals of assets and remeasurement of any previously hold interest).

(in millions of euros)	**2022**	**2023**
Impairment losses	61	37
Gains and losses on disposal	43	14
Restructuring costs	(38)	(1)
Other non-recurring income and expenses	(3)	(38)
Other income and expenses	**63**	**12**

In 2023, other income and expenses mainly include:

- a net impairment reversal for €37 million, of which €133 million reversal on brands and €(96) million impairment losses, mainly on hotel management contracts and equity-accounted investments;
- the gains on disposal of SCI Sequana and Risma shares and bonds for €45 million and €12 million respectively (see Notes 3.1.2 and 3.1.3), partially offset by a negative remeasurement to fair value of an earn-out receivable on the disposal of a leased assets portfolio completed in 2021;
- the remeasurement to fair value of the previously held equity-investment in Momense for €20 million (see Note 3.1.1), and
- costs related to the Group reorganization for €(41) million.

In the comparative year, Accor booked an impairment reversal for €61 million, of which €51 million on equity-accounted investments, a €52 million gain on the disposal of ResDiary and restructuring costs for €(38) million.

NOTE 8 INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

ACCOUNTING POLICY

Intangible assets

In accordance with IAS 38, *Intangible assets*, separately acquired intangible assets are measured initially at cost. Identifiable intangible assets acquired in a business combination are measured initially at fair value. After initial recognition, intangible assets are measured at cost less accumulated amortization and impairment losses.

Brands are generally considered as assets a with an indefinite useful life. The other intangible assets are generally amortized on a straight-line basis over their estimated useful life. Intangible assets are tested for impairment whenever there is an indication that they may be impaired and, at least once a year, for intangible assets with an indefinite useful life.

Software costs incurred during the development phase are capitalized as internally-generated intangible assets if the Group can demonstrate all of the following in accordance with IAS 38, *Intangible assets*: (i) its intention to complete the project and the availability of adequate technical, financial and other resources for this purpose, (ii) how the intangible asset will generate probable future economic benefits, and (iii) its ability to measure reliably the expenditure attributed to the intangible asset during its development. Configuration and customization costs associated with a SaaS service are recognized as intangible asset when costs incurred results in additional software code that are distinct from the SaaS and controlled by the Group.

Goodwill is initially recorded on business combinations. It is not amortized in subsequent periods but is tested for impairment at least once a year and as soon as there is an indication that it may be impaired. Goodwill is allocated to the cash generating units (CGU) that are expected to benefit from the synergies of the business combination.

Property, plant and equipment

Property, plant & equipment are measured initially at acquisition or production cost. For hotel assets that take a substantial period to get ready for their intended use ("qualifying assets" as defined in IAS 23 *Borrowing costs*), the initial cost includes borrowing costs that are directly attributed to these assets. After initial recognition, they are measured at cost less accumulated depreciation and any accumulated impairment losses.

Property, plant & equipment are depreciated on a straight-line basis over their estimated useful lives, determined by the component's method, from the date when they are put in service, as follows:

	Economy Hotels	Luxury Upscale and Midscale Hotels
Buildings and related cost	35 years	50 years
Building improvements, fixtures and fittings	7 to 25 years	7 to 25 years
Equipment	5 to 15 years	5 to 15 years

In the case leasehold improvements are undertaken in a leased property asset, the depreciation period is aligned with the duration of the lease agreement of the underlying asset.

Useful lives are reviewed regularly and adjusted prospectively if necessary.

8.1. Intangible assets

Intangible assets can be analyzed as follows:

(in millions of euros)	Goodwill	Trademarks	Contracts	Licences, software	Others	Total
Gross value						
At January 1, 2022	**2,645**	**2,264**	**1,402**	**349**	**254**	**6,914**
Business combinations	183	3	-	2	-	189
Additions	-	-	-	40	34	75
Disposals	(18)	-	(1)	(18)	(2)	(39)
Exchange differences	62	66	20	1	-	149
Others	(4)	-	(60)	22	(31)	(73)
At December 31, 2022	**2,868**	**2,334**	**1,363**	**396**	**255**	**7,215**
At January 1, 2023	**2,868**	**2,334**	**1,363**	**396**	**255**	**7,215**
Business combinations	80	20	-	-	10	110
Additions	-	-	-	59	44	103
Disposals	-	-	(3)	(8)	(4)	(15)
Exchange differences	(29)	(13)	(38)	(1)	-	(81)
Others	-	-	(80)	27	(41)	(93)
Assets held for sale	(2)	(11)	-	-	-	(12)
At December 31, 2023	**2,917**	**2,330**	**1,243**	**473**	**263**	**7,226**
Depreciation and impairment						
At January 1, 2022	**(592)**	**(321)**	**(486)**	**(271)**	**(91)**	**(1,759)**
Depreciation	-	-	(43)	(45)	(31)	(119)
Impairment loss	-	6	19	-	(14)	10
Disposals	-	-	-	13	1	13
Exchange differences	3	(13)	(7)	-	-	(17)
Others	4	(1)	60	3	1	67
At December 31, 2022	**(585)**	**(329)**	**(457)**	**(300)**	**(133)**	**(1,805)**
At January 1, 2023	**(585)**	**(329)**	**(457)**	**(300)**	**(133)**	**(1,805)**
Depreciation	-	-	(50)	(58)	(30)	(138)
Impairment loss	-	133	(62)	-	-	71
Disposals	-	-	-	7	4	11
Exchange differences	6	(3)	16	1	-	20
Others	-	-	80	12	5	96
Assets held for sale	2	11	-	-	-	12
At December 31, 2023	**(578)**	**(188)**	**(473)**	**(338)**	**(154)**	**(1,731)**
Net Book Value						
At December 31, 2022	**2,282**	**2,005**	**905**	**96**	**121**	**5,410**
At December 31, 2023	**2,340**	**2,142**	**770**	**135**	**109**	**5,495**

Goodwill

The Group's reorganization had an impact on the composition of cash-generating units (CGU) to which a goodwill was affected.

In accordance with IAS 36 *Impairment of assets,* when a reorganization affects the reporting structure and changes the composition of CGUs to which goodwill has been allocated, the goodwill shall be reallocated to the affected units. The standard also specifies that the group of CGUs to which the goodwill is affected shall:

a) represent the lowest level to which the goodwill is monitored for internal management purposes; and,

b) not be larger than an operational segment as defined by IFRS 8 *Operating Segments* before aggregation.

Following the Group's reorganization, the goodwill is now monitored separately within each division (Premium, Mid. & Eco. and Luxury & Lifestyle) by activity (Hotel Services and Hotel Assets & Other).

- Premium, Mid. & Eco. division: a breakdown per geographic areas of Hotel Services and Hotel Assets was established. The geographic areas generate cash flows that are largely independent of each other, allowing for a more granular allocation of goodwill. Regarding the other businesses, monitoring is carried out for each line of business.
- Luxury & Lifestyle division: the assets and cash flows by activity are differentiated and monitored at the level of each division of Luxury and Lifestyle.

On January 1, 2023, the goodwill was reallocated between the groups of CGUs affected by the reorganization considering the relative value of each CGU group. This reallocation did not reveal any impairment loss.

As at December 31, 2023, the breakdown of goodwill is as follows:

(in millions of euros)	Jan. 1, 2023	Acquisition	Exchange diff. & Others	Dec. 2023
HotelServices ENA	797	-	2	799
HotelServices MEA APAC	436	-	(12)	424
HotelServices Americas	28	-	1	29
Hotel Assets & Other	249	-	(4)	244
Premium, Mid. & Eco.	**1,510**	**-**	**(14)**	**1,496**
HotelServices Lifestyle	389	-	(5)	384
HotelServices Luxury	194	-	(4)	189
Hotel Assets & Other Lifestyle	180	13	-	193
Hotel Assets & Other Luxury	10	67	-	77
Luxury & Lifestyle	**773**	**80**	**(9)**	**844**
Net book value	**2,282**	**80**	**(23)**	**2,340**

The main change related to the takeover of Momense (see Note 3.1.1) leading to the recognition of provisional goodwill of €67 million presented within "Hotel Assets and Other" of the Group's Luxury & Lifestyle division.

Furthermore, the Group finalized the purchase price allocation of Paris Society acquired on November 16, 2022. The goodwill, determined using the partial goodwill approach, amounts to €182 million. It corresponds to the difference between:

- the transaction price for the 46.9% stake of €84 million;
- the fair value of the share previously held, so far accounted for using the equity method, of €58 million;
- minority interests measured at their proportionate share of the net assets acquired for €(9) million; and
- negative net assets acquired of €(50) million, including mainly property, plant and equipment and rights of use (€194 million), cash (€16 million) and financial and lease liabilities (€260 million).

The impact of the purchase price allocation, as well as the amortization and related tax effects in the consolidated income statement of 2022 is not significant. As a result, the consolidated income statement, statement of other comprehensive income and statement of cash flows have not been restated.

Brands

The Group's brands are as follows:

	Dec. 2022	Dec. 2023		
(in millions of euros)	**Net book value**	**Gross value**	**Impairment loss**	**Net book value**
Fairmont	954	1,032	(18)	1,014
Swissôtel	170	286	(102)	184
Raffles	132	157	-	157
Mövenpick	123	155	(6)	149
Rixos	99	99	-	99
The Hoxton	80	81	-	81
Mantra	80	87	(10)	76
25hours	48	48	-	48
SLS	48	46	-	46
Mondrian	42	40	-	40
Orient-Express	40	40	-	40
Other trademarks	191	260	(52)	208
Brands	**2,005**	**2,330**	**(188)**	**2,142**

The change in 2023 is explained by a net reversal of impairment losses of €133 million, mainly on Fairmont and Mövenpick (see Note 8.3.1), the recognition of Potel & Chabot and Saint-Clair brands for €20 million following the takeover of Momense (see Note 3.1.1) and foreign currency effects of €(16) million.

Management contracts

They relate to management and franchise agreements with hotel owners recognized as part of business combinations, mainly in relation to FRHI Hotels & Resort (acquired in 2016), Mantra (2018) and Mövenpick (2019). In 2023, net reversal of impairment losses has been recognized for €62 million on management contracts (see Note 8.3).

8.2. Property, plant & equipment

Property, plant & equipment breakdown as follows:

(in millions of euros)	Lands, Buildings	Leasehold improvements	Equipment, furniture	Assets in progress	Total
Gross value					
At January 1, 2022	**281**	**195**	**150**	**20**	**645**
Business combinations	-	0	51	14	65
Additions	0	4	16	17	37
Disposals	(0)	(2)	(1)	-	(3)
Exchange differences	1	0	(0)	2	3
Others	12	(13)	(2)	(15)	(17)
At December 31, 2022	**294**	**184**	**214**	**38**	**730**
Business combinations	-	9	9	0	19
Additions	0	10	37	106	153
Disposals	(0)	(12)	(9)	-	(21)
Exchange differences	(8)	(5)	(4)	(0)	(17)
Others	(24)	21	20	(31)	(15)
Assets held for sale	(1)	(5)	-	-	(6)
At December 31, 2023	**261**	**203**	**268**	**112**	**844**
Depreciation and impairment					
At January 1, 2022	**(172)**	**(152)**	**(88)**	**(4)**	**(416)**
Depreciation	(7)	(11)	(12)	-	(30)
Impairment loss	(2)	(0)	-	2	(0)
Disposals	-	2	1	-	3
Exchange differences	(1)	0	(0)	(0)	(1)
Others	5	15	(1)	-	19
At December 31, 2022	**(177)**	**(146)**	**(101)**	**(2)**	**(426)**
Depreciation	(10)	(10)	(24)	0	(43)
Impairment loss	-	(0)	-	-	(0)
Disposals	0	11	5	-	16
Exchange differences	5	4	3	0	12
Others	26	(19)	0	(0)	7
Assets held for sale	1	4	-	-	5
At December 31, 2023	**(154)**	**(156)**	**(117)**	**(1)**	**(428)**
Net Book Value					
At December 31, 2022	**118**	**37**	**114**	**36**	**305**
At December 31, 2023	**107**	**47**	**151**	**111**	**416**

The increase in tangible assets is mainly explained by the costs incurred on Orient-Express and Paris Society assets, as well as the renovation works on the Lido performance hall.

8.3. Impairment tests

ACCOUNTING POLICY

The carrying amounts of property, plant & equipment, intangible assets and right-of-use assets are reviewed and tested for impairment when there is any indication that they may be impaired. These tests are performed at least once a year for goodwill and intangible assets for which the useful life cannot be determined.

Impairment tests

Each brand is usually tested for impairment separately. Goodwill is tested for impairment at the level of the cash-generating unit ("CGU") or group of CGUs to which it is allocated for internal management purposes. The impairment tests are followed within each division (Premium, Mid. & Eco. and Luxury & Lifestyle) through activity typology (Hotel Services and Hotel Assets & Other).

- Premium, Mid. & Eco. Division: a breakdown by geographic area through two segments of "Hotel Services" and "Hotel Assets". For the other activities, the follow up is conducted through each business line.
- Luxury & Lifestyle Division: the assets "Hotel Services" and "Hotel Assets" are followed through two levels: Luxury and Lifestyle. For the other activities, the follow up is conducted through each business line.

The carrying amount of a CGU includes the carrying amount of the assets that are attributed to the CGU, including the right-of-use assets, but does not include the lease liabilities.

Management contracts are tested when the Group identifies an indicator of impairment loss or any indication that an impairment loss recognized in prior periods may no longer exist or may have decreased.

Determination of recoverable value

The recoverable value of a group of CGUs, or a CGU, corresponds to the higher of its fair value less costs to sell and its value in use.

For all activities, except Hotel Assets, the recoverable value of the groups of CGUs are estimated using the value in use. Cash flow projections over five years are discounted at a rate corresponding to the year-end weighted average cost of capital. The projected perpetual growth rate reflects each country/region's economic outlook. Each calculation takes into account the specific features of the country or region concerned.

For Hotel Assets, recoverable value is first estimated using fair value calculated based on a standard EBITDA multiple. For hotel properties, this method is considered as the most appropriate approach for estimating fair value less costs of disposal, as it most closely reflects the amount that would be expected to be recovered through the sale of the asset. The method consists of calculating each hotel's average EBITDA for the last two years and applying a multiple based on the hotel's location and category. If the recoverable value is less than the carrying amount, the recoverable value is recalculated using the discounted cash flows method.

The recoverable value of brands is determined by applying royalty rates agreed with hotel owners on a five-year revenue projection on hotels managed by the Group.

Impairment loss measurement

If the recoverable value is less than the carrying amount, an impairment loss is recognized in the income statement in "non-current income and expenses". An impairment loss recognized on an asset other than goodwill may be reversed if there has been a change in circumstances indicating that the impairment loss might have decreased or no longer exists. If this is the case, the carrying amount of the asset is increased to its recoverable value. However, the increased carrying amount of an asset excluding goodwill, attributable to a reversal of an impairment loss, but it should not exceed the carrying amount of impairment losses that has been recognized in prior years.

In accordance with IAS 36 *Impairment of assets*, the Group carried out impairment tests on CGU or group of CGUs to which goodwill and intangible assets whose useful life cannot be determined (mainly brands).

The Group also reviewed its hotel management contracts and its equity-accounted investments and conducted impairment tests, on a case-by-case basis, based on a review of impairment indicators or on any indication that an impairment loss recognized in prior periods may no longer exist or may have decreased.

8.3.1. Impairment tests results

As at December 31, 2023, the impairment tests conducted led the Group to recognize a net reversal of impairment of €37 million, which is presented within other income and expenses in the consolidated income statement (see Note 7). It includes:

- a net reversal of impairment of €133 million on brands, of which reversals for €137 million (mainly on Fairmont, Raffles and Mövenpick) and impairment losses for €(4) million (notably on Mantra and Peppers);
- an impairment loss of €(62) million on hotel management & franchise contracts;
- an impairment loss of €(8) million on right-of-use assets of the Hotel Assets activity; and
- an impairment loss of €(26) million on equity-accounted investments.

8.3.2. Methodology for impairment tests

The recoverable value of assets is determined based on the value-in-use derived from the discounted future cash flows estimated in the Group's five-year business plan. The latter reflects the Group's new strategic orientations, the latest RevPAR (Revenue Per Available Room) trends by geography as well as the surrounding economic conditions.

The revenue projections are based on one hand, on the 2024 budget prepared by the Group's entities, in line with "RevPAR" trends by geography and specific local conditions, and, on the other hand, on assumptions by geography retained by the Group over 2025-2028, consistently with macroeconomic trends from market studies prepared by independent firms, and on development perspectives of the Group's network.

The terminal value is calculated by extrapolating future cash flows beyond five years based on the normative inflation rate of the Euro zone consistently with the currency retained for the cash-flow projections. As at December 31, 2023, the perpetuity growth rate used is 1.94%.

The discount rate used corresponds to the Group's weighted average cost of capital for its Management & Franchise and Hotel assets activities as at December 31, 2023, based on available market data at that date and considering the specific risks of each region. For other activities, the weighted average cost of capital is calculated using a specific industry beta.

The discount rates used for impairment tests on CGUs are detailed below:

	Discount rate
	Dec. 2023
Premium, Mid. & Eco. HS – ENA	+9.8%
Premium, Mid. & Eco. HS – MEA APAC	+11.7%
Premium, Mid. & Eco. HS – Americas	+12.8%
Premium, Mid. & Eco. HA – ENA	+10.0%
Premium, Mid. & Eco. HA – MEA APAC	+8.1%
Premium, Mid. & Eco. HA – Americas	+11.2%
Luxury & Lifestyle HS – Luxury	+10.7%
Luxury & Lifestyle HS – Lifestyle	+11.0%
Luxury & Lifestyle HA – Luxury	+11.1%
Luxury & Lifestyle HA & Other – Lifestyle	+8.5%

The discount rates used for impairment tests on the main brands are the followings:

	Discount rate
	Dec. 2023
Fairmont	+10.1%
Raffles	+11.2%
Swissotel	+12.2%
Mantra	+9.4%
Movenpick	+13.5%

Projections used for the impairment tests of brands are based on the RevPAR assumptions by geography retained by the Group in its business plan.

8.3.3. Sensitivity of recoverable values

The Group performed sensitivity analyses on the main assumptions used in the impairment tests (discount rate, perpetual growth rate, "RevPAR" revenue per available room).

No impairment of goodwill would have been recognized in the event of a reasonably possible change in the assumptions used in 2023.

The table below shows the additional impairment (-) or reversal (+) that would have been recognized if the following assumptions had changed:

(in millions of euros)	Brands	Management contracts*
Increase in discount rate and perpetual growth rate by 50 pt	(18)	(1)
Decrease in discount rate and perpetual growth rate by 50 pt	18	1
Increase in RevPar by 100 pt	10	1
Decrease in RevPar by 100 pt	(10)	(1)

* *Sensitivity test performed when there is an indicator of impairment or an indication that an impairment loss may decrease.*

NOTE 9 LEASES

ACCOUNTING POLICY

Definition of a lease

A contract is, or contains, a lease when it conveys the right to use an underlying asset for a period of time, in exchange for consideration. At inception of a contract, the Group assesses whether it meets the two following cumulative conditions to be qualified as a lease: its execution involves the use of an identified asset, and it conveys the right to direct the use of that identified asset.

Leases are recognized on the Group's statement of financial position as follows:

- an asset representing the right to use the underlying asset over the lease term;
- a liability for the obligation to make lease payments.

Right-of-use asset

The right-of-use asset is initially measured at cost at the lease commencement date, *i.e.*, the date at which the underlying asset is available for use by the Group. The cost of a right-of-use asset comprises:

- the initial amount of the lease liability recognized;
- lease prepayments made to the lessor, less any lease incentives received;
- initial direct costs incurred; and
- estimated restoration costs of the underlying asset, when applicable.

The right-of-use asset is subsequently depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. It is subject to impairment tests in accordance with IAS 36, *Impairment of assets*.

Lease liability

The lease liability is initially measured at the present value of lease payments to be made over the lease term.

These lease payments comprise:

- fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- variable lease payments that are based on an index or a rate; and
- payments of penalties for terminating the lease when the Group is reasonably certain to exercise the exit option at the lease commencement date.

The Group applies the practical expedient permitted by the standard allowing not to separate the lease component from other service components included in its lease agreements. Accordingly, all fixed payments provided for in the lease agreement, whatever their nature, are included in the lease liability.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the commencement date if the interest rate implicit in the lease is not readily determinable. It corresponds to the rate that the lessee would have to pay to borrow the necessary funds to obtain an asset of similar value in a similar economic environment, with similar terms and conditions. This rate is determined based on sovereign bond yields and credit spreads specific to the country in which the leased asset is located and contract maturity, adjusted for a duration factor in order to reflect the pattern of lease payments.

The lease liability is measured at amortized cost using the effective interest method. At each closing date, the lease liability is increased to reflect the accretion of interests and reduced by the lease payments made.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if the Group changes its assessment of whether it will exercise an option to extend or terminate the lease. In such a case, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded to the income statement if the carrying amount of the right-of-use asset has been reduced to zero.

Determination of lease term

The lease term is defined as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised. Management applies judgement to determine the lease term when lease contracts include renewal options. It considers all relevant factors that create an economic incentive to exercise the renewal option, such as the existence of leasehold improvements with a significant remaining value in its leased property assets. After the commencement date, the Group reassesses the lease term if there is a significant event or a change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (or to terminate) the lease.

Short-term leases and leases of low-value assets

The Group applies the recognition exemption for short-term leases (*i.e.*, lease with a lease term of 12 months or less from the commencement date) and leases of low-value assets (mainly comprising IT equipment). Associated lease payments are recognized as an expense in the income statement on a straight-line basis over the lease term.

Variable leases

Some hotel properties leases contain contingent rent payments that are based on the hotel's performance, as defined by the agreement. These payment terms are common practices in the Hospitality industry. Variable lease payments are recognized in the income statement in the period in which the condition that triggers those payments occurs.

When variable leases include guaranteed amounts payable to the lessor, such guaranteed amounts are in-substance fixed payments and are included in the lease liability.

The Group mainly leases lands and buildings for its hotel properties and headquarters. The leases for hotels are typically made for a period from 15 to 20 years and may include a renewal option. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The Group also identified lease agreements on other assets such as car parks, restaurants and stores located in its hotels and vehicles.

In 2023, the right-of-use assets and corresponding lease liability are mainly impacted by the sale and lease back transaction of the Group head office (see Note 3.1).

9.1. Right-of-use assets

The table below details the right-of-use assets by category of underlying assets:

	Right-of-use assets				
(in millions of euros)	Buildings	Lands	Non-property assets	Vehicles	Total
At December 31, 2022	**420**	**2**	**1**	**7**	**430**
Business combinations	78	-	1	-	78
Additions	285	-	8	6	299
Derecognitions	(6)	-	3	(2)	(5)
Depreciation expense	(94)	-	(3)	(3)	(99)
Impairment loss	(8)	-	-	-	(8)
Exchange differences	(5)	-	(0)	(0)	(5)
At December 31, 2023	**669**	**2**	**10**	**8**	**689**

9.2. Lease liability

As at December 31, 2023, changes in the lease liability are analyzed as follows:

(in millions of euros)	
At December 31, 2022	**469**
Business combinations	69
Additions	320
Payment	(120)
Other derecognitions	(4)
Accretion of interest	20
Foreign exchange impacts	(5)
At December 31, 2023	**748**

The maturity analysis of lease payments (before discounting impact) is as follows:

(in millions of euros)	**2023**
Less than 1 year	128
1 to 5 years	382
More than 5 years	384
Total	**894**

9.3. Amounts recognized in the income statement

In 2023, the following amounts were recognized in the consolidated income statement in relation to leases:

(in millions of euros)	**2022**	**2023**
Rent expense for variable lease payments	(91)	(135)
Non-property rents (o/w short duration and low value)	(3)	(23)
Rents concessions related to the health crisis	2	-
Depreciation expense and impairment of right-of-use assets	(79)	(99)
Interest expense on lease liabilities	(9)	(20)
Total	**(181)**	**(278)**

The variable lease payments relate to hotel properties leases that are based on the performance of the hotel, notably in Brazil.

The total cash outflow for leases in 2023 was €278 million of which:

- €100 million presented in cash flows from financing activities for the repayment of lease liability;
- €178 million presented in cash flows from operating activities for the payment of interests on lease liability (€20 million) and the payment for leases not recognized in the statement of financial position (€158 million).

NOTE 10 PROVISIONS

ACCOUNTING POLICY

A provision is recognized when the Group has a present obligation (legal, contractual or implicit) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, but whose amounts and maturity are uncertain. Provisions are determined based on the best estimate of the expenditure required to settle the obligation, in application of certain assumptions. Provisions are discounted when the effect of the time value of money is material.

Provisions for restructuring costs are recognized when the Group has a detailed formal plan for the restructuring and the main features have been announced raising a valid expectation in those affected at the closing date. Other provisions are intended to cover specifically identified risks and claims and litigation arising in the normal course of business.

Movements in provisions in 2023 can be analyzed as follows:

(in millions of euros)	Dec. 2022	Allowance	Reversal		Translation adjustments and other	Dec. 2023
			Utilizations	Unused provisions		
Litigation and other risks	171	33	(96)	(37)	4	74
Insurance liabilities	37	23	(18)	(0)	-	42
Restructuring	36	1	(22)	(2)	(0)	13
Provisions	**245**	**57**	**(136)**	**(39)**	**4**	**130**
• of which non-current	79	10	(54)	(2)	(3)	31
• of which current	165	46	(82)	(37)	7	99

The insurance liabilities are held by Comura, a subsidiary specializing in insurance, which covers notably property damages and third-party liability risks for half of the Group's hotel network.

The decrease in provisions for litigation and other risks mainly include:

- the reversal of the €53 million provision booked in 2020 in relation to the dividend withholding tax litigation (see Note 14.2);
- the reversal the €50 million provision covering the risks associated with guarantees provided as part of AccorInvest disposal (of which €28 million were utilized) (see Note 14.2).

The decrease in restructuring provisions is explained by a €(24) million reversal mainly related to the restructuring plan of the Lido and the transformation plan initiated by the Group.

NOTE 11 FINANCING AND FINANCIAL INSTRUMENTS

11.1. Net Financial result

ACCOUNTING POLICY

Cost of net debt includes interests paid on financial debts, gain and loss on derivates related to financial debt, as well as interests received on loans and income earned from cash and cash equivalents.

Other financial income and expenses mainly comprise the gains and losses arising from ineffective portion of hedging instruments, foreign exchange gains and losses, dividend income from non-consolidated companies, the change in fair value of financial assets measured at fair value through profit or loss, movements in financial provisions and costs on credit lines.

The net financial result is analyzed as follows:

(in millions of euros)	Dec. 2022	Dec. 2023
Interests on bonds and bank borrowings	(102)	(94)
Interests expenses on current accounts	(6)	(13)
Interests income on loans and securities	13	52
Interests on lease debt	(9)	(20)
Cost of net debt	**(106)**	**(75)**
Other financial income and expenses	22	(25)
Net financial result	**(84)**	**(100)**

Other financial income and expenses include the following items:

(in millions of euros)	Dec. 2022	Dec. 2023
Hedging	(4)	37
Exchange gains/(losses)	22	(58)
Change in fair value of non-current financial assets	6	(3)
Dividend income	7	6
Others financial expenses	(9)	(7)
Other financial income and expenses	**22**	**(25)**

11.2. Financial instruments

ACCOUNTING POLICY

Financial instruments are classified under the categories defined by IFRS 9 *Financial instruments*.

Financial Assets

The classification of financial assets is based on the nature of their contractual cash flows as well as the Group's business model for managing the assets.

- Assets at amortized cost: these are financial assets held to collect contractual cash flows that consist solely of payments of principal and interests at specified dates. They are initially measured at fair value, and subsequently measured at amortized cost using the effective interest method. This category mainly includes cash, trade receivables, security deposits and loans to non-consolidated entities.
- Assets at fair value through other comprehensive income: these are equity instruments not held for trading, for which the Group had irrevocably elected at initial recognition, and on a line-by-line basis, to present changes in fair value in other comprehensive income. This category mainly comprises investments in non-consolidated companies. Derivative instruments that are designated as cash flow hedge are also classified in this category.
- Assets at fair value through profit or loss: these include equity instruments, for which the Group had not, when applicable, elected the option of fair value through other comprehensive income as well as all other financial assets qualified as debt instruments that are not included in either of the above categories (in particular, when they do not have a fixed maturity or cash flows that can be determined). This category mainly includes units in mutual funds, derivatives instruments that are designated as fair value hedge and other derivative instruments that are not eligible to hedge accounting.

Financial liabilities

- Financial liabilities at amortized cost: these are initially recognized at the fair value of the consideration transferred and are subsequently measured at amortized cost using the effective interest method. Transaction costs and premiums directly attributable to issuance of a financial liability are deducted from the initial fair value. Financial liabilities at amortized cost are amortized by the yield-to-maturity method over the life of the liability, based on the effective interest rate. This category consists primarily of bonds, drawdowns on bank lines of credit, bank overdrafts, trade payables and other payables.
- Financial liabilities at fair value through other comprehensive income: this category mainly comprises derivative instruments that are designated as cash flow hedge.
- Financial liabilities at fair value through profit or loss: these are financial liabilities held for trading. This category mainly corresponds to derivative instruments that are designated as fair value hedge and other derivative instruments that are not eligible to hedge accounting.

Put options on non-controlling interests

A commitment to buy the shares held by a minority shareholder (put option) results in the recognition of a debt for the discounted estimated purchase price. The counterpart of the debt is recognized as a reduction in shareholders' equity attributable to minority interests, up to the carrying amount of the minority interests, and shareholders' equity – Group share, for the balance. The debt is remeasured at the end of each reporting period to reflect changes in the option's exercise price, with a corresponding adjustment to shareholders' equity following the same allocation rules as for the initial recognition of the liability.

Convertible bonds (OCEANE)

In accordance with IAS 32 *Financial instruments: Presentation*, convertible bonds are analyzed as compound instruments that contain two elements: (i) a liability and (ii) an equity component for the embedded conversion option into shares, when it is settled through delivery of a fixed number of the Group's own equity instruments for a fixed amount of cash.

On initial recognition, the liability is measured by discounting the contractual stream of future cash flows (interests and repayment value) to the present value, using a market interest rate applicable to instruments of comparable features, but without the conversion option. The value of the conversion option is measured as the residual amount after deducting the fair value of the liability component from the bond's issue price. The option is recorded in equity under "Retained earnings". Issue costs are allocated between the two components in proportion to their respective values.

Subsequently, the liability is measured at amortized cost using the effective interest rate, comprising the interests, the conversion premium and the allocated share of costs. Thus, the carrying amount of the liability in the statement of financial position is increased, at each period, so that at maturity date, it is equal to its repayment value.

The equity component is not remeasured after initial recognition.

11.2.1. Net financial debt

As at December 31, 2023, the Group net financial debt amounts to €2,074 million and is analyzed as follows:

	Dec. 2022			Dec. 2023		
(in millions of euros)	Current	Non-current	Total	Current	Non-current	Total
Bonds	323	2,069	2,391	384	1,730	2,114
Negotiable commercial paper (NEU CP)	109	-	109	291	-	291
Bank overdraft	18	-	18	4	-	4
Other bank borrowings	19	119	139	31	90	121
Bonds and bank borrowings	**469**	**2,188**	**2,657**	**709**	**1,820**	**2,529**
Other financial debts	117	73	190	23	67	90
Derivative financial instruments	22	-	22	4	-	4
Gross financial debt	**608**	**2,261**	**2,869**	**736**	**1,887**	**2,623**
Lease liability	92	377	469	110	639	748
Total financial debt	**700**	**2,638**	**3,338**	**845**	**2,526**	**3,372**
Cash and cash equivalents	1,643	-	1,643	1,283	-	1,283
Other financial assets	23	-	23	-	-	-
Derivative financial instruments	14	-	14	14	-	14
Financial assets	**1,680**	**-**	**1,680**	**1,298**	**-**	**1,298**
Net financial debt	**(980)**	**2,638**	**1,658**	**(452)**	**2,526**	**2,074**

Changes in financial debt

In 2023, changes in financial debt were as follows:

(in millions of euros)	Dec. 2022	Cash flows	Other changes: Scope effects	Exchange differences	Fair value	Others	Dec. 2023
Bonds	2,391	(299)	-	-	-	22	2,114
Negotiable commercial paper (NEU CP)	109	182	-	-	-	-	291
Bank borrowings	157	(18)	3	(2)	-	14	125
Other financial debts	190	(57)	16	(2)	-	(56)	90
Derivative financial instruments	22	-	-	-	(1)	(17)	4
Gross financial debt	**2,869**	**(201)**	**23**	**(4)**	**(1)**	**(63)**	**2,624**
Lease liability	469	(120)	65	(5)	-	341	748
Total debt	**3,338**	**(322)**	**88**	**(9)**	**(1)**	**277**	**3,372**

Repayment of bonds

Over the year, Accor redeemed the remaining €295 million balance of the bond issued in September 2015 for €500 million and matured in September 2023. This bond had been partially redeemed for €205 million as part of the refinancing in November 2021.

Short-term financing

Accor has a short-term financing program in the form of negotiable commercial papers (NEU CP) capped at €500 million. As at December 31, 2023, this program is drawn for €291 million, representing an increase of €182 million compared to December 31, 2022.

Other financial debt

The change in other financial debt corresponds to the reversal of the €62 million liability in relation to the unexercised call option held by H World Group Ltd. after the expiration of the exercise period.

Breakdown of bonds

As at December 31, 2023, bonds break down as follows:

Nominal *(in local currency)*	Local currency	Nature	Date of issuance	Maturity	Interest rate *(%)*: Nominal*	Effective**	Carrying amount: Dec. 2022	Dec. 2023
295	EUR	Bond	09/15	09/23	3.625%	3.95%	296	-
357	EUR	Bond	01/17	01/24	2.50%	1.77%	365	365
600	EUR	Bond	02/19	02/26	3.00%	3.14%	606	609
500	EUR	OCEANE	12/20	12/27	0.70%	0.87%	454	463
700	EUR	Bond	11/21	11/28	2.375%	3.18%	671	676
Bonds borrowings							**2,391**	**2,114**

* *Applicable as at December 31, 2023.*
** *On the basis of a global effective rate since issue including an impact of step-up and step-down clauses.*

11.2.2. Current financial assets

As at December 31, 2023, cash and cash equivalents break down as follows:

(in millions of euros)	Dec. 2022	Dec. 2023
Cash	784	486
Fixed-term deposits	476	359
Mutual funds units	382	438
Cash and cash equivalents	**1,643**	**1,283**

Other current financial assets amounted to €152 million as at December 31, 2023. They include short-term loans for €138 million, mainly the vendor loan granted to The Valesco group as part of the disposal of SCI Sequana shares (see Note 3.1.2), and derivatives instruments for €14 million.

11.2.3. Non-current financial assets

ACCOUNTING POLICY

Non-current loans and receivables are measured at amortized cost using the effective interest rate method. On initial recognition, a loss allowance is recognized for credit losses that result from default events that are possible within the next 12-months. In case of significant deterioration of the counterpart's credit risk since initial recognition, the initial loss allowance is completed to cover for credit losses expected over the remaining life of the exposure.

Non-consolidated equity investments are equity instruments initially recorded at cost, and subsequently measured at fair value. The Group generally elects to present changes in the fair value in other comprehensive income. The fair value reserves, thus accumulated, cannot be subsequently recycled in the income statement upon disposal. Only dividends received are recognized in financial result.

Other non-current financial assets correspond to debt instruments that do not meet the definition of a " basic lending arrangement" under IFRS 9 *financial instruments*, because they give rise to cash flows that are not solely payments of principal and interests. This category mainly comprises bonds convertible into shares subscribed by the Group and units held in investment funds. These financial assets are measured at fair value through profit or loss.

As at December 31, 2023, non-current financial assets break down as follows:

(in millions of euros)	Dec. 2022	Dec. 2023
Long term loans	38	72
Security deposits	30	15
Financial assets at amortized cost	**69**	**86**
Investments in non-consolidated companies	248	99
Other non-current financial assets	121	125
Financial assets at fair value	**369**	**224**
Total	**438**	**310**

The change in non-consolidated investments mainly corresponds to the derecognition of REEF Technology Inc. shares in exchange for the shares in REEF Proximity (see Note 3.1.3).

As at December 2023, other non-current assets mainly include convertible bonds (€72 million) and shares in investment funds (€54 million). The change in 2023 is mainly explained by the recognition of REEF Proximity's convertible bonds (see Note 3.1.3), partially offset by a negative remeasurement to fair value of an earn-out receivable on the disposal of a leased assets portfolio.

11.2.4. Derivative instruments

ACCOUNTING POLICY

Derivative financial instruments are used to hedge risks exposures, to which the Group is exposed in the frame of its activities, mainly changes in interest rates and exchange rates.

The accounting for fair value changes in derivative instruments depends on whether they are qualified as hedge accounting.

Derivative instruments designated as hedging instruments

Accor uses three types of hedges:

- Fair value hedges of recognized assets and liabilities in the statement of financial position: the hedged items are measured at fair value in the statement of financial position. Changes in fair value are recognized in the income statement and offset by the effective portion of changes in fair value of the derivative instruments.
- Cash flow hedges ("CFH"): the effective portion of the gain or loss on the derivative instruments is recognized in other comprehensive income and, subsequently, reclassified to profit or loss when the hedged item affects profit or loss. The ineffective portion of the gain or loss is recognized immediately in financial result.
- Hedge of a net investment in a foreign operation: the effective portion of the gain or loss on the hedging instrument is initially recognized in other comprehensive income and, subsequently, reclassified to profit or loss upon disposal of the investment, either on a full-basis, in case of loss of control, or up to the Group's share otherwise. The ineffective portion of the gain or loss is recognized immediately in financial result.

The Group uses the "cost of hedging" option permitted by IFRS 9 *Financial instruments,* allowing to limit the volatility in profit or loss resulting from forward points, currency basis spreads and the time value of options.

Hedge accounting is applied when, at the inception of the hedging relationship, there is a formal designation and documentation of the hedging relationship, and it meets all the hedge effectiveness requirements at inception and throughout the duration of the hedge.

Other derivative instruments

Other derivative instruments are measured at fair value, with changes in fair value recognized in financial result.

As at December 31, 2023, derivative instruments are only composed of interest rate hedges:

	Dec. 2022		**Dec. 2023**	
(in millions of euros)	Assets	Liabilities	**Assets**	**Liabilities**
Foreign currency hedges	14	22	14	4
Derivatives financial instruments	**14**	**22**	**14**	**4**

11.2.5. Breakdown of financial assets and liabilities

(in millions of euros)	By class of instrument				
	At amortized cost	**Fair value through equity**	**Fair value through P&L**	**Derivatives qualified as hedges**	**Dec. 2022**
Long term loans	38	-	-	-	38
Deposits	30	-	-	-	30
Investments in non-consolidated companies	-	248	-	-	248
Other non-current financial assets	-	-	121	-	121
Trade receivables	794	-	-	-	794
Cash and cash equivalents	1,261	-	382	-	1,643
Other financial assets	23	-	-	-	23
Derivative instruments	-	-	9	5	14
Assets classified as held for sale	-	264	-	-	264
Financial assets	**2,147**	**512**	**512**	**5**	**3,177**
Bonds	2,391	-	-	-	2,391
Negotiable commercial paper (NEU CP)	109	-	-	-	109
Bank borrowings	157	-	-	-	157
Other financial debt	190	-	-	-	190
Trade payables	489	-	-	-	489
Derivative instruments	-	-	8	14	22
Financial liabilities	**3,336**	**-**	**8**	**14**	**3,358**

(in millions of euros)	By class of instrument				
	At amortized cost	**Fair value through equity**	**Fair value through P&L**	**Derivatives qualified as hedges**	**Dec. 2023**
Long term loans	72	-	-	-	72
Deposits	15	-	-	-	15
Investments in non-consolidated companies	-	99	-	-	99
Other non-current financial assets	-	-	125	-	125
Trade receivables	824	-	-	-	824
Cash and cash equivalents	845	-	438	-	1,283
Short term loans	138	-	-	-	138
Derivative instruments	-	-	14	-	14
Financial assets	**1,893**	**99**	**578**	**-**	**2,569**
Bonds	2,114	-	-	-	2,114
Negotiable commercial paper (NEU CP)	291	-	-	-	291
Bank borrowings	125	-	-	-	125
Other financial debt	90	-	-	-	90
Trade payables	515	-	-	-	515
Derivative instruments	-	-	3	0	4
Financial liabilities	**3,134**	**-**	**3**	**0**	**3,138**

Derivative instruments documented in relation to hedging are reported under the column “Derivatives qualified as hedges”. Other derivative instruments are reported under “Fair value through P&L”.

11.2.6. Hierarchies at fair value

ACCOUNTING POLICY

IFRS 13 *Fair value* establishes a hierarchy of valuation techniques for financial instruments as follows:

- Level 1 – inputs based on quoted prices (unadjusted) in active markets for a similar instrument;
- Level 2 – valuation techniques using observable data in active markets for a similar instrument;
- Level 3 – valuation techniques primarily using non-observable inputs.

Valuation techniques used to determine the fair value of assets and liabilities measured at fair value in the statement of financial position are as follows:

	Dec. 2022	Hierarchy		
(in millions of euros)	Fair value	Level 1	Level 2	Level 3
Investments in non-consolidated companies	248	36	-	212
Other non-current financial assets	121	-	-	121
Mutual funds units	382	382	-	-
Derivative instruments – assets	14	-	14	-
Assets classified as held for sale	264	264	-	-
Financial assets	**1,029**	**682**	**14**	**333**
Derivative instruments – liabilities	22	-	22	-
Financial liabilities	**22**	**-**	**22**	**-**

	Dec. 2023	Hierarchy		
(in millions of euros)	Fair value	Level 1	Level 2	Level 3
Investments in non-consolidated companies	99	37	-	62
Other non-current financial assets	125	-	-	125
Mutual funds units	438	438	-	-
Derivative instruments – assets	14	-	14	-
Assets classified as held for sale	-	-	-	-
Financial assets	**677**	**475**	**14**	**187**
Derivative instruments – liabilities	4	-	4	-
Financial liabilities	**4**	**-**	**4**	**-**

No change in the fair value hierarchy has been carried out in the measurement of assets and liabilities at fair value over the year. The fair value of mutual fund units corresponds to the net asset values at closing date.

The fair value of investments in non-consolidated companies corresponds either to the share price (level 1) for shares listed on an active market, or to an estimate for non-listed shares determined using the most appropriate and specific financial criteria (level 3).

The fair value of derivatives is measured based on models commonly used by market participants to value these financial instruments using observable market data (level 2). The impact of the default risk of the counterparty (CVA) and the entity's own credit risk (DVA) is not material on the derivatives fair value.

The fair value of financial assets and liabilities recognized at amortized cost is equal to the carrying amount, except for bonds. The fair value of the bonds is determined based on quoted prices (level 1) and amounts to €2,103 million as at December 31, 2023.

11.3. Financial risk management

11.3.1. Foreign exchange risk

Bonds and bank borrowings by currency

The bonds and banking debt by Group currency after the use of derivatives (without commercial hedging) breaks down as follows:

	Before hedging			After hedging		
(in millions of euros)	**Amount**	**Rate**	**% of total debt**	**Amount**	**Rate**	**% of total debt**
Euro (EUR)	2,475	3%	98%	2,210	3%	87%
Australian dollar (AUD)	-	-	-	453	6%	18%
UAE dirham (AED)	-	-	-	125	1%	5%
Pound sterling (GBP)	-	-	-	95	1%	4%
US dollar (USD)	55	7%	2%	77	5%	3%
Canadian dollar (CAD)	-	-	-	(176)	(1)%	(7)%
Swiss franc (CHF)	-	-	-	(258)	2%	(10)%
Other currencies	-	-	-	4	35%	0%
Bonds and bank borrowings	**2,529**	**3%**	**100%**	**2,529**	**3%**	**100%**

The table above reports the currency translation of the Group's financings. They are established according to operational needs, whether in a lending or borrowing currency position.

Foreign currency hedging

As at December 31, 2023, characteristics of the foreign currency hedges are as follows:

	Dec. 2023								
(in millions of euros)	**Hedging maturity**	**Accounting classification**	**AUD**	**USD**	**CHF**	**GBP**	**Others currencies**	**Nominal**	**Fair value**
Currency swaps	< 1 an	Trading	11	18	(262)	26	54	(153)	9
Cross currency swaps	2028	CFH	424	-	-	-	-	424	(0)
Financing operations			**435**	**18**	**(262)**	**26**	**54**	**271**	**8**
Forward	< 1 an	Trading	17	23	12	19	40	111	1
Commercial operations			**17**	**23**	**12**	**19**	**40**	**111**	**1**
Trading operations	**< 1 an**	**Trading**	**-**	**(33)**	**-**	**48**	**(134)**	**(119)**	**2**
Total			**452**	**8**	**(250)**	**93**	**(40)**	**263**	**11**

* *Trading: Fair value for P&L.*
** *CFH: Cash-Flow Hedge.*

Sensitivity analysis

Accor's policy is to hedge financing positions in the statement of financial position. Hence, the sensitivity of the net result on foreign exchange risks over the balance sheet financing positions is not material.

Regarding commercial operations in the statement of financial position, exposures are mainly centralized at Accor SA level. The Group's policy is to invoice the fees to subsidiaries in their functional currency (with minor exceptions). As at December 31, 2023, most of the trade balances are hedged and the corresponding foreign currency derivatives are qualified as trading instruments.

11.3.2. Interest rate risk

Bonds and bank borrowings by interest rate

	Current		Non-current		Dec. 2023	
(in millions of euros)	Fixed	Variable	Fixed	Variable	**Fixed**	**Variable**
Bonds and bank borrowings	705	4	1,775	45	2,480	49
Cash and cash equivalents	(845)	(438)	-	-	(845)	(438)
Net exposure	**(140)**	**(434)**	**1,775**	**45**	**1,635**	**(389)**

As at December 31, 2023, 98% of bonds and bank borrowings were at fixed rate, with an average rate of 2.9%, and 2% were at a variable rate, with an average rate of 8.1%. The fixed rate debt is denominated primarily in euro.

Interest rate hedging

As at December 31, 2023, the Group does not hold any interest rate hedging.

Risk of non-compliance with environmental, social and governance objectives

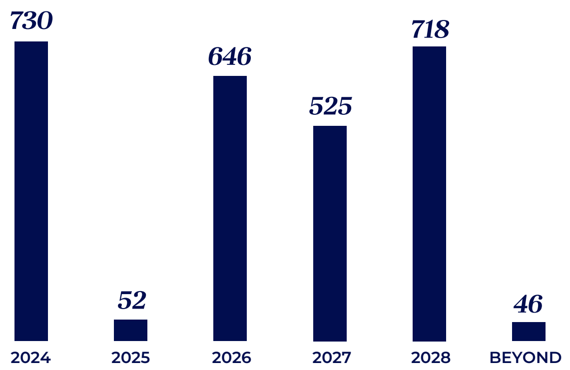
In 2021, Accor issued a bond indexed to the Group's sustainable development objectives (Sustainability-Linked Bond) for €700 million, with a 2.375% coupon, maturing in November 2028. Issued pursuant to the Sustainability-Linked Bond Framework, these bonds are indexed to the two Group's greenhouse gas emission reduction targets of 25.2% for Scopes 1 and 2 and 15.0% for Scope 3 by 2025 compared to 2019. In the event of non-compliance with these targets, the Group is exposed to a 12.5bps step-up per target on coupons from 2026 over the residual term of the debt. As at December 31, 2023, Accor considered that these objectives will be achieved for the determination of the effective rate of the bonds.

Accor holds an undrawn credit line that is indexed to the Group's sustainable development objectives, the fight against food waste and the promotion of gender diversity. In the case of no compliance, the Group is exposed to an increase of its margin to 0.83bp per objective starting in 2024.

11.3.3. Liquidity risk

Debt profile

The bonds and bank borrowings profile (corresponding to contractual nominal and interests included) is one of the indicators used to assess the Group's liquidity position. As at December 31, 2023, maturities were as follows:



Credit lines

In December 2023, the Group has signed a new undrawn confirmed credit line for €1,000 million for five years with a two-year extension period, exercisable in 2024 and 2025. This line replaces the undrawn credit line of €1,200 million concluded in June 2018.

Covenants

There is no early repayment clause that would be triggered following a deterioration in the Group's rating. However, part of the bonds and bank borrowings (€1,650 million out of the €2,529 million) is subject to an early repayment clause in the event of a change of control (in case 50% of Accor SA's voting rights are acquired by a third party) along with a downgrade of the rating to "Non-Investment Grade".

The €1,000 million undrawn credit line does not contain any early repayment clause, but is subject to retaining its "Investment Grade" rating.

Last, no cross-default clause, by which default on one debt can lead to default on another debt, is included in the financing contracts negotiated by Accor. Only cross acceleration clauses exist, these clauses can only be triggered if the cross acceleration relates to financial debts of the same nature and for a significant amount.

Ratings

The credit rating agencies Standard & Poor's and Fitch rating have attributed the below long-term ratings:

	Long-term rating	Outlook	Last review
Standard & Poor's	BBB-	Stable	September 12, 2023
Fitch Rating	BBB-	Stable	April 5, 2023

11.3.4. Credit and counterparty risk

The Group is likely to be exposed to a concentration of counterparty risks related to trade receivables, cash, investments and derivatives.

The business relationship between Accor and hotel owners is formalized through services contracts. Accor considers that the concentration of counterparty risks related to its trade receivables is limited given the number of clients, their geographical dispersion, the nature of the services provided and the frequency of invoicing of the services (usually monthly). As at December 31, 2023, the maximum counterparty risk value on trade receivables is the net book value.

The maturity of trade receivables (excluding accrued receivable of €267 million) is as follows:

		Receivables due			
(in millions of euros)	Receivables not yet due	Less than 90 days	Between 90 and 180 days	More than 180 days	Total
Gross receivables	253	205	70	170	698
Provisions	(10)	(7)	(11)	(113)	(141)
Net receivables	**243**	**198**	**59**	**57**	**556**

Financial investments are diversified. They relate to first rank securities and are negotiated with first rank banks. The Group subscribes over-the-counter derivatives with first-class banks under agreements to offset the amounts due and received in the event of default by one of the contracting parties. In the Group's financial statements, these derivatives are not compensated.

NOTE 12 INCOME TAX

ACCOUNTING POLICY

Income tax expense (or benefit) includes both current and deferred tax expense.

Deferred taxes are recognized using the liability method on temporary differences between the carrying amount of assets and liabilities and their tax base. They are measured using the tax rates enacted or substantively enacted by the end of the reporting period that are expected to apply to the period when the asset is realized, or the liability is settled. The effects of changes in tax rates (and tax laws) are recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive items, for the period in which the rate change is announced.

Deferred tax assets are recognized for the carry forward of unused tax losses and unused tax credit only to the extent that they can be utilized against future taxable profits. The recoverability of deferred tax assets is reviewed periodically by taxable entity. Based on the results of the review, previously recognized deferred tax assets may be derecognized. The recoverability of deferred tax assets is assessed based on business plans prepared the Group companies, taking into account projected taxable profits (usually over a five-year period), past experience and local legal and tax environment.

The Group recognizes deferred taxes on the temporary differences resulting from the assets and liabilities recognized in relation to its lease agreements. On initial recognition, there is no temporary difference as the values of the asset equals the value of the liability. Subsequently, a deferred tax is recognized for the net amount of taxable and deductible temporary differences.

The tax assessed on the value added by the business (“CVAE”) is included in the income tax for the year.

The Group applies the IFRIC 23 guidance for income tax:

- a liability is recognized in the consolidated statement of financial position when a tax risk arising from positions taken by the Group, or one of its subsidiaries, is considered as probable, assuming that the tax authorities have full knowledge of all relevant information when making their examination;
- the Group determines the level, which is the more relevant, to assess a tax risk considering the specific facts and circumstances and the nature of the risk considered;
- when applicable, the liability recognized corresponds to the amount expected to be paid, and is measured using the method, which reflects the Group’s best estimate of the underlying risk.

12.1. Income tax in consolidated income statement

12.1.1. Income tax expense

(in millions of euros)	**2022**	**2023**
Current tax	(117)	(141)
Deferred tax	41	102
Income Tax	**(76)**	**(39)**

The Group recognized an income tax expense for €(39) million.

The current income tax expense of €(141) million mainly includes:

- income tax expenses for €(163) million;
- reversal of provisions for tax risks for €22 million.

The €102 million deferred tax income mainly includes the recognition of deferred tax assets in France, reflecting the improvement of future taxable profits over the next five years, in line with the business assumptions retained in the Group's business plan.

In 2022, the expense of €(76) million included a €(124) million income tax expense, a €41 million deferred tax recognition, mainly in the United States and Netherlands and a €7 million reversal of provisions for tax risks.

12.1.2. Income tax expense analysis

(in millions of euros)		2022	2023
Profit from continuing operations before tax		459	679
Share of profit/(loss) of equity investments		(33)	(44)
Incidence of amortization and impairment		(134)	(61)
Dividends		(1)	32
Others		(18)	(32)
Profit taxed at standard rate	**(a)**	**274**	**573**
Standard tax rate in France	**(b)**	**+25.8%**	**+25.8%**
Theoretical tax at standard French tax rate	**(c) = (a) x (b)**	**(71)**	**(148)**
• differences in foreign tax rates		10	3
• unrecognized tax losses for the year		(30)	(20)
• utilization/recognition of tax losses carryforward		39	124
• net charges to/reversals of provisions for tax risks		7	22
• company value-added contribution (CVAE)		(4)	(4)
• changes in tax rates		1	1
• other items		(28)	(17)
Total effects on tax at standard French tax rate	**(d)**	**(5)**	**109**
Income/(Expense) tax	**(e) = (c) + (d)**	**(76)**	**(39)**

As at December 31, 2023, the income tax rate in France is at 25.83%, including the French “Contribution sociale de solidarité” tax of 3.3% based on the standard tax rate of 25%.

12.2. Deferred taxes

The main sources of deferred tax assets and liabilities are as follows:

(in millions of euros)	Dec. 2022	Dec. 2023
Intangible assets	(482)	(451)
Property, plant and equipment	(4)	(18)
Recognized tax losses	92	147
Provision for employee benefits	28	25
Provision for risks and contingencies	17	(8)
Impairment losses	6	23
Others	(4)	18
Total net deferred tax	**(347)**	**(262)**
• Deferred tax assets	193	229
• Deferred tax liabilities	(540)	(491)

Deferred taxes liabilities on intangible assets mainly relate to assets recognized as part of Group’s various acquisitions.

Deferred tax assets on tax losses mainly relate to France (€73 million) and the United States (€40 million).

12.3. Unrecognized deferred tax

As at December 31, 2023, unrecognized deferred tax assets amount to €717 million (compared to €835 million as at December 31, 2022). They mainly relate to evergreen tax losses carryforwards in France (€310 million), Luxembourg (€72 million) and Belgium (€70 million).

Unrecognized deferred tax assets will expire in the following periods if unused:

(in millions of euros)	**Deductible temporary differences**	**Tax losses carry forwards**	**Total**
From 2023 to 2026	4	34	38
2027 and beyond	14	24	38
Evergreen	126	515	641
Total	**144**	**573**	**717**

NOTE 13 SHAREHOLDERS' EQUITY AND EARNING PER SHARE

ACCOUNTING POLICY

Shareholders' equity is attributable to two categories of owners: owners of the parent (Accor SA shareholders) and owners of non-controlling interests (minority interests).

Transactions with minority interests

Transactions with minority interests leading to a change in a parent's ownership interest in a subsidiary that does not result in the parent losing control of the subsidiary are equity transactions (*i.e.* transactions with owners in their capacity as owners). If an additional interest is acquired in a controlled company, the difference between the purchase price of the shares and the additional share of net assets acquired is recognized in shareholders' equity, Group share. The carrying amount of the subsidiary's assets and liabilities, including goodwill, is unchanged.

Equity instruments

The classification in shareholders' equity depends on the specific analysis of the characteristics of each instrument issued by the Group. An instrument is classified as an equity instrument if it does not include any contractual obligation to pay cash or another financial asset to the holder. In particular, an instrument whose redemption is at the Group's initiative and whose remuneration is subject to the payment of a dividend is classified as equity.

13.1. Share capital

13.1.1. Changes in share capital

As at December 31, 2023, Accor SA's share capital was made up of 252,289,352 shares with a par value of €3 each, each fully paid. Changes in the number of outstanding shares during 2023 were as follows:

In number of shares	**2023**
Number of issued shares at January 1, 2023	**263,031,794**
Performance shares vested	1,898,784
Shares cancelled	(12,641,226)
Number of issued shares at December 31, 2023	**252,289,352**

13.1.2. Distribution of dividends

On May 25, 2023, Accor SA paid a dividend of €1.05 per share (€0.71 for 2022 financial year results and €0.34 as an exceptional dividend) in the form of a cash payment of €277 million.

13.1.3. Perpetual subordinated notes

In October 2023, Accor refinanced the €500 million hybrid bond issued in January 2019. This operation consisted of:

- the issuance of perpetual hybrid bonds amounting to €500 million, with a coupon of 7.25%; and
- the repurchase of a perpetual hybrid bond (coupon of 4.375%) for €442 million. Following the terms and conditions of these bonds, the Group exercised its option to repurchase the remaining bond of €58 million.

In 2023, the bond holders compensation amounted to €45 million. It is analyzed as a distribution of profits, recognized as a reduction in shareholders' equity.

13.1.4. Share buyback program

On October 10, 2023, Accor launched a share buyback program, which was fully completed on December 20, 2023.

Following this transaction, the Group repurchased 12,641,226 treasury shares at an average price of €31.64 per share, for a total of €400 million. These shares were cancelled as part of a capital reduction. This program is in line with the Group's commitment to return approximately €3 billion to its shareholders over 2023-2027.

13.1.5. Consolidated reserves

Items recognized directly in shareholders' equity Group share are the followings:

	Dec. 2022	Change	Dec. 2023
Currency translation reserve	(133)	(38)	(171)
Changes in fair value of financial Instruments	(39)	34	(5)
• of which non-consolidated investments	(85)	53	(31)
• of which derivative instruments	46	(20)	26
Reserve for actuarial gains/losses	(83)	(3)	(86)
Share based payments	383	38	421
Retained earnings and others	2,467	239	2,707
Reserves – Group share	**2,595**	**270**	**2,865**

The €53 million variation in reserves on fair value changes on non-consolidated investments included the reclassification of the negative cumulative change in fair value following the partial disposal of shares in H World Group Ltd for €(56) million (see Note 3.1.4).

13.1.6. Currency translation reserve

The currency translation reserve breaks down as follows:

	2022	Change	2023
British sterling (GBP)	(145)	39	(107)
Brazilian real (BRL)	(92)	(55)	(147)
United States dollar (USD)	254	(177)	78
Chinese yuan (CNY)	(39)	(15)	(54)
Canadian dollar (CAD)	(26)	6	(20)
Australian dollar (AUD)	(19)	30	11
Indian rupee (INR)	(73)	7	(65)
Other currencies	8	123	131
Currency translation reserve	**(131)**	**(42)**	**(173)**
• of which Group share	(133)	(38)	(171)
• of which minority interests	2	(4)	(2)

The €42 million negative change in 2023 is mainly driven by the depreciation of the US dollar (€177 million) and Brazilian real (€55 million) and the appreciation of the pound sterling (€39 million) and Australian dollar (€30 million).

The euro closing rates used to translate foreign operations were as follows:

	GBP	BRL	USD	CNY	CAD	AUD	INR
December 2022	0.8803	5.4834	1.0622	7.4198	1.4433	1.5857	87.9579
December 2023	0.8666	5.3624	1.1023	7.8640	1.4639	1.6197	91.6280

13.2. Minority interests

13.2.1. Breakdown of minority interests

Minority interests break down as follows:

(in millions of euros)	Dec. 2022	Change	**Dec. 2023**
Ennismore	309	(12)	297
Rixos Hotels & Resorts	68	13	81
Paris Society subsidiaries	(9)	(15)	(24)
Other minority interests	29	(2)	26
Minority interests	**397**	**(17)**	**380**

13.3. Earnings per share

ACCOUNTING POLICY

Basic earnings per share are calculated by dividing net profit Group share, less interest paid to holders of subordinated notes, by the weighted average number of shares outstanding during the year.

Diluted earnings per share are determined by adjusting the weighted average number of shares for the effects of all potentially dilutive instruments (stock options and performance shares). Instrument shares are treated as dilutive when their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations – Group share.

Earnings per share are calculated as follows:

(in millions of euros)	Continued activities	Discontinued activities	2022	Continued activities	Discontinued activities	**2023**
Net profit – Group share	**359**	**43**	**402**	**623**	**10**	**633**
Coupons on hybrid bonds	(35)	-	(35)	(45)	-	(45)
Adjusted Net profit – Group share	**324**	**43**	**367**	**578**	**10**	**588**
Weighted average number of ordinary shares	262,531,151	262,531,151	262,531,151	264,055,787	264,055,787	264,055,787
Fully diluted weighted average number of shares	263,019,122	263,019,122	263,019,122	265,238,783	265,238,783	265,238,783
Earnings per share *(in euros)*	**1.23**	**0.16**	**1.40**	**2.19**	**0.04**	**2.23**
Diluted earnings per share *(in euros)*	**1.23**	**0.16**	**1.39**	**2.18**	**0.04**	**2.22**

As at December 31, 2023, the weighted average number of ordinary shares is computed as follows:

Outstanding shares	**252,289,352**
Effect of share issued	(770,891)
Cancellation of shares	12,537,326
Weighted average number of ordinary shares	**264,055,787**
Number of dilutive potential shares	1,182,996
Fully diluted weighted average number of shares	**265,238,783**

NOTE 14 UNRECOGNIZED ITEMS

14.1. Off-Balance Sheet commitments

ACCOUNTING POLICY

Commitments given and received by the Group correspond to outstanding contractual obligations that are conditional upon the satisfaction of future conditions or the completion of future transactions. As at December 31, 2023, to the best of the Group's knowledge, there were no commitments likely to have a material effect on the Group's current or future situation other than those disclosed in this note.

14.1.1. Commitments given

The undiscounted commitments given as at December 31, 2023 breakdown is as follows:

(in millions of euros)	< 1 year	1 to 5 years	> 5 years	Total
Commitments given on hotel contracts	66	202	68	336
Lease commitments	2	7	11	20
Investment commitments	81	52	-	133
Bank guarantees and letters of credit	18	35	16	70
Others operating commitments	10	28	3	41
Commitments related to operational activities	**178**	**324**	**98**	**599**
Bank guarantees on lease contracts	34	186	257	477
Shares subscription commitments	3	0	40	43
Other securities and warranties	0	-	1	1
Commitments related to perimeter	**37**	**186**	**299**	**522**
Subscription commitment towards funds	-	-	7	7
Commitments related to financial investments	**-**	**-**	**7**	**7**
Commitments given	**215**	**510**	**403**	**1,128**

Commitments given on hotel contracts mainly relate to "key money" to be paid to secure agreements with hotel owners and performance guarantees granted to hotel owners under management contracts.

14.1.2. Commitments received

The undiscounted off-balance sheet commitments received as at December 31, 2023 breakdown is as follows:

(in millions of euros)	< 1 year	1 to 5 years	> 5 years	Total
Counter-guarantees received from associates	-	165	124	289
Bank guarantees received from customers	3	1	0	4
Letters of credit received	1	-	-	1
Others	-	3	-	3
Commitments received	**4**	**168**	**125**	**297**

14.2. Litigations, contingent assets, and liabilities

ACCOUNTING POLICY

A contingent asset or liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events that are not within the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Contingent assets and liabilities are not recognized in the statement of financial position but are disclosed in the notes to the financial statements.

During the normal course of business, the Group may be exposed to claims, litigation, and legal proceedings. All known outstanding claims, litigation and legal proceedings involving Accor SA or any Group company were reviewed at the date on which the consolidated financial statements were authorized for issue, and all necessary provisions were booked to cover the estimated risks. To the best of Management's knowledge, there are no contingent liabilities that could have a material adverse effect on the Group's financial position or business.

Litigation on dividend withholding tax

Since 2022, the Group has taken legal actions to obtain the repayment of the "précompte" dividend withholding tax paid in respect of 1999-2001 and 2002-2004 financial years.

Regarding the 2002-2024 period, the Group has recognized a provision of €53 million to deal with the risk of refunding part of the €307 million reimbursed by the French State following the favorable decision of the Administrative Court of Appeal of Versailles on July 7, 2020.

On May 27, 2023, following the decision of the Court of Justice of the European Union (CJEU) dated May 12, 2022, the French Supreme Court confirmed that the "précompte" was infringing the European parent subsidiary regime. However, the French Supreme Court did not conclude on the definitive "précompte" amount attributed to the Group and referred to the Versailles Court of Appeal to settle this claim. Pending a new decision, on April 21, 2023, the Division of Major Enterprises (DGE) asked Accor to refund the amount of €53 million.

On January 9, 2024, the Administrative Court of Appeal of Versailles issued a decision confirming the decision of the Council of State and the Group appealed to the Council of State.

In 2023, Accor has recognized the payment to the DGE and reversed the provision of €53 million. The decision of the Administrative Court of Appeal of Versailles has no impact in the Group's income statement.

Furthermore, this decision confirms that the reimbursement of "précompte" received in 2020 for €307 million for the period 2002-2004 is acquired by the Group in the amount of €254 million, which corresponds to the income recognized in the consolidated financial statements for the year 2020.

As a reminder, regarding the "précompte" for the 1999-2001 period, following the decision of the French Supreme Court on December 10, 2012, requiring Accor to refund €185 million, the Group brought against an action for State liability and continue to assert its rights.

14.3. Subsequent Events

On January 30, 2024, Accor signed an agreement with Travel + Leisure to sell its timeshare business in Australia, New Zealand and Indonesia, Accor Vacation Club, for an enterprise value of AUD 78 million (€48 million) (see Note 3.2.1).

NOTE 15 OTHER INFORMATION

15.1. Related parties

Companies that exercise significant influence over Accor

As at December 31, 2023, the companies Qatar Investment Authority (QIA) and Kingdom Holding Company of Saudi Arabia (KHC), who became shareholders following the acquisition of FRHI Hotels & Resorts in 2016, exercise significant influence over Accor SA. In virtue of the agreements signed at the time of this transaction, QIA has two seats on the Board of Directors and KHC has one.

On June 28, 2022, Accor entered into a new partnership with SASP Paris Saint Germain Football, whose owner is Qatar Sport Investment (QSI), a subsidiary of QIA, to become one of the official sponsors of Paris-Saint-Germain for the next four years from 2022/2023 season. This collaboration aims to promote the ALL-Accor Live Limitless loyalty program using Paris Saint-Germain assets all over the world and to offer unique and privileged experiences to ALL loyalty program members for four seasons until 2026.

Subsidiaries, joint ventures and associates

Transactions between the Company and its subsidiaries, joint ventures and associates are concluded in the normal course of business operations. The transactions with subsidiaries are eliminated in the Group's consolidated financial statements.

When appropriate, the main transactions with joint ventures and associates are mentioned directly in the related notes (see Notes 3.1.3 and 6).

Members of the Executive Committee and the Board of Directors

Transactions with members of the Executive Committee and Board of Directors are presented in Note 5. All transactions with companies in which a member of the Executive Committee or the Board of Directors holds material voting rights are conducted in the normal course of business on arm's length terms and are not material.

15.2. Fees paid to auditors

The table below shows the total fees billed by the auditors recognized in the Group's consolidated income statement for the financial years 2022 and 2023:

	2022			2023		
(in millions of euros)	PwC	EY	Total	**PwC**	**EY**	**Total**
Fees related to certification of accounts						
Issuer	1.6	1.5	3.1	2.0	1.4	3.4
Fully consolidated subsidiaries	1.7	1.2	2.9	1.9	1.8	3.7
Subtotal	**3.3**	**2.8**	**6.0**	**4.0**	**3.1**	**7.1**
Fees for services other than certification of accounts						
Services required by laws and regulations	-	0.2	0.2	0.2	-	0.2
Due diligence services	0.6	-	0.6	-	-	-
Tax services*	0.2	0.6	0.8	0.1	1.1	1.2
Other services**	1.0	-	1.0	7.3	0.2	7.5
Subtotal	**1.8**	**0.8**	**2.5**	**7.6**	**1.3**	**8.9**
Total	**5.0**	**3.5**	**8.6**	**11.6**	**4.4**	**16.0**

* *Tax services mainly related to compliance assignments performed for foreign subsidiaries.*
** *Services mainly related to assignments performed in France and abroad by members of respective auditors' networks.*

15.3. Main consolidated companies

As at December 31, 2023 the Group consolidates under the appropriate method all of its subsidiaries.

To the best of the Group's knowledge, there are no material restrictions on Accor's ability to have access to the assets of the subsidiaries controlled by the Group.

The fully consolidated subsidiaries and the main equity-accounted investments of the Group are presented below. The other entities are individually not material.

Principales filiales et participation	Pays	Méthode	%
AMÉRIQUES			
ACCORHOTELS ARGENTINA S.A.	Argentine	IG	100 %
FAIRMONT MY (BARBADOS)	Barbade	IG	100 %
FAIRMONT DUBAÏ HOLDINGS LTD	Bermude	IG	100 %
FAIRMONT HOTELS LIMITED	Bermude	IG	100 %
HOTELARIA ACCOR BRASIL SA	Brésil	IG	100 %
L.E.B.S.P.E. EMPREENDIMENTOS E PARTICIPAÇÕES LTDA.	Brésil	IG	100 %
ACCOR INVESTIMENTOS E PARTICIPAÇÕES LTDA.	Brésil	IG	100 %
ACCOR LUXURY BRAZIL S.A.	Brésil	IG	100 %
ACCOR MANAGEMENT CANADA INC	Canada	IG	100 %
ACCOR CANADA INC	Canada	IG	100 %
ACCOR CANADA HOLDINGS INC.	Canada	IG	100 %
3985784 CANADA INC.	Canada	IG	100 %
6081541 CANADA INC.	Canada	IG	100 %
4229452 CANADA INC.	Canada	IG	100 %
FHP (CANADA) MANAGEMENT COMPANY INC.	Canada	IG	100 %
CP HOTELS MANAGEMENT	Canada	IG	100 %
CANADIAN PACIFIC EXPRESS & TRANSPORT LTD.	Canada	IG	100 %
FRHI REAL ESTATE HOLDING INC.	Canada	IG	100 %
FHR PROPERTIES INC.	Canada	IG	100 %
FHR WHISTLER OPERATIONS CORPORATION	Canada	IG	100 %
FHR LAKE LOUISE OPERATIONS CORPORATION	Canada	IG	100 %
FHR JASPER OPERATIONS CORPORATION	Canada	IG	100 %
FHR BANFFOPERATIONS CORPORATION	Canada	IG	100 %
CANMORE LAUNDRY FACILITY OPERATIONS LIMITED	Canada	IG	100 %
FHR LCF OPERATIONS CORPORATION	Canada	IG	100 %
FHR RYH OPERATIONS CORPORATION	Canada	IG	100 %
FHR QEH OPERATIONS CORPORATION	Canada	IG	100 %
MANOIR RICHELIEU LTD./LTEE.	Canada	IG	100 %
ACCOR FRANCHISING CANADA INC	Canada	IG	100 %
FHP SP LIMITED PARTNERSHIP	Canada	IG	100 %
ACCOR PME FRANCHISING CANADA INC.	Canada	IG	100 %
ACCORHOTELS CHILE SPA	Chili	IG	100 %
A3 SPA	Chili	MEE	20 %
SOCIEDAD ANONIMA DE GESTION HOTELERA DE COLOMBIA – SOGECOL SA	Colombie	IG	100 %
COLOMBIA IBIS	Colombie	IG	72 %
SUN CARIBE	Cuba	IG	100 %
ACCOR MANAGEMENT US INC	États-Unis	IG	100 %
HERITAGE BENEFITS COMPANY LLC	États-Unis	IG	100 %
FRHI REAL ESTATE HOLDING (US) INC.	États-Unis	IG	100 %
FAIRMONT US MANAGEMENT LP	États-Unis	IG	100 %
ACCOR HOTELS & RESORTS (MARYLAND) LLC	États-Unis	IG	100 %

Principales filiales et participation	Pays	Méthode	%
FHP MANAGEMENT COMPANY LLC	États-Unis	IG	100 %
FHP COCOA MANAGEMENT COMPANY LLC	États-Unis	IG	100 %
FHP SP (U.S.) MANAGEMENT COMPANY, LLC	États-Unis	IG	100 %
SCP CE SCOTTSDALE PRINCESS PARTNERSHIP	États-Unis	IG	100 %
FHR AUSTIN HOTEL MANAGEMENT COMPANY LLC	États-Unis	IG	100 %
FHR CLAREMONT HOTEL MANAGEMENT COMPANY LLC	États-Unis	IG	100 %
FHR DALLAS HOTEL MANAGEMENT COMPANY LLC	États-Unis	IG	100 %
FHR GDM HOTEL MANAGEMENT COMPANY LLC	États-Unis	IG	100 %
FHR WASHINGTON DC OPERATIONS LLC	États-Unis	IG	100 %
FHR SEATTLE OPERATIONS LLC	États-Unis	IG	100 %
FHR SAN FRANCISCO OPERATIONS LLC	États-Unis	IG	100 %
COPLEY PLAZA HOTEL OPERATING COMPANY LLC	États-Unis	IG	100 %
SONOMA MISSION INN MANAGEMENT COMPANY LLC	États-Unis	IG	100 %
KEA LANI LLC	États-Unis	IG	100 %
FHR (ML) OPERATING COMPANY LLC	États-Unis	IG	100 %
SWISSOTEL EMPLOYMENT SERVICES L.L.C.	États-Unis	IG	100 %
THE CHICAGO HOTEL MANAGEMENT SERVICES COMPANY LLC	États-Unis	IG	100 %
FHR PITTSBURGH MANAGEMENT COMPANY LLC	États-Unis	IG	100 %
FHR CENTURY PLAZA HOTEL MANAGEMENT COMPANY LLC	États-Unis	IG	100 %
DC SOFITEL, LLC	États-Unis	IG	100 %
NORMANDIE LLC	États-Unis	IG	100 %
LA LIBERTE LLC	États-Unis	IG	100 %
LA TOURAINE LLC	États-Unis	IG	100 %
LOS ANGELES MAISON INC	États-Unis	IG	100 %
ACCOR FRANCHISING US LLC	États-Unis	IG	100 %
FHP TELLURIDE MANAGEMENT COMPANY LLC	États-Unis	IG	100 %
FHR ESJ OPERATIONS LLC	États-Unis	IG	100 %
FHP GS HOLDINGS LLC	États-Unis	IG	100 %
BACK BAY HOTEL OPERATING COMPANY LLC	États-Unis	IG	100 %
ROE MANAGEMENT US INC	États-Unis	IG	100 %
ACCOR PME FRANCHISING US INC	États-Unis	IG	100 %
ACCOR PME US INC.	États-Unis	IG	100 %
REEF PROXIMITY	États-Unis	MEE	20 %
SI HOTELERA DE MEXICO JUR	Mexique	IG	100 %
FHR MEXICO MANAGEMENT COMPANY, S.A., DE C.V.	Mexique	IG	100 %
FHMK, S.A. DE C.V.	Mexique	IG	100 %
ADMINISTRADORA DE VACACIONES FHP, S.A. DE C.V.	Mexique	IG	100 %
ACCOR HOTELES SA DE CV	Mexique	IG	100 %
ACCORHOTELS PERU SA	Pérou	IG	100 %

IG : Intégration globale.
MEE : Mise en équivalence.
Les pourcentages indiqués sont les pourcentages d'intérêt du Groupe.

Main consolidated companies	Countries	Method	%
EUROPE			
ACCOR HOTELBETRIEBS GMBH	Austria	FC	100%
ACCOR HOTELS BELGIUM S.A.	Belgium	FC	100%
CIWLT S.A.	Belgium	FC	100%
ACCOR ASIA S.A.	Belgium	FC	100%
SWISSOTEL ESTONIA	Estonia	FC	100%
ACCOR SA	France	FC	100%
ACCOR AFRIQUE SUPPORT HS	France	FC	100%
ACTIMOS	France	FC	100%
COURTAGE D'ASSURANCE HÔTELLERIE (HIB)	France	FC	100%
AH FLEET SERVICES	France	FC	100%
SFPIE JUR	France	FC	100%
STE DE PARTICIPATION DE L'ILE DE FRANCE HI	France	FC	100%
IBL	France	FC	100%
CHAMMANS FINANCE	France	FC	100%
ACCOR LUXURY & LIFESTYLE	France	FC	100%
IBIS BUDGET	France	FC	98%
SOCIÉTÉ DE MANAGEMENT INTERMARQUES	France	FC	100%
SOCIÉTÉ HÔTELIÈRE DE MONTPARNASSE (SHDM)	France	FC	100%
ACADÉMIE FRANCE	France	FC	100%
MARGOT PREMIUM HOTELS	France	FC	100%
SNC MANAGEMENT HOTELS PULLMAN	France	FC	100%
SNC ROISSYPOLE MANAGEMENT HOTELS	France	FC	100%
STE HOT EXPLOITATION MARSEILLE	France	FC	100%
SNC TOUR EIFFEL PULLMAN	France	FC	100%
SH DÉFENSE GRANDE ARCHE	France	FC	100%
SH DÉFENSE GRANDE ARCHE MERCURE	France	FC	100%
ACCORHOTELS DEUTSCHLAND GMBH	Germany	FC	100%
ACCOR PURCHASING SOLUTIONS GMBH (APS)	Germany	FC	100%
LEISURE HOTELS – HOTEL AND TOURISTIC ENTERPRISES SA	Greece	FC	100%
ACCOR HOTELSERVICES MAGYAORSZAG KFT.	Hungary	FC	100%
ACCOR ISRAEL	Israel	FC	100%
ACCORHOTELS ITALIA S.R.L.	Italy	FC	100%
TRENO	Italy	FC	100%
KAZAKH MANAGEMENT HOTEL COMPANY	Kazakhstan	FC	100%
FRHI HOTELS & RESORTS S.A.R.L.	Luxembourg	FC	100%
COMURA	Luxembourg	FC	100%
ACCORINVEST GROUP	Luxembourg	EM	30%
MALTA HOTELS	Malta	FC	100%
ACCOR HOTELS SERVICES NETHERLANDS BV	Netherlands	FC	100%
ACCOR TREASURY NEDERLAND BV	Netherlands	FC	100%
NOVOTEL FINANCE BV	Netherlands	FC	100%
ACCOR SERVICES POLAND	Poland	FC	100%
ACCORHOTELS PORTUGAL, S.A.	Portugal	FC	100%
ACCOR HOTEIS E SERVICOS (AHS)	Portugal	FC	100%
REAL ESTATE HOTEL COMPANY SRL	Romania	FC	100%
ACCOR HOTELSERVICES MAGYARORSZAG KFT BUDAPESTA – SUCURSALA BUCURESTI	Romania	FC	100%
RUSSIAN MANAGEMENT HOTEL COMPANY LLC	Russia	FC	100%
SAMHOTEL	Russia	FC	100%
YARHOTEL	Russia	FC	100%
KALINHOTEL	Russia	FC	100%
MOSHOTEL	Russia	FC	100%
ACCORHOTELS & COMMUNITY SERVICES SPAIN, S.L.	Spain	FC	100%
ACCOR AHS AB	Sweden	FC	100%
ACCORHOTELS SWITZERLAND	Switzerland	FC	100%
SWISSOTEL MANAGEMENT GMBH	Switzerland	FC	100%
SWISSOTEL HOLDING AG	Switzerland	FC	100%
ACCOR SUISSE SA	Switzerland	FC	100%
FRHI HOTELS & RESORTS (SWITZERLAND) GMBH	Switzerland	FC	100%
FRS HOTEL GROUP (SWITZERLAND) GMBH	Switzerland	FC	100%
SWISSOTEL (RUSSIA) GMBH	Switzerland	FC	100%
MÖVENPICK HOTELS & RESORTS MANAGEMENT AG	Switzerland	FC	100%
MP INVEST AG	Switzerland	FC	100%
UKRAINIAN MANAGEMENT HOTEL COMPANY	Ukraine	FC	100%
ACCOR UK	United Kingdom	FC	100%
ACCOR HOTELSERVICES UK LIMITED	United Kingdom	FC	100%
GREATER CHINA			
AAPC SHANGHAI CO LTD	China	FC	72%
AAPC HONG KONG CO LTD	China	FC	100%
AAPC HOTEL MANAGEMENT LIMITED	China	FC	72%
AAPC HOTEL SERVICES LIMITED	China	FC	100%
AAPC HOTEL SERVICE LIMITED SHANGHAI HS	China	FC	100%
INDIA, MIDDLE EAST, AFRICA & TURKEY			
ACCOR HOTELS ALGERIE	Algeria	FC	100%
ACCOR HOTEL SAE	Egypt	FC	100%
EL GEZIRAH HOTELS TOURISM CY	Egypt	FC	100%
MH&R MANAGEMENT (EGYPT) SAE	Egypt	FC	100%
SOFITEL MGT CIE MIDDLE EAST	France	FC	100%
MH&R MANAGEMENT GHANA LTD.	Ghana	FC	100%
AAPC INDIA HOTEL MANAGEMENT PRIVATE HS	India	FC	51%
FHR HOTELS & RESORTS (INDIA) PRIVATE LIMITED	India	FC	100%
EHIS – FORMULE 1 HS	India	FC	100%
MH&R MANAGEMENT INDIA	India	FC	100%
INTERGLOBE HOTELS	India	EM	40%
ACCOR GESTION MAROC	Morocco	FC	100%
MH&R MANAGEMENT MORROCCO LLC	Morocco	FC	100%
ACCOR AFRIQUE SERVICES	Morocco	FC	100%
BELLE RIVIERE HOTEL (BRH)	Mauritius	FC	100%
KASADA HOSPITALITY FUND LP	Mauritius	EM	30%
ACCOR MANAGEMENT CONSULTING AND SPORTS EVENTS LLC	Qatar	FC	100%
SAUDI FRENCH COMPANY HOTEL MGT	Saudi Arabia	FC	100%
STE DAKAROISE HOSPITALITY SA	Senegal	FC	100%
DEVKOM SOUTH AFRICA	South Africa	FC	100%
MANTIS AFRICA	South Africa	FC	55%

FC: Fully consolidated.
EM: Accounted for by the equity method.
The percentages correspond to the Group's percentage of interest.

Main consolidated companies	Countries	Method	%
TUNISIA HOTELS & RESORTS SA	Tunisia	FC	100%
MÖVENPICK MAN TUNISIA SARL	Tunisia	FC	100%
TAMARIS TURIZM TRY	Turkey	FC	100%
SOFITEL MGT CIE MIDDLE EAST	United Arab Emirates	FC	100%
ACCOR EMOA MOYEN ORIENT	United Arab Emirates	FC	100%
FHR GULF MANAGEMENT FZ-LLC	United Arab Emirates	FC	100%
ACCORHOTELS MIDDLE EAST AND AFRICA FZ-LLC	United Arab Emirates	FC	100%
MH&R MANAGEMENT FZ-LLC – MEA CENTRAL HOLDING & HS	United Arab Emirates	FC	100%
SOUTH-EAST ASIA			
ACCOR PLUS	Australia	FC	100%
PT AAPC INDONESIA	Indonesia	FC	100%
PT FRS HOTELS INDONESIA	Indonesia	FC	100%
AAPC JAPAN K.K.	Japan	FC	100%
AAPC (MALDIVES) PRIVATE LIMITED	Maldives	FC	100%
FRS HOTEL GROUP (PHILIPPINES), INC.	Philippines	FC	100%
FRHI RENTAL MANAGEMENT (PHILIPPINES), INC.	Philippines	FC	100%
S & P, INC.	Philippines	FC	100%
AAPC SINGAPORE PTE LTD	Singapore	FC	100%
AAPC ASIA PTE LTD	Singapore	FC	100%
AHDF PTE LTD	Singapore	FC	100%
AAPC EXPERIENCE PTE LTD	Singapore	FC	100%
RAFFLES INTERNATIONAL LIMITED	Singapore	FC	100%
FRHI HOTELS & RESORTS (SINGAPORE) PTE LTD	Singapore	FC	100%
FRHI HOLDINGS (SING) PTE. LTD.	Singapore	FC	100%
RESORTS INTERNATIONAL (1997) PTE LTD.	Singapore	FC	100%
GOURMET EXPERIENCE PTE LTD	Singapore	FC	100%
AA KOREA HOTEL MANAGEMENT CO. LTD.	South Korea	FC	51%
MH&R MAN (THAILAND) LIMITED	Thailand	FC	100%
AAPC (THAILAND) LIMITED	Thailand	FC	100%
ACCOR LUXURY (THAILAND) LIMITED	Thailand	FC	100%
RAFFLES (THAILAND) LIMITED	Thailand	FC	100%
LIFESTYLE BUSINESS			
TRIBE HOTEL GROUP PTY LTD	Australia	FC	100%
ENNISMORE PACIFIC PTY LTD	Australia	FC	62%
LARGO DO BOTICÁRIO EMPREENDIMENTOS E PARTICIPAÇÕES S.A.	Brazil	FC	100%
ENNISMORE HOTEL MANAGEMENT (SHANGHAI)	China	FC	62%
RIXOS HOSPITALITY EGYPT S.A.E.	Egypt	FC	22%
ORIENT-EXPRESS	France	FC	100%
SOLUXURY FRANCE	France	FC	100%
OE MANAGEMENT COMPANY	France	FC	100%
ENNISMORE FRANCE SAS	France	FC	62%
MAMA SHELTER FRANCE HS	France	FC	62%
42 POINCARE	France	FC	62%
59 POINCARE	France	FC	62%
ALL INC PROD	France	FC	62%
B.P.S.	France	FC	62%

Main consolidated companies	Countries	Method	%
BAL DE LA MARINE	France	FC	62%
BEAURESTO	France	FC	62%
BRA MEGÈVE	France	FC	62%
C.T.A.M	France	FC	62%
CADAPA	France	FC	62%
CITADELLE VAUBAN	France	FC	62%
ESPACE SAINT-LAZARE	France	FC	62%
ESPACE YOYO	France	FC	62%
EVENTIS AND CO	France	FC	62%
GIGI RIGOLATTO BEACH CLUB L.L.C	France	FC	62%
GIRAFE	France	FC	62%
GOURCUFF SOCIETY HOTELS	France	FC	62%
GUMERY	France	FC	62%
HLE	France	FC	62%
HOTEL ABBAYE	France	FC	62%
ITALIE EVENT	France	FC	62%
LA CABOCHE	France	FC	62%
LA SUITE GIRAFE	France	FC	62%
LE BILLOT ETOILE	France	FC	62%
LE DERNIER ETAGE	France	FC	62%
LE MADAM	France	FC	62%
LE PIAF SAINT TROPEZ	France	FC	62%
LE ROOFTOP DES CHAMPS ELYSEES	France	FC	62%
LE ROOFTOP DES TERRASSES	France	FC	62%
LE TOIT DU NEUVIEME	France	FC	62%
LES HARAS DES VAUX DE CERNAY	France	FC	62%
LES PAVILLONS DES ETANGS	France	FC	62%
MAISON RUSSE SAINT TROPEZ	France	FC	62%
MEGÈVE HOLDING	France	FC	62%
MGP	France	FC	62%
MONTAIGNE INVEST	France	FC	62%
MUN RESTAURANT J1 LLC	France	FC	62%
NOCTIS EVENT	France	FC	62%
PARIS SOCIETY CONSULTING	France	FC	62%
PARIS SOCIETY GESTION	France	FC	62%
PARIS SOCIETY INTERNATIONAL HOLDING LTD	France	FC	62%
PARIS SOCIETY INTERNATIONAL INVESTMENT LLC	France	FC	62%
PARK CITY	France	FC	62%
PH1	France	FC	62%
PONTHIEU ARTOIS	France	FC	62%
PSMA	France	FC	62%
PSO ACHAT	France	FC	62%
PSO EVENT	France	FC	62%
PSO FINANCE IT	France	FC	62%
PSO RESTAURANT	France	FC	62%
PSO RH PAIE	France	FC	62%
RASPOUTINE SAINT TROPEZ	France	FC	62%
RBC MEGÈVE	France	FC	62%
RIVER SOCIETY	France	FC	62%
S.T.R.	France	FC	62%
SOCIÉTÉ D'EXPLOITATION 3 ROYAL	France	FC	62%

FC: Fully consolidated.
EM: Accounted for by the equity method.
The percentages correspond to the Group's percentage of interest.

Main consolidated companies	Countries	Method	%
SOCIÉTÉ D'EXPLOITATION BAGATELLE EVENTS	France	FC	62%
SOCIÉTÉ D'EXPLOITATION DE L'AUDITORIUM	France	FC	62%
SOCIÉTÉ D'EXPLOITATION DU STUDIO	France	FC	62%
SOCIÉTÉ D'EXPLOITATION ÉVÉNEMENTIEL	France	FC	62%
SOCIÉTÉ D'EXPLOITATION QUAI ALEXANDRE	France	FC	62%
SOCIÉTÉ DU PAVILLON DES BOTANISTES	France	FC	62%
SOCIÉTÉ DU TROIS CLICHY	France	FC	62%
TERMINAL 7	France	FC	62%
TOKYO EXPLOITATION	France	FC	62%
WILSON EXPLOITATION	France	FC	62%
RAFFLES FRANCE	France	FC	100%
SOCIÉTÉ D'EXPLOITATION PARIS MORLAND	France	FC	62%
ENNISMORE GERMANY GMBH	Germany	FC	62%
ENNISMORE HK LTD	Hong Kong	FC	62%
RIXOS	Netherlands	FC	44%
ENNISMORE MEXICO	Mexico	FC	62%
ENNISMORE QA LLC	Qatar	FC	62%
AH NEW LIFESTYLE RUSSIA	Russia	FC	62%
ENNISMORE ARABIA FOR HOTEL SERVICES	Saudi Arabia	FC	62%
ENNISMORE ASIA PTE LTD	Singapore	FC	62%
AH NEW LIFESTYLE MEA	United Arab Emirates	FC	62%
RIXOS CONSULTANCY FZE	United Arab Emirates	FC	44%
ENNISMORE RESTAURANTS LIMITED	United Kingdom	FC	62%
ENNISMORE HOLDING LTD	United Kingdom	FC	62%
ENNISMORE LIFESTYLE GROUP LIMITED	United Kingdom	FC	62%
ENNISMORE HOTEL MANAGEMENT UK LTD	United Kingdom	FC	62%
ENNISMORE INTERNATIONAL MANAGEMENT LIMITED	United Kingdom	FC	62%
ENNISMORE MA NEWCO 2018 LIMITED	United Kingdom	FC	62%
ENNISMORE INTERNATIONAL USA HOLDINGS LIMITED	United Kingdom	FC	62%
21C MUSEUM HOTELS	United States	FC	53%
MORGANS ACQUISITION LLC	United States	FC	62%
FAENA HOTELS & RESORT (MARYLAND) LLC	United States	FC	100%
FH MIAMI OPERATIONS	United States	FC	62%
SBE ENT HOLDINGS LLC	United States	FC	62%
MHG HOLDCO LLC	United States	FC	62%
SBERG MANAGEMENT LLC	United States	FC	62%
SBE LICENSING LLC	United States	FC	62%
SBE HOTEL GROUP LLC	United States	FC	62%
SBE CALL CENTER MANAGEMENT LLC	United States	FC	62%
801 SMA LESSEE LLC	United States	FC	62%
DAKOTA DEVELOPMENT COMPANY	United States	FC	62%
MORGANS GROUP LLC	United States	FC	62%
MORGANS HOTEL GROUP MANAGEMENT LLC	United States	FC	62%
MAMA SHELTER US NEW	United States	FC	62%
ENNISMORE HOLDING US INC	United States	FC	62%
ENNISMORE INTERNATIONAL USA INC	United States	FC	62%
HUDSON LEASCO LLC	United States	FC	62%

FC: Fully consolidated.
EM: Accounted for by the equity method.
The percentages correspond to the Group's percentage of interest.

Main consolidated companies	Countries	Method	%
OTHER ACTIVITIES			
JOHN PAUL CANADA	Canada	FC	100%
D-EDGE CHINA	China	FC	100%
P. ET C. CATERING MANAGT. CO	China	FC	100%
D-EDGE ESPANA	France	FC	100%
VERYCHIC SAS	France	FC	100%
VERYCHIC TRAVELS SLU	France	FC	100%
D-EDGE	France	FC	100%
GEKKO	France	FC	100%
GEKKO TECHNOLOGY	France	FC	100%
TELDAR TRAVEL	France	FC	100%
HOTEL CORPORATE SYSTEM	France	FC	100%
GORDON BEDBANK	France	FC	100%
AIR CORPORATE SYSTEM	France	FC	100%
TELDAR TRAVEL ESPANA	France	FC	100%
TELDAR PORTUGAL	France	FC	100%
TELDAR TRAVEL LIMITED	France	FC	100%
TELDAR TRAVEL NETHERLANDS	France	FC	100%
TELDAR TRAVEL ITALIA	France	FC	100%
JOHN PAUL FRANCE	France	FC	100%
JOHN PAUL GROUPE	France	FC	100%
RESA EVENTS	France	FC	100%
SEGSMHI S.A. (LIDO)	France	FC	100%
FINANCIÈRE LOUIS SAS	France	FC	100%
POTEL ET CHABOT SAS	France	FC	100%
INTERNATIONAL PRESTIGE EVENTS	France	FC	100%
SAINT-CLAIR DAUPHINE SAS	France	FC	100%
SOC. D'EXPLOITATION DU PAVILLON GABRIEL SAS	France	FC	100%
SAINT-CLAIR LE TRAITEUR SAS	France	FC	100%
SHIPPING HOLDCO	France	FC	100%
POTEL ET CHABOT ASIA LIMITED	Hong Kong	FC	100%
D-EDGE ITALIA	Italy	FC	100%
D-EDGE JAPAN	Japan	FC	100%
JOHN PAUL LUXEMBOURG	Luxembourg	FC	100%
POTEL ET CHABOT DOHA SERVICES LLC	Qatar	FC	49%
JOHN PAUL PORTUGAL	Portugal	FC	100%
D-EDGE HOSPITALITY SOLUTIONS PTE LTD	Singapore	FC	100%
ACCOR GLOBAL RESERVATION CENTRE SLU	Spain	FC	100%
OFS CONCIERGE SERVICES LLC (USA)	United Kingdom	FC	100%
ONEFINESTAY USA LLC (USA)	United Kingdom	FC	100%
ONEFINESTAY NY LLC (USA)	United Kingdom	FC	100%
BRANCH: ONEFINESTAY ST. MARTIN (FRANCE)	United Kingdom	FC	100%
BRANCH: ONEFINESTAY ST. BARTS (FRANCE)	United Kingdom	FC	100%
BRUMMELL LLC (USA)	United Kingdom	FC	100%
BRUMMELL (CA) LLC (USA)	United Kingdom	FC	100%
BRUMMELL GALLERIES LLC (USA)	United Kingdom	FC	100%
FERRERS LLC (USA)	United Kingdom	FC	100%
FERRERS (CA) LLC (USA)	United Kingdom	FC	100%
FERRERS GALLERIES LLC (USA)	United Kingdom	FC	100%
JOHN PAUL HOLDING UK	United Kingdom	FC	100%
JOHN PAUL UK	United Kingdom	FC	100%
POTEL ET CHABOT LTD	United Kingdom	FC	100%
D-EDGE USA	United States	FC	100%
JOHN PAUL USA	United States	FC	100%

Main consolidated companies	Countries	Method	%
PACIFIC			
ACCOR CASINO INVESTMENTS PTY LIMITED	Australia	FC	100%
AAPC PROPERTIES PTY LIMITED	Australia	FC	100%
AAPC LIMITED	Australia	FC	100%
AAPC DEVELOPMENT SERVICES PTY LIMITED	Australia	FC	100%
AAPC (RS) PTY LIMITED	Australia	FC	100%
AAPC HOTELS PTY LIMITED	Australia	FC	100%
AUSTRALIA ASIA PACIFIC HOTELS LIMITED	Australia	FC	100%
ACCOR RESORTS MANAGEMENT PTY LIMITED	Australia	FC	100%
AAPC PROPERTIES OPERATIONS (DH) PTY LIMITED	Australia	FC	100%
AAPC PROPERTIES OPERATIONS (SWS) PTY LIMITED	Australia	FC	100%
AAPC PROPERTIES OPERATIONS (ECONOMY) PTY LIMITED	Australia	FC	100%
QP HOTELS PTY LIMITED	Australia	FC	100%
INITIAL NOMINEES PTY. LTD.	Australia	FC	100%
QI AUSTRALIA PTY LIMITED	Australia	FC	100%
QP MNGNT PTY LIMITED	Australia	FC	100%
MERIBELLE PTY LTD	Australia	FC	100%
AAPC DISTRIBUTION SERVICES PTY LIMITED	Australia	FC	100%
AAPC AUSTRALIA PTY LIMITED	Australia	FC	100%
AAPC PROPERTIES (WA) PTY LIMITED	Australia	FC	100%
AAPC PROPERTIES (FI) PTY LIMITED	Australia	FC	100%
HOTELS HOLDINGS TRUST	Australia	FC	100%
AAPC PROPERTIES (TW) PTY LIMITED	Australia	FC	100%
NS MANAGEMENT SERVICES PTY LIMITED	Australia	FC	100%
AAPC MANAGEMENT SERVICES PTY LIMITED	Australia	FC	100%
ALL SEASONS PTY LIMITED	Australia	FC	100%
AAPC LOUNGE SERVICES UK LIMITED	Australia	FC	100%
AAPC SERVICES PTE LTD	Australia	FC	100%
MIRVAC HOTELS PAYROLL	Australia	FC	100%
MIRVAC MANAGEMENT LIMITED	Australia	FC	100%
MIRVAC HOTELS AUSTRALIA	Australia	FC	100%
AAPC LOUNGE SERVICES INC	Australia	FC	100%
A.P.V.C. NOMINEES PTY LIMITED	Australia	FC	100%
A.P.V.C. LTD	Australia	FC	100%
A.P.V.C. HOLDINGS PTY LIMITED	Australia	FC	100%
A.P.V.C. NEW ZEALAND LIMITED	Australia	FC	100%
PT APVC INDONESIA	Australia	FC	100%
ACCOR AUSTRALIA & NEW ZEALAND HOSPITALITY PTY LIMITED	Australia	FC	100%
MIRVAC PROJECTS	Australia	FC	100%
ACCOR AUSTRALIA & NEW ZEALAND HOSPITALITY PTY LIMITED (NEW ZEALAND BRANCH)	Australia	FC	100%
AS HOTEL I PTY LTD	Australia	FC	100%
AS HOTEL II PTY LTD	Australia	FC	100%
AS HOTEL GROUP PTY LTD	Australia	FC	100%
PACIFIC APARTMENTS FROME STREET PTY LTD	Australia	FC	100%
PACIFIC INTERNATIONAL APARTMENT & HOTEL GROUP PTY LIMITED	Australia	FC	100%
LERINA HOLDINGS PTY LTD	Australia	FC	100%
PACIFIC INTERNATIONAL APARTMENTS EXHIBITION STREET PTY LIMITED	Australia	FC	100%
PACIFIC INTERNATIONAL HOTEL BANKSTOWN PTY LTD	Australia	FC	100%
PACIFIC SUITES ADELAIDE PTY LIMITED	Australia	FC	100%
PACIFIC SUITES MELBOURNE PTY LIMITED	Australia	FC	100%
PACIFIC INTERNATIONAL SUITES PARRAMATTA PTY LTD	Australia	FC	100%
PACIFIC INTERNATIONAL APARTMENTS PARRAMATTA PTY LTD	Australia	FC	100%
KENT STREET SUITES PTY LTD	Australia	FC	100%
PACIFIC INTERNATIONAL SUITES PERTH PTY LIMITED	Australia	FC	100%
THE PARK AT MELBOURNE (AUSTRALIA) PTY LTD.	Australia	FC	100%
PACIFIC INTERNATIONAL HOTELS (ASIA PACIFIC) PTY LTD	Australia	FC	100%
THL AIRPORT HOTEL MELBOURNE PTY LIMITED	Australia	FC	100%
PACIFIC INTERNATIONAL APARTMENTS SYDNEY CITY PTY LIMITED	Australia	FC	100%
SAVILLE HOTEL GROUP PTY LTD*	Australia	FC	100%
PEPPERS LEISURE PTY LTD TB *	Australia	FC	100%
SAVILLE HOTEL GROUP PTY LTD*	Australia	FC	100%
SAVILLE HOTEL GROUP PTY LTD	Australia	FC	100%
WEST END APARTMENTS MANAGEMENT PTY LTD.	Australia	FC	100%
PEPPERS LEISURE PROPRIETARY LIMITED	Australia	FC	100%
TOURISM, HOTELS & LEISURE PROPRIETARY LIMITED	Australia	FC	100%
MANTRA GROUP HOLDINGS II PTY LTD	Australia	FC	100%
MANTRA GROUP LIMITED	Australia	FC	100%
MANTRA IP PTY LTD	Australia	FC	100%
GLOBAL VOYAGER GROUP ADMIN PTY LTD	Australia	FC	100%
MANTRA HOSPITALITY ADMIN PTY LTD	Australia	FC	100%
MANTRA MANAGEMENT PTY LTD	Australia	FC	100%
MANTRA RESORTS GROUP PTY LTD	Australia	FC	100%
LORNE RESORT APARTMENTS LIMITED	Australia	FC	100%
BREAKFREE RESORTS (VICTORIA) PTY LTD	Australia	FC	100%
PEPPERS BROADBEACH PTY LTD	Australia	FC	100%
AGREEDTO PTY LTD	Australia	FC	100%
BARONDENE PTY LTD	Australia	FC	100%
BEACHBOURNE PTY LTD	Australia	FC	100%
CASTLEGALE PTY LTD	Australia	FC	100%
SANDMOON PTY LTD	Australia	FC	100%
CAPITAL TOWER APARTMENTS CANBERRA PTY LTD	Australia	FC	100%
MANTRA LEISURE RESORTS PTY LTD	Australia	FC	100%
MANTRA RESORTS AUSTRALIA PTY LTD	Australia	FC	100%
MANTRA ETTALONG (NSW) PTY LTD	Australia	FC	100%
MANTRA HOTELS & RESORTS AUSTRALIA PTY LTD	Australia	FC	100%
MANTRA AUSTRALIA (NSW) PTY LTD	Australia	FC	100%
MANTRA GROUP OPERATIONS PTY LTD	Australia	FC	100%
SAMARAD PTY LTD	Australia	FC	100%
MANTRA RESORTS LETTING PTY LTD	Australia	FC	100%

FC: Fully consolidated.
EM: Accounted for by the equity method.
The percentages correspond to the Group's percentage of interest.

Main consolidated companies	Countries	Method	%
SAMARAD LETTING PTY LTD	Australia	FC	100%
BRK ASSET HOLDINGS PROPRIETARY LIMITED	Australia	FC	100%
BRK (NSW) PTY LTD	Australia	FC	100%
BRK RESORTS PTY LTD	Australia	FC	100%
MANTRA MLR GROUP PTY LTD	Australia	FC	100%
SA MANTRA PROPERTY MANAGEMENT PTY LTD	Australia	FC	100%
SUNLEISURE HOTELS & RESORTS PTY LTD	Australia	FC	100%
SUNLEISURE OPERATIONS PTY LTD	Australia	FC	100%
A&R HOSPITALITY SERVICES PTY LIMITED	Australia	FC	100%
PT MGHM INDONESIA (INDONESIAN ENTITY)	Australia	FC	100%
MG ASIA PACIFIC PTY LTD	Australia	FC	100%
ALMMS LLC	Australia	FC	100%
MG HOTELS NORTH PACIFIC LLC	Australia	FC	100%
MG NORTH PACIFIC HOLDINGS PTY LTD	Australia	FC	100%
MANTRA GROUP PROPERTY MANAGEMENT PTY LTD	Australia	FC	100%
ACCOR LUXURY AUSTRALIA	Australia	FC	100%

Main consolidated companies	Countries	Method	%
COMPAGNIE HÔTELIÈRE DU PACIFIQUE	French Polynesia	FC	100%
MARARA	French Polynesia	FC	100%
SAFARI CLUB SUPPORT HS	French Polynesia	FC	100%
SA MOTU	French Polynesia	FC	100%
STARTOM HOSPITALITY	French Polynesia	FC	100%
AAPC PME NZF LIMITED	New Zealand	FC	100%
AAPC PROPERTIES PTY LIMITED (NEW ZEALAND BRANCH)	New Zealand	FC	100%
MIRVAC HOTELS NZ BRANCH	New Zealand	FC	100%
MANTRA RESORTS AUSTRALIA PTY LTD (NEW ZEALAND BRANCH)	New Zealand	FC	100%
MANTRA HOTELS & RESORTS AUSTRALIA PTY LTD (NEW ZEALAND BRANCH)	New Zealand	FC	100%
BREAKFREE RESORTS NZ LIMITED (NEW ZEALAND ENTITY)	New Zealand	FC	100%
AAPC NZ (LUXURY)	New Zealand	FC	100%

FC: Fully consolidated.
EM: Accounted for by the equity method.
The percentages correspond to the Group's percentage of interest.

6.2 Statutory Auditors' report on the consolidated financial statements

(For the year ended December 31, 2023)

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Accor
82, rue Henri Farman
92130 Issy-les-Moulineaux,
France

To the Shareholders,

Opinion

In compliance with the engagement entrusted to us by your Annual Shareholders' Meeting, we have audited the accompanying consolidated financial statements of Accor for the year ended December 31, 2023.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2023, and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit, Compliance & Risks Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors for the period from January 1, 2023 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by Article 5(1) of Regulation (EU) No. 537/2014.

Justification of assessments – Key audit matters

In accordance with the requirements of Articles L.821-53 and R.821-180 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgment, were the most significant in our audit of the consolidated financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the consolidated financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the consolidated financial statements.

Measurement of the recoverable amount of intangible assets

Risk identified

At December 31, 2023, the carrying amount of intangible assets stood at €5,496 million, approximately 49% of total assets. These non-current assets include goodwill (€2,340 million), brands (€2,142 million) and contracts (€770 million), mainly recognized on external growth transactions, as well as other intangible assets (€224 million). A €71 million net reversal of impairment losses has been recognized for these intangible assets as at December 31, 2023.

As described in Note 8.3 to the consolidated financial statements, "Impairment tests", these assets are tested for impairment when there is any indication that they may be impaired. These tests are performed at least once a year for goodwill and intangible assets for which the useful life cannot be determined. An impairment loss is recognized when the recoverable value is lower than the net carrying amount. The recoverable amount of intangible assets is estimated on the basis of the value in use, the calculation of which is generally based on discounted cash flow projections. Management is required to exercise judgment and make significant estimates to determine the recoverable amount and its sensitivity to key data and assumptions.

In accordance with IAS 36 – *Impairment of Assets*, Management assessed whether there were any indicators of impairment at December 31, 2023 or, otherwise, whether the impairment has decreased or no longer exists. Any reversal is based on new estimates of the recoverable amount of intangible assets (other than goodwill). The recoverable amount of the assets is determined based on the value in use, which is calculated by discounting the projected future cash flows based on the Company's business plan.

Consequently, the Group carried out impairment tests on goodwill, brands with indefinite useful lives and other intangible assets in the event of an impairment indicator being identified at December 31, 2023.

Given the significant value of the intangible assets on the balance sheet, the sensitivity of the impairment tests to certain key data and assumptions, and Management's judgments in an evolving context, we considered the measurement of the recoverable amount of intangible assets to be a key audit matter.

How our audit addressed this risk

Our work primarily involved:

- familiarizing ourselves with Management's process for measuring intangible assets and assessing the principles and methods used to determine the recoverable amounts of cash generating units (CGUs) or groups of CGUs to which the intangible assets relate;
- reviewing the groups of CGUs at the level of which goodwill is monitored by Management, and assessing their consistency with the Group's internal organization, the level at which investments are monitored and the internal reporting system;
- substantiating the existence of indicators of impairment, or indicators that such impairment has decreased or no longer exists, identified by Management at December 31, 2023;
- assessing, with the support of our valuation experts, the relevance of the measurement models used, the long-term growth rates and the discount rates applied, in light of market practices, and verifying their arithmetical accuracy and their consistency with the main source data;
- assessing the consistency of cash flow projections with Management's business plans, taking into account market outlook and climate change-related risks. Where appropriate, we also conducted sensitivity analyses on the impairment tests;
- assessing the appropriateness of the information disclosed in Note 8.3 to the consolidated financial statements, "Impairment tests".

Specific verifications

As required by legal and regulatory provisions and in accordance with professional standards applicable in France, we have also performed the specific verifications on the information pertaining to the Group presented in the Board of Directors' management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the information pertaining to the Group presented in the management report includes the consolidated non-financial performance statement required under Article L.225-102-1 of the French Commercial Code. However, in accordance with Article L.823-10 of the French Commercial Code, we have not verified the fair presentation and consistency with the consolidated financial statements of the information given in that statement, which will be the subject of a report by an independent third party.

Other verifications and information pursuant to legal and regulatory requirements

Presentation of the consolidated financial statements to be included in the annual financial report

In accordance with professional standards applicable to the Statutory Auditors' procedures for annual and consolidated financial statements presented according to the European single electronic reporting format, we have verified that the presentation of the consolidated financial statements to be included in the annual financial report referred to in paragraph I of Article L.451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*) and prepared under the Chief Executive Officer's responsibility, complies with this format, as defined by European Delegated Regulation No. 2019/815 of December 17, 2018. As it relates to the consolidated financial statements, our work included verifying that the markups in the financial statements comply with the format defined by the aforementioned Regulation.

On the basis of our work, we conclude that the presentation of the consolidated financial statements to be included in the annual financial report complies, in all material respects, with the European single electronic reporting format.

Due to the technical limitations inherent in the macro-tagging of the consolidated financial statements in accordance with the European single electronic reporting format, the content of certain tags in the notes to the financial statements may not be rendered identically to the consolidated financial statements attached to this report.

In addition, it is not our responsibility to ensure that the consolidated financial statements to be included by the Company in the annual financial report filed with the AMF correspond to those on which we carried out our work.

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Accor by the Annual Shareholders' Meetings held on June 16, 1995 for Ernst & Young et Autres and on April 30, 2019 for PricewaterhouseCoopers Audit.

As at December 31, 2023, Ernst & Young et Autres and PricewaterhouseCoopers Audit were in the twenty-ninth year and the fifth year of total uninterrupted engagement, respectively.

Prior to Ernst & Young et Autres, Barbier Frinault et Associés (formerly known as Barbier Frinault et Autres) was the Statutory Auditor from 1970.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for preparing consolidated financial statements giving a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and for implementing the internal control procedures it deems necessary for the preparation of consolidated financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Audit, Compliance & Risks Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

These consolidated financial statements have been approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements

Objective and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these consolidated financial statements.

As specified in Article L.821-55 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgment throughout the audit.

They also:

- identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management and the related disclosures in the notes to the consolidated financial statements;

- assess the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the consolidated financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Statutory Auditors are responsible for the management, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed thereon.

Report to the Audit, Compliance & Risks Committee

We submit a report to the Audit, Compliance & Risks Committee which includes, in particular, a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit, Compliance & Risks Committee includes the risks of material misstatement that, in our professional judgment, were the most significant for the audit of the consolidated financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit, Compliance and Risks Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in Articles L.821-27 to L.821-34 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit, Compliance & Risks Committee.

Neuilly-sur-Seine and Paris-La Défense, March 27, 2024

The Statutory Auditors

PricewaterhouseCoopers Audit		Ernst & Young et Autres
François Jaumain	Julien Laugel	François-Guillaume Postel

6.3 Parent company financial statements and notes

Unless stated otherwise, the amounts presented are in millions of euros, rounded to the nearest million. In general, the amounts presented in the parent company financial statement and the notes to the parent company financial statements are rounded to the nearest unit. This may result in a non-material difference between the sum of the rounded amounts and the reported total. All ratios and variances are calculated using the underlying amounts rather than the rounded amounts.

6.3.1 Statement of financial position at end-December 2023

Assets

(in millions of euros)	Notes	December 2022 net	**December 2023 net**
Licenses, trademarks, rights and similar assets	(2-3-4-7)	103	130
Goodwill	(2-3-4-7)	22	4
Other intangible assets	(2)	104	86
Intangible assets		**229**	**220**
Land	(2-4)	3	3
Buildings	(2-3-4)	10	9
Machinery, equipment and tools	(2-4)	1	2
Other items of property, plant & equipment	(2-4)	11	10
Property, plant & equipment under construction	(2)	0	0
Advances and downpayments	(2)	-	-
Property, plant & equipment		**25**	**24**
Equity investments	(2-6-7-18)	5,964	6,192
Receivables from equity investments	(2-7-11-18)	1,181	964
Other long-term securities	(2-6-7-18)	70	77
Loans	(2-7-11)	4	174
Other non-current financial assets	(2-7)	1,004	974
Non-current financial assets		**8,223**	**8,381**
Non-current assets		**8,477**	**8,625**
Advances and downpayments paid to suppliers	(5)	24	28
Trade receivables	(5-7-11-19-20)	552	568
Other receivables	(5-7-11-19-20)	572	781
Other marketable securities	(8-11)	757	678
Cash and cash equivalents	(11)	629	516
Current assets		**2,534**	**2,571**
Forward contracts		**2**	**9**
Prepaid expenses	(9-19)	16	34
Deferred expenses	(9)	51	43
Bond redemption premiums		7	5
Translation adjustments, assets	(10)	3	3
Accrual accounts		**77**	**85**
ASSETS	**(1)**	**11,091**	**11,290**

Liabilities and equity

(in millions of euros)	Notes	December 2022 net	December 2023 net
Capital	(13-14)	789	757
Additional paid-in capital	(13-14)	1,465	1,099
Statutory reserve	(13)	87	87
Regulated reserves	(13)	9	9
Other reserves	(13-14)	2	-
Retained earnings	(13)	1,650	1,537
Net profit (loss) for the year	(13)	164	956
Equity		**4,166**	**4,445**
Proceeds of the issue of equity instruments	(15)	994	996
Other equity		**994**	**996**
Provisions for liabilities	(7)	82	240
Provisions for charges	(7)	181	25
Provision for liabilities and charges		**263**	**265**
Convertible bonds	(12-16-17)	500	500
Other bonds	(12-16-17)	1,981	1,683
Bank borrowings	(12-17)	310	341
Miscellaneous borrowings and debt	(12-17-18)	2,253	2,395
Advances and downpayments received from customers	(17)	2	7
Trade payables	(12-17-20)	408	425
Tax and social security liabilities	(12-17-25)	87	99
Payables to fixed asset suppliers	(17)	23	17
Other liabilities	(12-17)	49	70
Liabilities		**5,613**	**5,537**
Forward contracts		**16**	**4**
Prepaid income	(9-17)	37	42
Translation adjustments, liabilities	(10)	2	2
Accrual accounts		**39**	**44**
LIABILITIES AND EQUITY	**(1)**	**11,091**	**11,290**

6.3.2 Income statement

(in millions of euros)	Notes	December 2022 net	December 2023 net
Goods and services sold		1,174	1,530
Net revenue	**(21)**	**1,174**	**1,530**
Capitalized production		54	54
Operating subsidy		-	-
Reversal/depreciation, amortization and provisions, reclassification of expenses	(7)	14	34
Other income		2	7
Operating income		**1,244**	**1,625**
Purchases of raw materials and other supplies		1	5
Other external purchases and expenses		936	1,061
Taxes, duties and other levies		14	25
Wages and salaries	(22)	103	118
Social security expenses		49	62
Amortization, depreciation and provisions			
• Non-current assets: depreciation and amortization	(4)	79	89
• Non-current assets: provisions	(7)	-	0
• Current assets: provisions	(7)	7	12
• Liabilities and charges: provisions	(7)	31	75
Other expenses	(22)	53	38
Operating expenses		**1,273**	**1,485**
Operating profit (loss)		**(29)**	**140**
Profit appropriated or loss transferred		-	-
Loss borne or profit transferred		-	-
Joint ventures		**-**	**-**
Financial income from equity investments	(20)	291	777
Income from other marketable securities and receivables from non-current assets		2	8
Other interest income	(20)	23	80
Reversal of provisions and reclassification of expenses	(7)	361	204
Positive exchange differences		188	207
Net proceeds from the disposal of marketable securities		-	11
Financial income		**865**	**1,287**
Amortization and provisions	(7)	440	155
Interest expenses	(20)	163	226
Negative exchange differences		205	208
Net expenses on the disposal of marketable securities		-	-
Financial expenses		**808**	**589**
Net financial income (expenses)	**(23)**	**57**	**698**
Recurring income before tax		**27**	**838**
Non-recurring income on management transactions		1	14
Non-recurring income on capital transactions		914	319
Reversal of provisions and reclassification of expenses	(7)	82	90
Non-recurring income		**997**	**423**
Non-recurring expenses on management transactions		81	137
Non-recurring expenses on capital transactions		794	183
Depreciation, amortization and provisions	(7)	-	0
Non-recurring expenses		**875**	**320**
Net non-recurring income (expenses)	**(24)**	**122**	**103**
Income tax	(25)	(14)	(15)
Total income		**3,106**	**3,335**
Total expenses		**2,942**	**2,379**
Profit or (loss)		**164**	**956**

6.3.3 *Notes to the annual financial statements*

The annual financial statements of Accor SA are prepared in line with generally accepted accounting principles in France and in accordance with the General Chart of Accounts.

The information hereafter form the Notes to the annual financial statements. At December 31, 2023, the statement of financial position total stood at €11,290 million and the income statement showed a loss of €956 million.

The fiscal year runs for 12 months, from January 1, 2023 to December 31, 2023.

The annual financial statements of Accor SA are consolidated into Accor Group's consolidated financial statements.

In preparing the financial statements, the Company is required to use estimates and assumptions that may affect the carrying amounts of certain assets and liabilities, income and expenses, as well as the information disclosed in the notes. Management determines these estimates and assumptions based on past experience, the current economic situation and other factors considered reasonable in the circumstances. At each reporting date, these assumptions and estimates may be revised if the underlying circumstances change or new information is obtained by Management.

The main estimates and judgments used by Management in preparing the financial statements relate to the measurement of non-current financial assets, the amount of provisions for liabilities and charges as well as the assumptions underpinning pension commitments and commitments under the ALL loyalty program.

The main assumptions used by the Company are discussed in the relevant sub-sections of the notes to the financial statements.

Significant events in the current year

2023 was underpinned by solid demand. The hotel performance now significantly exceeds the level recorded in 2019.

At December 31, 2023, Accor SA had a stable financial structure after repaying its €295 bond issue in September 2023 and, in October 2023, refinancing its hybrid debt issued in January 2019 for €500 million. On December 20, 2023, Accor also entered into an agreement with a 13-bank consortium relating to the establishment of a new revolving credit facility of €1 billion to replace the €1.2 billion undrawn credit facility entered into in June 2018.

Accor SA's business activities in 2023 were impacted by the following events:

- in January 2023, Accor SA increased its interest in Reef Technology to 4.98%, as a result of acquiring a 2.65% shareholding from its subsidiary, Gourmet Experience. On May 31, 2023, the Reef Group carried out an internal reorganization resulting in the separation of the group's two businesses and the creation of two entities, Reef Proximity Aggregator ("Proximity") and Parking Aggregator ("Parking"). As part of this reorganization, Accor exchanged its shares in Reef Technology for a 19.8% stake in Reef Proximity and a 1.6% stake in Reef Parking. Accor also invested €23 million in convertible bonds issued by Reef Proximity TopCo, a subsidiary of Proximity;
- on April 27, 2023, the Board of Directors of Accor Acquisition Company (AAC) (an SPAC vehicle) resolved that the company would not complete an acquisition within the twenty-four month deadline provided in its bylaws and decided to proceed with the buyback of all its market shares to be cancelled by way of capital reduction. On June 2, 2023, all the 27,702,143 market shares were bought back, at a unit price of €10, in accordance with the bylaws and the terms and conditions of the market shares. Accor received €20 million from the buyback and became the majority shareholder of AAC. On June 27, 2023, the combined general meeting voted to dissolve the company and appointed Accor SA as liquidator. This transaction generated a net capital loss of €14 million;
- on June 22, 2023, the Group sold 99% of its shares in SCI Sequana, which owns its head office building located in Issy-les-Moulineaux and the related bank debt, to The Valesco Group. This transaction generated a net gain of €106 million;
- on August 3, 2023, Accor SA sold its interests in Risma, namely a 33% equity stake and bonds issued by Risma. This transaction generated a net gain of €8 million;
- on October 12, 2023, the contribution of shares and bonds in companies in the Momense Group, Financière Louis and Potel & Chabot to its subsidiary, Accor Luxury & Lifestyle, with a value of €29 million in exchange for shares in the subsidiary. This transaction generated a gain of €9 million. On the same day, Accor SA sold bonds for €3 million without any gain or loss on the disposal.

In October 2023, Accor SA signed a €400 million share buyback contract with Natixis. Under its terms, the bank bought back 12,641,226 Accor SA shares for €400 million.

In December 2023, Accor SA reduced its share capital by purchasing and canceling 12,641,226 shares.

In 2023, the equity changed as a result of the issue of 1,898,784 new shares and the cancellation of 12,641,226 shares. These operations reduced the share capital by €32 million.

Climate risks

Accor SA estimates that climate change could have physical impacts by 2030-2050, particularly in extreme scenarios (4°C increase in temperatures). Some hotels could be threatened by flooding linked to rising water levels or severe heat waves, leading to an increase in investment and operating costs. The consequences of climate change on the company's activity depend on numerous external factors (business travel, air traffic, consumption choices, etc.) and the adaptation plans implemented, and thus remain difficult to understand, particularly on a horizon beyond 2030. Based on these elements, the judgments and estimates made by Management regarding the consequences of climate change and the transition to a low-carbon economy did not have a significant impact on the accounts of Accor SA closed on December 31, 2023.

Notes 1 to 29 below form an integral part of the annual financial statements.

NOTE 1 ACCOUNTING POLICIES

The annual accounts of Accor SA were drawn up in compliance with the provisions of the French Commercial Code (Articles L. 123-12 to L. 123-28), French accounting standards authority regulation ANC 2014-03 of June 5, 2014 including the various additional regulations applicable as of the date of preparation.

The accounting conventions were applied fairly, in adherence to the principle of prudence, in accordance with the underlying assumptions intended to give a true and fair view of the company's assets, liabilities, financial position and results:

- going concern;
- consistency of accounting policies from one year to the next;
- matching principle;
- materiality;

and in accordance with the general rules governing the preparation and presentation of annual financial statements.

The basic method used to measure statement of financial position assets is the historical cost or contribution value, as appropriate.

Only material information is provided. Unless stated otherwise, the amounts presented are in millions of euros, rounded to the nearest million.

a) Intangible assets

Intangible assets that are acquired are carried on the statement of financial position at acquisition cost less accumulated amortization and any impairment losses.

Intangible assets with a definite useful life are amortized on a straight-line basis over their expected life:

- software: 2-5 years;
- licenses: 3-5 years;
- management contracts over the term of the contract, generally between 10 and 20 years.

Leasehold rights, goodwill and trademarks with indefinite useful lives are not amortized.

Development costs for new projects are capitalized provided the following criteria are fully satisfied:

- the project is clearly identifiable;
- the related costs can be split out and reliably estimated;
- the project's technical feasibility has been established and the Company intends and has the financial resources to complete the project and use it;
- it is probable that the project developed will generate future economic benefits that will flow to the Company.

Development costs that fail to satisfy these criteria are expensed in the period in which they are incurred.

Capitalized projects are amortized over a period typically of between 2 and 5 years from the date of their commissioning.

b) Property, plant & equipment

Property, plant & equipment are measured at acquisition cost. The acquisition cost is the sum of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management as well as borrowing costs that are directly attributable to the construction or production of the assets.

Depreciation is calculated on a straight-line basis over the following estimated useful lives:

- buildings: 35-50 years;
- fittings and fixtures: 7-25 years;
- other items of property, plant and equipment: 5-15 years.

a and b II) Carrying amount of non-current assets

At each reporting date, the company assesses whether there are any indications that the property, plant and equipment and intangible assets have been impaired. Indications of impairment: obsolescence, physical deterioration, significant changes in how it is used, performance lagging forecasts, declines in revenue and other external indicators.

If any of these are present, the Company determines the present value of the assets and compares this against the net carrying amount to determine any impairment loss.

The present value is the higher of the monetary value or the value in use.

c) Non-current financial assets

Equity investments are recognized on the statement of financial position at their purchase cost. Acquisition costs are expensed.

The inventory value of equity securities is estimated firstly on the basis of the share of consolidated equity of the subsidiaries, and where applicable on the basis of:

- future elements corresponding to the prospects for profitability or achievement and trends in the economic situation;
- current elements such as the profitability of the company or the real value of the underlying assets;
- values from recent transactions for comparison;
- historical elements used to assess the original value of the securities;
- of the average gross operating surplus of the last two years to which a multiple is applied.

When the inventory value of securities is lower than their gross value, depreciation is recorded. Any losses in value are recognized in the following order: equity securities, related receivables, loans, current accounts and, where applicable, a provision for financial risk is recorded. Depreciation is recognized in financial income. Loans and receivables are valued at their nominal value.

All these items are impaired where there is a risk of non-recovery.

d) Deferred expenses

Since 2005, only debt issuance costs continue to be recognized under deferred expenses and are amortized over the term of the debt.

e) Receivables and payables

Receivables and payables are recognized at face value.

A provision for the impairment of receivables is funded when the asset value falls under the carrying amount.

f) Other marketable securities

Marketable securities are recognized at acquisition cost. In the event of impairment, a provision is calculated at year-end based on the market value.

g) Revenue

The Company's revenue is the amount of services and contractual fees (management fees, franchise fees) billed to managed or franchised hotels, subsidiaries and unaffiliated companies. This also includes license fees billed to hotel managers and franchisees relative to the management of the ALL loyalty program, as well as fees for sureties on lease payments, borrowings and other services.

Services are recognized when the service is provided.

Accordingly:

- fees charged to subsidiaries, hotels and unaffiliated companies are recognized over the term of the agreement;
- income derived from other services is recognized when the service is provided;
- fees for sureties are recognized on a straight-line basis over the term of the surety provided.

h) Provision for liabilities and charges

A provision is recognized when the Company has a present obligation towards a third party and it is probable or certain that an outflow of resources embodying economic benefits will be required to said third party to settle the obligation, and no inflow of resources of at least an equivalent amount is expected.

As part of the ALL loyalty program, a provision for charges was recognized for the discount entitlements or benefits in kind granted to clients with loyalty cards when selling overnight stays.

This provision is calculated on the basis of the production cost of the benefit granted to the customer, using:

- the number and value of the entitlements granted in the form of points;
- the conversion percentage of these points, measured by an actuary once a year.

i) Provisions for pensions and similar commitments

The Company recognizes a provision for all pension and similar commitments. The plans applicable to the Company are defined benefit plans, in particular length-of-service awards unique to France. The Company recognizes all commitments, determined in an actuarial manner, on a straight-line basis over their vesting period, while factoring in the probability that employees would leave the company before retirement. The amount recognized under provisions for charges is equal to the present value of the defined benefits commitment. In fact, the actuarial gains and losses are expensed in the year in which they occur.

The Company applies recommendation ANC 2013-02 of November 7, 2013, modified on November 5, 2021.

Apart from retirement benefits, certain employees benefit from:

- a supplementary defined contribution pension plan, comprising the payment of periodic contributions to an outside body that looks after the administrative and financial management along with the payment of annuities. Payments for this plan are expensed as incurred;
- a supplementary "defined benefit" pension plan giving entitlement to retirement benefits calculated on the basis of salary and the number of years in the plan. A provision for the amount calculated is funded that takes account of the portion that has been pre-funded through payments to outside bodies (plan assets). Regarding the plan closed and frozen end-2019, the update of the ANC recommendation does not apply;
- for a L. 137-11.2 supplementary "defined benefit" pension plan with "vested rights" applicable from January 1, 2021, giving entitlement to retirement benefits calculated on the basis of salary and the number of years in the plan. A provision for the amount calculated is funded that takes account of the portion that has been pre-funded through payments to outside bodies (plan assets).

j) Paid leave

Paid leave accrues and is taken in the same year.

k) Convertible and non-convertible bonds

When the face value at issue of convertible and non-convertible bonds is higher than the amount received by Accor SA, the premium is amortized on a straight-line basis over the life of the bond.

l) Other equity

Issues of perpetual hybrid bonds are classified as "other equity". The classification as other equity is based on legal and economic contractual criteria. Their issue premium is recognized as a deduction from the face value of the debt. The interest payable is presented under "Other financial income and expense". Issue costs are amortized through profit or loss.

m) Foreign currency transactions and associated hedges

Foreign currency transactions are initially recognized using the exchange rate on the date of the transaction.

Hedging of balance sheet positions

In accordance with regulation ANC 2015-05, Accor SA applies hedge accounting principles to all clearly identified and documented symmetrical foreign exchange positions that are intended to reduce the risk arising from exchange rate fluctuations. Trade receivables and payments denominated in foreign currencies are remeasured at the closing rate through translation adjustments. Foreign currency hedges (forward purchases and sales) related to these trade receivables and payables are also remeasured in the statement of financial position at the closing rate through translation adjustments. Payables, receivables and currency derivatives not included in symmetrical hedging positions are accounted for as an overall currency position, by currency, in accordance with Article 420-6 of France's General Accounting Plan. A provision for foreign exchange losses is funded for the amount of any unhedged unrealized losses. This position is calculated currency by currency.

Accor manages a foreign currency position that includes monetary assets and liabilities in currencies linked to the Company's financial activities. Gains and losses on foreign currency derivatives makes it possible to offset the remeasurement at closing rates of balance sheet position denominated in foreign currencies (loans, borrowings, current accounts, bank accounts).

Premiums/discounts on foreign currency derivatives put in place to hedge statement of financial positions denominated in foreign currencies are staggered in net financial expenses over the term of the instrument.

Hedges of future transactions

Accor also uses foreign currency derivatives to hedge future transactions denominated in foreign currencies (purchases and sales of equity investments, coupons, dividends, fee budget). Foreign currency gains and losses associated with these derivatives are recognized in income symmetrically with the hedged items.

Derivatives for individual open positions

In principle, Accor only uses derivatives for hedging purposes. In certain exceptional cases where derivatives do not satisfy the criteria for classification as hedges, they are classified under "individual open positions" and are recognized as follows:

- the market value is recognized on the statement of financial position under Financial instruments, through accrual accounts in the statement of financial position;
- provisions are funded for derivatives with unrealized losses;
- any realized gains and losses are recognized under net financial expenses.

As of December 31, 2023, there was no individual open position.

n) Interest rate hedges

To hedge interest rate risks, Accor may use interest rate swaps and options.

Financial income and expenses relating to interest rate derivatives are recognized in profit or loss symmetrically with the recognition of expenses and income generated by the hedged item.

Premiums paid on interest rate options are staggered in net financial expenses over the hedged period.

o) Exceptional Result

Recognition as exceptional income is carried out on the basis of an analysis of the various operations occurring during the financial year, thus making it possible to qualify their current or exceptional nature. This approach aims to clarify the reading of the company's performance.

p) Corporate income tax

Accor benefits from the tax consolidation regime defined by the Act of December 31, 1987. This regime allows for the offsetting, subject to certain conditions, of the taxable profits of profit-making companies against the losses of other companies. The applicable regime is the one defined in Articles 223 A *et seq.* of the French General Tax Code.

Each consolidated Accor subsidiary pays its own corporate income tax. The gain or loss arising from tax consolidation is wholly recorded in the statement of financial position of Accor SA.

q) Stock option plans and performance share grants

Each year, Accor SA establishes stock option plans for certain Group employees.

Since 2006, Accor SA has established multiple such plans each year, subject to performance and continued employment.

The plans have vesting periods of between two and four years. In this respect, the Company anticipates awarding shares that will need to be newly issued. As a result, no provision was funded in the parent company financial statements as of December 31, 2023.

NOTE 2 STATEMENT OF NON-CURRENT ASSETS AS OF DECEMBER 31, 2023

(in millions of euros)	Gross value at start of the period	Acquisitions, creations and transfers between line items	Disposals, decommissioning and transfers between line items	Others	Gross value at end of the period
Trademarks, rights and similar assets	61	20	(20)	-	61
Licenses, software	274	70	(11)	-	333
Goodwill	45	4	(40)	-	9
Other intangible assets	142	15	(2)	-	155
Intangible assets in progress	38	29	(35)	0	31
Advances and downpayments	-	-	-	-	-
Other intangible assets	**560**	**138**	**(109)**	**-**	**589**
Land	3	0	-	-	3
Buildings	24	1	0	-	26
Machinery, equipment and tools	6	1	-	-	6
Other items of property, plant & equipment	51	3	(4)	0	49
Property, plant & equipment under construction	0	0	0	-	0
Advances and downpayments	-	-	-	-	-
Property, plant and equipment	**84**	**5**	**(5)**	**0**	**84**
Equity investments[1]	8,868	285	(148)	-	9,005
Receivables from equity investments[2]	1,234	182	(394)	-	1,022
Other long-term securities[1]	76	28	(22)	(1)	81
Loans	6	173	(3)	-	176
Other non-current financial assets[3]	1,004	0	(30)	-	974
Non-current financial assets	**11,188**	**668**	**(597)**	**(1)**	**11,258**
Non-current assets	**11,832**	**811**	**(711)**	**(1)**	**11,931**

(1) Breakdown of variations indicated in Note 6.
(2) The changes are due to the arrangement and maturing of loans to the subsidiaries as well as the measurement of foreign currency positions at the closing rates.
(3) The balance of other non-current financial assets primarily consists of a technical loss of €973 million from the merger of FRHI Holdings Limited in 2018 with Accor SA.

NOTE 3 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Trademarks, rights and similar assets

This primarily relates to the measurement of the Novotel trademark and the right of use of the Accor Group brands licensed to the subsidiaries.

Licenses and software

These represent IT and software licenses used by the Company in the course of its operations.

Goodwill

This primarily relates to management contracts.

Other intangible assets

These primarily relate to internally-generated software used on IT projects as well as software that has not yet been commissioned.

Buildings and fixtures

These are primarily the buildings and fixtures used for administration purposes.

NOTE 4 SCHEDULE OF DEPRECIATION AND AMORTIZATION AS OF DECEMBER 31, 2023

(in millions of euros)	Amounts at the start of the period	Additions	Reversals	Others	Amounts at the end of the period
Trademarks, rights and similar assets	-	-	-	-	-
Licenses, Software	210	42	(11)	-	241
Goodwill	15	2	(15)	0	2
Other intangible assets	76	25	(1)	-	100
Other intangible assets	**301**	**69**	**(27)**	**0**	**343**
Land	0	0	-	-	0
Buildings	15	2	0	-	17
Machinery, equipment and tools	5	0	-	-	5
Other items of property, plant & equipment	40	3	(4)	0	39
Property, plant and equipment	**59**	**5**	**(4)**	**0**	**60**
Non-current assets	**360**	**74**	**(31)**	**0**	**403**

NOTE 5 RECEIVABLES AS OF DECEMBER 31, 2023

(in millions of euros)	2022 gross	2023 gross
Advances and downpayments paid to suppliers	**24**	**28**
Trade receivables	**565**	**585**
Other receivables	**593**	**803**
Of which trade payables	3	56
Of which staff	0	0
Of which State	74	73
Of which Group and associates	419	552
Of which sundry debtors	95	121
On asset disposals	2	1
Total	**1,182**	**1,416**

NOTE 6 CHANGES IN EQUITY INVESTMENTS AND OTHER LONG-TERM SECURITIES IN 2023

Acquisition or subscription of new equity investments	Number of securities acquired	Amounts *(in millions of euros)*	% holding as of 12/31/2023
K CHALLENGE LAB	430	5	17.70%
ALLTHEWAY	61,240	2	36.47%
EO CONCEPT	1,900	0	19.00%
Acquisitions		**7**	

Further equity investments acquired	Number of securities acquired	% acquisition	Amounts *(in millions of euros)*	% holding as of 12/31/2023
REEF TECHNOLOGY	7,521,346	2.65%	79	4.98%[1]
ACCOR GESTION MAROC	3,305	33.04%	16	100.00%
DAILYPOINT	2,601	9.46%	4	36.99%
Further equity investments acquired			**99**	

(1) % stake following subscription, acquisition, capital increase and before a disposal, conversion and split transaction, see boxes hereafter.

Further equity investments via capital increases	Number of securities acquired	% acquisition	Amounts *(in millions of euros)*	% holding as of 12/31/2023
AAPC	150,000,000	9.34%	93	27.43%
KASADA HOSPITALITY FUND	-	- %	31	29.90%[1]
ACCOR PME US	1,000	- %	6	100.00%
ENERGY OBSERVER DEVELOPPEMENT	501	0.01%	5	13.44%[2]
WORKLIB	1,336	- %	4	40.00%
GROUPS360 LLC	321,399	1.67%	4	15.77%
TUNISIA HOTELS AND RESORTS	115,521	- %	3	99.99%
KAC	640	- %	1	40.00%
Further equity investments via capital increases			**146**	

(1) Capital increase in value.
(2) The negative acquisition percentage related to the capital increase reflects a dilution of Accor SA's stake in Energy Observer Developpement.

Bond subscriptions	Number of securities acquired	% acquisition	Amounts *(in millions of euros)*	% holding as of 12/31/2023
REEF PROXIMITY TOPCO	-	- %	25	- %
ENERGY OBSERVER DEVELOPPEMENT	166,666	8.33%	2	8.33%[1]
EO CONCEPT	3,500	100.00%	-	100.00%
Bonds			**27**	

(1) % stake following subscription, acquisition, capital increase and before a disposal, conversion and split transaction, see boxes hereafter.

Disposal of equity investments	Number of securities disposed of	% disposal	Carrying amounts derecognized *(in millions of euros)*	% holding as of 12/31/2023
Disposals				
RISMA	(4,776,605)	100.00%	(64)	- %
ACCOR ACQUISITION COMPANY	(2,000,000)	5.35%	(20)	91.95%[1]
RISMA (bonds)	(94,293)	100.00%	(9)	- %
HOSPITALITY SWISS PROCO	(3,000,000)	100.00%	(7)	- %
POTEL ET CHABOT (bonds)	(833,333)	100.00%	(3)	- %
SOYHUCE	(194,205)	100.00%	(2)	- %
Disposals			**(105)**	

(1) % stake following subscription, acquisition, capital increase and before a disposal, conversion and split transaction, see boxes hereafter.

Company liquidations	Number of securities	Amounts *(in millions of euros)*
ACCOR AUSTRIA AG	(79,168)	(22)
ACCOR ACQUISITION COMPANY	(6,793,342)	(14)
Liquidation		**(36)**

Other changes	Number of securities	% transactions	Amounts *(in millions of euros)*	% holding as of 12/31/2023
Splits				[1]
REEF TECHNOLOGY	(14,151,777)		(150)	- %
REEF PROXIMITY AGGREGATOR	15,260,000		150	19.82%
Contributions				[2]
FINANCIÈRE LOUIS (shares)	(701,113,820)	100.00%	(14)	- %
POTEL ET CHABOT (bonds)	(1,166,666)	100.00%	(4)	- %
FINANCIÈRE LOUIS (bonds)	(91,458,845)	100.00%	(2)	- %
ACCOR LUXURY & LIFESTYLE	2,834,161		28	100.00%
Bond converted to shares				
ENERGY OBSERVER DEVELOPPEMENT (bonds disposed of)	(366,666)		(4)	- %
ENERGY OBSERVER DEVELOPPEMENT (shares acquired)	518		4	13.44%
Transfer of all assets and liabilities				
RESTAU COM	(155,000)	100.00%	(3)	
SODETIS	(2,660)	100.00%	(2)	
CGRS	(1,090)	100.00%	-	
SOPARAC	(2,500)	100.00%	-	
Total other changes			**3**	
Total acquisitions and other movements			**461**	
Total disposals, liquidations and other movements			**(319)**	
Total changes in equity investments			**142**	

(1) Reef Technology was split into two separate businesses and companies: Reef Proximity Aggregator and Reef Parking Aggregator.
(2) Accor SA contributed the securities and bonds it held in Financière Louis and Potel & Chabot to Accor Luxury & Lifestyle as part of Group reorganizations.

NOTE 7 STATEMENT OF PROVISIONS AND IMPAIRMENT AS OF DECEMBER 31, 2023

(in millions of euros)	Amounts at the start of the period	Additions	Reversals		Others	Amounts at the end of the period
			Unused	Utilizations		
For disputes	10	0	(2)	0	-	8
For foreign exchange losses	3	0	0	-	-	3
Other provisions for liabilities[1]	221	72	(1)	(64)	-	229
Provisions for liabilities	**234**	**73**	**(3)**	**(64)**	**-**	**240**
For pensions and similar benefits[4]	20	5	0	(4)	-	21
For taxes	-	-	-	-	-	-
Other provisions for charges[2]	10	0	(1)	(5)	-	4
Provisions for charges	**30**	**5**	**(1)**	**(9)**	**-**	**25**
Provisions	**264**	**78**	**(4)**	**(73)**	**-**	**265**
For intangible assets	30	0	(3)	-	(2)	26
For property, plant & equipment	-	-	-	-	-	-
For non-current financial assets[3]	2,965	150	(233)	-	(5)	2,877
For trade receivables	13	10	(6)	-	-	17
For other receivables[3]	21	2	(1)	-	-	22
Asset impairment	**3,029**	**162**	**(243)**	**-**	**(7)**	**2,941**
Provisions and impairment	**3,293**	**240**	**(247)**	**(73)**	**(7)**	**3,206**

P&L impact of changes in provisions	**Additions**	**Reversals**
EBIT	87	(26)
Net financial income (expenses)	153	(204)
Net non-recurring income (expenses)	0	(90)
Total	**240**	**(320)**

(1) The balance of the other provisions for liabilities principally comprises a provision for a liability of €219 million related to the valuation of valid points qualifying for the loyalty program. Changes over the year include an increase of €67 million in the provision for the valuation of the points and a reversal of €53 million in the provision recorded in 2020 in relation to the “précompte” dividend withholding tax, which was recognized in net non-recurring income (see Notes 24 and 25).

(2) Other provisions for charges comprise provisions for restructuring.
The provisions for restructuring were reversed to the extent of €6 million, including usage of €5 million, and stand at €3 million.

(3) Changes over the year break down into €152 million in increases, comprising €2 million in net operating income and €150 million in net financial income and €234 million in reversals, comprising €203 million in net financial income and €31 million in net operating income. The main additions relate to the subsidiaries Reef Proximity (€115 million), Ghost Kitchen (€10 million) and Ken Groupe (€10 million). The reversals primarily relate to the subsidiaries Movenpick Hotels & Resorts Management (€68 million), Accor Services Poland (€60 million), MP Invest AG (€22 million) and Accor Hotel Services Magyaorszag (€20 million), and were recognized as part of end-of-year updates.

(4) Pension commitments and actuarial assumptions.

Pension commitments and actuarial assumptions

	2022 General plan	2022 Management plan	**2023** **General plan**	**2023** **Management plan**
Discount Rate	3.9%	3.9%	3.2%	3.2%
Mortality tables	TGH05/TGF05	TGH05/TGF05	TGH05/TGF05	TGH05/TGF05
Salary increase assumption	3.00%	3.00%	3.00%	3.00%
Retirement age	65 years of age	Between 62 and 67 years of age depending on the start date and the length of contribution	65 years of age	Between 62 and 67 years of age depending on the start date and the length of contribution
Retirement process	Voluntary departure	Voluntary departure	Voluntary departure	Voluntary departure
Employee turnover rate	Table provided by Accor SA by brand. It is related to socio-professional category and in decreasing order by age.	Table provided by Accor SA Decreasing with age: • up to 55 years of age: 2%; and • after 55 years of age: 0%	Table provided by Accor SA by brand. It is related to socio-professional category and in decreasing order by age.	Table provided by Accor SA Decreasing with age: • up to 55 years of age: 2%; and • after 55 years of age: 0%
Rate of social security charges	46.00%	46.00%	46.00%	46.00%

Pension commitments and actuarial assumptions (cont.)

	2022	**2023**
Provision for defined benefit plans as of 12/31/N-1	23	20
Current service cost	6	5
Effect of discounting	-	-
Actuarial (gains)/losses*	(7)	-
Plan modification/liquidation	-	-
Benefit/contributions paid	(2)	(4)
Provision for defined benefit plans as of 12/31/N	**20**	**21**

* *The actuarial valuations are based on assumptions in order to protect the probable rights of participants at the time the benefitsguaranteed by the group on retirement are paid.*
The assumptions are financial (updated by the discount rate), demographic or experience-related.
All other things being equal, an actuarial gain arises where these actuarial differences reduce the commitment, and an actuarial loss where they increase the commitment.

NOTE 8 PORTFOLIO OF MARKETABLE SECURITIES

(in millions of euros)	2022 gross	**2023 gross**
Mutual fund units	2	2
Unit trust	355	380
Terms deposits	250	292
Fixed-term deposits	150	-
Total	**757**	**674**

NOTE 9 ACCRUALS AND OTHER INCOME AS OF DECEMBER 31, 2023

(in millions of euros)	Net amounts start of the period	Additions	Reversals	Net amounts at the end of the period
IT leasing and maintenance	3	2	(2)	2
Partnership	3	10	(3)	10
Others	10	21	(9)	22
Prepaid expenses(1)	**16**	**32**	**(14)**	**34**
Debt issuance costs	51	10	(18)	43
Deferred charges	**51**	**10**	**(18)**	**43**
Debt issuance premiums	7	0	(2)	5
Debt issuance premiums	**7**	**0**	**(2)**	**5**
Marketing Fund	6	6	(6)	6
Others	8	-	(2)	6
PARIS 2024	23	8	(2)	29
Prepaid income(2)	**37**	**15**	**(10)**	**42**

(1) Changes in prepaid expenses can mainly be attributed to the partnership agreement with the PSG football club and the rent for the registered office.
(2) Changes in prepaid income can be mainly attributed to the partnership agreement with the Organization Committee of the Olympic and Paralympic Games "Paris 2024".

NOTE 10 CURRENCY TRANSLATION RESERVE

Assets

(in millions of euros)	2022	2023
Reduction in receivables	3	2
Increase in payables	-	1
ASSETS	**3**	**3**

Liabilities and equity

(in millions of euros)	2022	2023
Increase in receivables	1	1
Reduction in payables	1	1
LIABILITIES AND EQUITY	**2**	**2**

NOTE 11 ACCRUED INCOME

Amount of accrued income included in the following balance sheet items

(in millions of euros)	**2022**	**2023**
Receivables from equity investments	3	4
Trade receivables	156	221
Loans	0	2
French State	21	26
Group and Associates	1	2
Other receivables	83	115
Credit notes to be received	-	43
Cash and cash equivalents	2	3
Total	**266**	**416**

NOTE 12 ACCRUED EXPENSES

Amount of accrued expenses included in the following statement of financial position items

(in millions of euros)	**2022**	**2023**
Bonds	29	26
Bank borrowings	27	21
Miscellaneous borrowings and debt	5	13
Trade payables	284	275
Tax and social security liabilities	58	62
Other liabilities	37	47
Total	**440**	**444**

NOTE 13 CHANGES IN EQUITY

(in millions of euros)	**December 31, 2022**	**Appropriation of 2022 net profit**	**Increase, reduction in share capital**	**Others**	**2023 profit (loss)**	**December 31, 2023**
Share capital in number of shares[1]	263,031,794	-	1,898,784	(12,641,226)	-	252,289,352
Value of share capital	789	-	6	(38)	-	757
Additional paid-in capital	1,465	-	(4)	(362)	-	1,099
Statutory reserve	87	-	-	-	-	87
Regulated reserves	9	-	-	-	-	9
Other reserves	2	-	(2)	-	-	0
Retained earnings	1,650	(113)	-	-	-	1,537
Net profit (loss) for the year	164	(164)	-	-	956	956
Equity	**4,166**	**(277)**[2]	**-**[3]	**(400)**[4]	**956**	**4,445**

(1) Par value of €3.
(2) Dividends of €277 million declared and paid on May 25, 2023.
(3) Employee free share allocation.
(4) Cancellation of 12,641,226 shares following share buybacks.

Potential capital at December 31, 2023: if all performance shares granted to employees vest, the number of Accor shares outstanding would increase by 4,419,165 without an increase in the share capital.

NOTE 14 STOCK OPTION PLANS AND PERFORMANCE SHARE PLANS

Performance share plans	Plan 2020	Plan 2020	Plan 2021	Plan 2021	Plan 2022	Plan 2022	**Plan 2023**	**Plan 2023**
Award date	05/28/2020	10/21/2020	06/23/2021	10/29/2021	04/07/2022	10/26/2022	05/17/2023	10/26/2023
Expiry date	05/28/2023	10/21/2023	06/23/2024	10/29/2024	04/07/2025	10/27/2025	05/17/2026	10/26/2026
Value used as a basis for the social security contribution *(in euros)*	30.11(5)	30.11(5)	30.05	27.79	24.88	20.86	27.52	25.40
Vesting conditions	4 performance condition(1)	4 performance condition(1)	3 performance condition(2)	3 performance condition(2)	4 performance condition(3)	4 performance condition(3)	4 performance condition(4)	4 performance condition(4)
Number of shares awarded	1,796,551	38,390	1,353,236	50,205	1,437,634	35,500	1,556,152	139,875
Future number of shares depending on satisfaction of performance conditions as of 12/31/2022	**1,643,919**	**38,390**	**1,323,395**	**50,205**	**1,390,627**	**34,500**	**-**	**-**
Number of shares granted in 2023	-	-	-	-	-	-	-	-
Number of shares created in 2023	1,543,740	36,736	-	-	-	-	-	-
Number of shares delisted in 2023	100,179	1,654	35,231	600	27,053	1,000	11,305	400
Number of shares canceled in 2023 (performance conditions not satisfied)	-	-	-	-	-	-	-	-
Future number of shares depending on satisfaction of performance conditions as of 12/31/2023	**-**	**-**	**1,288,164**	**49,605**	**1,363,574**	**33,500**	**1,544,847**	**139,475**
Number of shares created since the outset	1,550,040	36,736	-	-	-	-	-	-
Number of shares canceled or delisted since the outset	246,511	1,654	65,072	600	74,060	2,000	11,305	400

(1) Internal conditions (70% total weighting): Level of savings achieved compared to the budget for 2020 (70% weighting): Group EBITDA margin (50% weighting) compared to the budget and free cash-flows excluding disposal proceeds and external growth including changes in operating working capital (20% weighting) compared to the budget for 2021 and 2022.
External condition (30% weighting): Accor's Total Shareholder Returns (TSR) compared with trends in the benchmark index of European and international hotel peers.

(2) Internal conditions (70% total weighting): Group EBITDA margin (50% weighting) compared to the budget and free cash-flows excluding proceeds from disposals and acquisitions including changes in operating working capital (20% weighting) compared to the budget.
External condition (30% weighting): Accor's Total Shareholder Returns (TSR) compared with trends in the benchmark index of European and international hotel peers.
Total Shareholder Return (TSR) is a widely used concept to assess the performance of a company's share over a given period and to compare the stock market performance of different companies operating in the same business sector. It is calculated as follows, regardless of the company considered: Final benchmark share price – Initial benchmark share price + reinvested dividends paid/Initial benchmark share price where:
- initial benchmark share price = average closing price over the 20 stock market trading days preceding the start of the measurement period;
- final benchmark share price = average closing price over the 20 stock market trading days preceding the end of the measurement period;
- reinvested dividend payments = dividends paid during the measurement period and reinvested on the payment date in shares of the relevant company.

(3) Internal conditions (80% total weighting): Group EBITDA margin (40% weighting) compared to the Budget and free cash-flows (excluding proceeds from disposals and acquisitions) including changes in operating working capital (20% weighting) compared to the Budget, Level of achievement of the reduction in the carbon footprint compared with 2019 (20% weighting). External conditions (20% weighting). Accor's Total Shareholder Returns (TSR) compared with trends in the benchmark index of European and international hotel peers.

(4) Internal conditions (80% total weighting): Group EBITDA margin (40% weighting) compared to the Budget and free cash-flows (excluding proceeds from disposals and acquisitions) including changes in operating working capital (20% weighting) compared to the Budget, Level of achievement of the reduction in the carbon footprint compared with 2019 (20% weighting). External condition (20% weighting): Accor's Total Shareholder Returns (TSR) compared with trends in the benchmark index of European and international hotel peers.*

(5) To take account of the change in the conditions of the performance plans on May 31, 2019, October 25, 2019, May 28, 2020 and October 21, 2020 decided by the Board of Directors on March 5, 2021, the carrying amounts were revised and modified as appropriate.

Share plan without performance share plans	Plan 2021
Award date	05/17/2021
Expiry date	05/17/2023
Value used as a basis for the social security contribution *(in euros)*	30.61
Number of shares awarded	336,410
Future number of shares as of 12/31/2022	**323,035**
Number of shares granted in 2023	-
Number of shares created in 2023	318,308
Number of shares delisted in 2023	4,727
Future number of shares as of 12/31/2023	**-**
Number of shares created since the outset	318,308
Number of shares canceled or delisted since the outset	18,102

NOTE 15 OTHER EQUITY

In accordance with its long-term funding policy, Accor issued €500 million perpetual hybrid bonds in October 2023. The company then launched an offer to buyback its deeply subordinated undated bonds issued on January 31, 2019. This transaction was successful, with all this hybrid debt bought back by December 31, 2023.

(in millions of euros)	Currencies	Initial amount	Fixed/ variable rate	Rate	Capital outstanding December 31, 2022	Capital outstanding December 31, 2023
January 2019 Hybrid bond	Euros	500	Fixed	4.375%	500	-
January 2019 Hybrid bond issue premium	Euros				(3)	-
October 2019 Hybrid bond	Euros	500	Fixed	2.625%	500	500
October 2019 Hybrid bond issue premium	Euros				(3)	(3)
October 2023 Hybrid Bond	Euros	500	Fixed	7.250%	-	500
October 2023 Hybrid bond issue premium	Euros				-	(1)
Other equity					**994**	**996**

The two hybrid bond issues outstanding at closing are rated "BB" by the rating agencies Standard & Poor's and Fitch Ratings.

NOTE 16 BONDS

In September 2023, Accor SA repaid the balance of €295 million on its €500 million bond issued in September 2015.

(in millions of currency units)	Currencies	Initial amount *(in foreign currency)*	Initial amount *(in euros)*	Fixed/ variable rate	Rate	Term	Capital outstanding December 31, 2022	Capital outstanding December 31, 2023
September 2015 Bond	Euros	500	500	Fixed	2.375%	8 years	295	-
January 2017 Bond	Euros	600	600	Fixed	1.250%	7 years	357	357
February 2019 Bond	Euros	600	600	Fixed	1.750%	7 years	600	600
December 2020 Convertible bond	Euros	500	500	Fixed	0.700%	7 years	500	500
November 2021 bond issue	Euros	700	700	Fixed	2.375%	7 years	700	700
Bonds							**2,452**	**2,157**

NOTE 17 LIABILITIES BY MATURITY AS OF DECEMBER 31, 2023

(in millions of euros)	**Gross amounts**	Less than 1 year	1 to 5 years	Over 5 years
Convertible bonds	500	-	500	-
Convertible bonds – accrued interest	0	0	-	-
Bonds	1,657	357	1,300	-
Bonds – accrued interest	26	26	-	-
Bonds	**2,183**	**384**	**1,800**	**-**
Banks	323	323	-	-
Hybrid bonds – accrued interest	17	17	-	-
Interest payable	1	1	-	-
Bank borrowings	**341**	**341**	**-**	**-**
Current accounts Financial Subsidiaries	1,149	1,149	-	-
Borrowings from Group companies	955	955	-	-
NEU CP instruments	291	291	-	-
Miscellaneous borrowings and debts(1)	**2,395**	**2,395**	**-**	**-**
Borrowings(2)	**4,919**	**3,119**	**1,800**	**-**
Advances and downpayments received from customers	7	7	-	-
Trade payables	425	425	-	-
Operating liabilities	**432**	**432**	**-**	**-**
Tax and social security liabilities	99	96	3	-
Payables to fixed asset suppliers	17	10	7	-
Other liabilities	70	70	-	-
Prepaid income	42	36	6	-
Miscellaneous liabilities	**228**	**212**	**16**	**-**
Interest rate derivatives	-	-	-	-
Foreign exchange derivatives(3)	2	2	-	-
Cross currency swap derivatives(3)	2	1	-	1
Financial instruments	**4**	**3**	**-**	**1**
Liabilities(4)	**5,583**	**3,766**	**1,816**	**1**

(1) Of which €2,124 million to affiliates.
(2) Borrowings arranged during the year (gross amount): €416 million.
(3) Borrowings repaid during the year (gross amount): €919 million.
Details of derivatives can be found in Note 18.
(4) Of which equivalent in euros of the following foreign currencies:

Liabilities by currency	
AED	35
AUD	58
BRL	2
CAD	213
CHF	327
CNY	19
EUR	4,484
GBP	85
HKD	7

Liabilities by currency	
HUF	5
MXN	12
NZD	7
PLN	32
QAR	17
RON	3
SEK	1
SGD	19
USD	257
Equivalent	**5,583**

Financing policy

In December 2023, Accor SA entered into an agreement with a consortium of 13 banks for a new €1 billion revolving credit facility (RCF). This new five-year credit facility has two one-year extension options, which can be exercised in 2024 and 2025, and replaces the €1.2 billion undrawn credit facility concluded in June 2018.

NOTE 18 CURRENCY RISK AS OF DECEMBER 31, 2023

(in millions of euros)	Purchases as of Dec. 31, 2022	Less than 1 year	1 to 5 years	Over 5 years	Sales at Dec. 31, 2022	Less than 1 year	1 to 5 years	Over 5 years	Fair value at Dec.31, 2022	**Purchases at Dec. 31, 2023**	Less than 1 year	1 to 5 years	Over 5 years	**Sales at Dec. 31, 2023**	Less than 1 year	1 to 5 years	Over 5 years	**Fair value at Dec. 31, 2023**
Cross Currency Swaps																		
AUD	-	-	-	-	568	-	-	568	(14)	-	-	-	-	556	-	-	556	-
EUR	554	-	-	554	-	-	-	-	-	555	-	-	555	-	-	-	-	-
Total Cross Currency Swaps	**554**	**-**	**-**	**554**	**568**	**-**	**-**	**568**	**(14)**	**555**	**-**	**-**	**555**	**556**	**-**	**-**	**556**	**-**
Currency forwards																		
AED	-	-	-	-	-	-	-	-	-	17	17	-	-	19	19	-	-	-
AUD	1	1	-	-	-	-	-	-	-	6	6	-	-	17	17	-	-	-
BRL	-	-	-	-	7	7	-	-	-	-	-	-	-	-	-	-	-	-
CAD	18	18	-	-	-	-	-	-	-	-		-	-	14	14	-	-	-
CHF	-	-	-	-	-	-	-	-	-	-	-	-	-	4	4	-	-	-
GBP	92	92	-	-	92	92	-	-	-	-	-	-	-	16	16	-	-	-
HKD	-	-	-	-	-	-	-	-	-	-	-	-	-	2	2	-	-	-
HUF	-	-	-	-	1	1	-	-	-	-	-	-	-	3	3	-	-	-
JPY	-	-	-	-	2	2	-	-	-	-	-	-	-	2	2	-	-	-
NZD	-	-	-	-	2	2	-	-	-	-	-	-	-	3	3	-	-	-
PLN	-	-	-	-	-	-	-	-	-	-	-	-	-	3	3	-	-	-
USD	3	3	-	-	26	26	-	-	-	-		-	-	4	4	-	-	-
EUR	160	160	-	-	142	142	-	-	-	92	92	-	-	23	23	-	-	-
Other currencies	-	-	-	-	-	1	-	-	-	-	-	-	-	4	4	-	-	-
Total Currency forwards	**274**	**274**	**-**	**-**	**272**	**273**	**-**	**-**	**-**	**115**	**115**	**-**	**-**	**114**	**114**	**-**	**-**	**-**

(in millions of euros)	Purchases as of Dec. 31, 2022	Less than 1 year	1 to 5 years	Over 5 years	Sales at Dec. 31, 2022	Less than 1 year	1 to 5 years	Over 5 years	Fair value at Dec.31, 2022	**Purchases at Dec. 31, 2023**	Less than 1 year	1 to 5 years	Over 5 years	**Sales at Dec. 31, 2023**	Less than 1 year	1 to 5 years	Over 5 years	**Fair value at Dec. 31, 2023**
Currency Swaps																		
AED	-	-	-	-	40	40	-	-	1	16	16	-	-	140	140	-	-	2
AUD	-	-	-	-	17	17	-	-	-	-	-	-	-	17	17	-	-	-
CAD	-	-	-	-	12	12	-	-	-	211	211	-	-	20	20	-	-	1
CHF	215	215	-	-	13	13	-	-	(5)	272	272	-	-	17	17	-	-	8
CNY	-	-	-	-	-		-	-	-	4	4	-	-	-	-	-	-	-
GBP	1	1	-	-	86	86	-	-	2	4	4	-	-	84	84	-	-	1
HUF	3	3	-	-	1	1	-	-	-	4	4	-	-	-	-	-	-	-
HKD	-	-	-	-	2	2	-	-	-	1	1	-	-	1	1	-	-	-
JPY	-	-	-	-	32	32	-	-	1	2	2	-	-	26	26	-	-	-
NZD	-	-	-	-	2	2	-	-	-	-	-	-	-	2	2	-	-	-
PLN	25	25	-	-	13	13	-	-	-	28	28	-	-	3	3	-	-	-
QAR	17	17	-	-	-	-	-	-	-	18	18	-	-	3	3	-	-	-
SAR	-	-	-	-	12	12	-	-	-	-	-	-	-	8	8	-	-	-
TRY	-	-	-	-	9	9	-	-	-	1	1	-	-	9	9	-	-	-
USD	171	171	-	-	67	67	-	-	-	50	50	-	-	70	70	-	-	1
EUR	304	304	-	-	430	430	-	-	-	404	404	-	-	628	628	-	-	-
Other currencies	2	2	-	-	-	-	-	-	-	12	12	-	-	6	6	-	-	-
Total Currency Swaps	**738**	**738**	**-**	**-**	**736**	**736**	**-**	**-**	**(1)**	**1,027**	**1,027**	**-**	**-**	**1,034**	**1,034**	**-**	**-**	**13**
Total currency derivatives on the balance sheet	**1,566**	**1,012**	**-**	**554**	**1,576**	**1,009**	**-**	**568**	**(15)**	**1,697**	**1,142**	**-**	**555**	**1,704**	**1,148**	**-**	**556**	**13**
Currency forwards not recognized on the statement of financial position																		
AUD	-	-	-	-	19	19	-	-	-	-	-	-	-	-	-	-	-	-
CNY	-	-	-	-	3	3	-	-	-	-	-	-	-	-	-	-	-	-
GBP	-	-	-	-	5	5	-	-	-	-	-	-	-	-	-	-	-	-
NZD	-	-	-	-	4	4	-	-	-	-	-	-	-	-	-	-	-	-
PLN	-	-	-	-	4	4	-	-	-	-	-	-	-	-	-	-	-	-
USD	-	-	-	-	71	71	-	-	-	-	-	-	-	-	-	-	-	-
EUR	-	-	-	-	113	113	-	-	-	-	-	-	-	-	-	-	-	-
CHF	-	-	-	-	12	12	-	-	-	-	-	-	-	-	-	-	-	-
Total Currency forwards not recognized on the balance sheet	**-**	**-**	**-**	**-**	**231**	**231**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total currency derivatives	**1,566**	**1,012**	**-**	**554**	**1,807**	**1,240**	**-**	**568**	**(15)**	**1,697**	**1,142**	**-**	**555**	**1,704**	**1,148**	**-**	**556**	**13**

All derivatives have a hedging purpose. The derivatives classified under individual open positions are not material.

NOTE 19 SCHEDULE OF RECEIVABLES AND MATURITIES AS OF DECEMBER 31, 2023

(in millions of euros)	**Gross amounts**	**Maturing in up to one year**	**Maturing in over one year**
Receivables from equity investments	1,022	317	705
Loans	176	5	171
Other non-current financial assets	974	0	973
Receivables from non-current assets	**2,171**	**322**	**1,849**
Trade receivables	585	585	-
Other receivables	803	800	3
Prepaid expenses	34	34	-
Receivables from current assets	**1,422**	**1,419**	**3**
Foreign exchange derivatives	8	8	-
Cross currency swap derivatives	1	1	-
Financial instruments	**9**	**9**	**-**
Receivables[1]	**3,602**	**1,750**	**1,852**

(1) Of which equivalent in euros of the following foreign currencies:

Receivables by currency	
AED	176
AUD	515
BRL	1
CAD	27
CHF	64
CNY	19
EUR	2,218
GBP	174
HKD	8
HUF	5
ILS	1

Receivables by currency	
JPY	26
MAD	43
MXN	6
NZD	13
PLN	11
QAR	3
RON	1
SAR	10
SGD	19
TRY	9
USD	253
Equivalent	**3,602**

NOTE 20 ITEMS RELATIVE TO RELATED COMPANIES AS OF DECEMBER 31, 2023

(in millions of euros)	**2022**	**2023**
Equity investments	7,219	7,339
Receivables from equity investments	1,233	1,021
Trade receivables	404	359
Other receivables	394	507
Miscellaneous borrowings and debt	2,124	2,104
Trade payables	119	91
Income from equity investments	242	680
Other financial income	54	113
Financial expenses	11	68

Related companies as defined by Article A823-18-1 of the French Commercial Code.

NOTE 21 BREAKDOWN OF REVENUE EXCLUDING TAX

(in millions of euros)	**2022**	**2023**
France	502	614
International	672	916
Revenue excl. Tax	**1,174**	**1,530**

NOTE 22 COMPENSATION AND HEADCOUNT

Compensation of administrative and management bodies

(in millions of euros)	**2022**	**2023**
Annual fixed compensation granted to Company directors	1.29	1.27
Management (Executive Committee) (excluding expenses)	9.12	9.09

Staff paid by the company

Status of employees	**2022**	**2023**
Management	1,030	1,058
Supervisors	62	54
Ordinary employees	37	39
Average headcount	**1,129**	**1,151**

NOTE 23 NET FINANCIAL INCOME (EXPENSES)

(in millions of euros)	2022	2023
Financial expenses excluding Group	(119)	(124)
Financial income excluding Group	10	54
Cost of net debt excluding Group	**(108)**	**(70)**
Income from intragroup loans and current accounts	42	84
Expenses from intragroup borrowings and current accounts	(11)	(68)
Dividends	257	716
Depreciation of other long-term securities	(133)	57
Other asset impairment	55	(8)
Foreign exchange gains (losses)	(17)	(1)
Others	(26)	(12)
Net financial income (expenses)	**57**	**698**

NOTE 24 NET NON-RECURRING INCOME (EXPENSES)

Net non-recurring income for 2023 before tax translates into a profit of 103 million euros. This stemmed from:

(in millions of euros)	2022	2023
Income & expenses/management transactions(1)	(80)	(119)
Capital gains or losses on disposals of investments(2)	146	162
Extraordinary increases and reversals of depreciation, amortization, impairment and provisions(3)	56	58
Other non-recurring expenses	-	2
Net non-recurring income (expenses)	**122**	**103**

(1) In 2023, non-recurring expenses of €53 million were recognized in relation to the payment of the "précompte" withholding tax on distributions made in 2003 and 2004, repaid to Accor SA in 2020 and offset by a reversal of a provision (see (3)). Income of €10 million related to the 2002 "précompte" withholding tax was also recognized, and is considered to be not subject to adjustment. Expenses of €34 million were also recognized related to the organization of the Group into two divisions: "Premium, Midscale & Economy" and "Luxury & Lifestyle", a €28 million warranty payment made to AccorInvest Group related to hotel façade appraisal costs, and expenses of €12 million associated with the Reset restructuring plan.

In 2022, the expenses under the Reset restructuring plan were €41 million, expenses under the Turbo restructuring plan were €18 million and the costs linked to the development of the Lifestyle hotel activity were €12 million. Furthermore, a tax reassessment for €7 million paid relative to a tax audit of its AccorInvest subsidiary which exercised its indemnification rights with respect to Accor SA, in application of the provisions of the disposal contract which was concluded between Accor SA and its investors inn 2018.

(2) In 2023, a net capital gain of €106 million was generated on the disposal of SCI Sequana, a net capital gain of €18 million arose on the contribution and disposal of the shares and bonds in Financière Louis and Potel & Chabot to Accor Luxury & Lifestyle, and a gain of €8 million accrued on the sale of the interests in Risma, while capital losses of €14 million and €13 million arose on the liquidations of Accor Acquisition Company and Accor Austria, respectively. A net capital gain of €53 million was generated on the disposal of intangible assets, comprising assignments of hotel management agreements.

In 2022, Accor generated a net capital gain on the disposal of investments and intangible assets of €150 million, following the finalization of the internal reorganization and disposal transactions conducted within the framework of the development of the Lifestyle activity. This capital gain includes a €8 million contingent consideration received following the disposals carried out in 2021.

(3) In 2023, a provision related to the 2003-2004 "précompte" withholding tax of €53 million (see (1)) and a restructuring provision associated with the Reset plan of €5 million were reversed.

In 2022, a reversal of a restructuring provision for €28 million was booked. Within the framework of the tax audit to which the AccorInvest subsidiary was subjected, regarding the level of valuation of the subsidiary sold, the reassessment amounts to €7 million (see (1) and is offset by the reversal of the provision which had been set aside in 2021 for an amount of €21 million. Lastly, reversals of provisions following the tax audits of fiscal years 2008-2009 and 2016-2018 were carried out in the accounts for the amount of €6 million and €1 million respectively.

NOTE 25 INCOME TAX

a) Accor SA individual tax

(in millions of euros)	2022	2023
Proceeds of tax consolidation	14	13
Adjustment surplus prior years	-	-
Research tax credit and sponsorship	1	9
Corporate tax, withheld at source, other	(1)	(7)
Total	**14**	**15**

The Company's contribution to tax consolidation for the year was a provisional profit of €153 million at current tax rates.

b) Gain (loss) on tax consolidation

Tax consolidation generated a net gain of €13 million in Accor SA's financial statements.

c) Scope of tax consolidation

Accor SA consolidated the following 28 subsidiaries for tax purposes:

Accor Africa	Hotel Corporate System	SH Défense Grande Arche
Accor Luxury & Lifestyle	ibis *Budget*	SHEMA
Actimos	IBL	Société Française de Participations et d'Investissements Européens
Air Corporate System	Lido	Société Management Intermarques
Chammans	Margot Premium (formerly Mer et Montagne)	Société Participations d'Île-de-France
D-Edge	Hotel Management	Soluxury HMC
Gekko	Orient Express	Teldar Travel
Gekko Technology	Resavents	Tour Eiffel
Gordon Bedbank	Roissypole Management Hôtels	
Hospitality Insurance Broker	SHDM	

d) Litigation – Dividend withholding tax

In 2002, Accor SA mounted a legal challenge to its obligation to pay "précompte" dividend withholding tax on the redistribution of European source dividends on the grounds that it breached European Union rules. Several, long and disputed procedures in France and then at the European level followed. With respect to the *précompte* payment made for 1999-2001, the Versailles Administrative Court ruled, in 2006, in favor of a refund to Accor SA for an amount of €192 million (including interest of €36 million). This ruling was confirmed by the Versailles Administrative Court of Appeal on May 20, 2008. However, on December 10, 2012, the French Supreme Court reduced the refund to €7 million and, in 2013, Accor SA had to pay €185 million to the French State. The Company plans to continue to exercise its rights and has filed an action against the State. In connection with this action, on January 11, 2023, a ruling handed down by the Paris Administrative Court rejected the indemnification request filed by Accor SA. The Group has appealed this decision.

Regarding the *précompte* payment made for 2002-2004, a European Court of Justice decision on October 4, 2018 ruled against the French state once again. On July 7, 2020, the Versailles Administrative Court of Appeal, taking note of the judgment of the European Court of Justice, ordered the repayment to Accor SA of the full *précompte* dividend withholding tax for this along with the related late payment interest. On July 23, 2020, Accor SA was refunded €307 million (€180 million plus €127 million in interest). In this respect, the Company recognized non-recurring income of €307 million and a provision for liabilities of €53 million in its income statement for the fiscal year ended December 31, 2020. In September 2020, the tax authorities appealed to France's highest administrative court, the *Conseil d'État*. Similarly, and as many French groups await refunds of their own *précompte* payments, a decision by the European Court of Justice ("CJEU") on May 12, 2022 ruled that the *précompte* was contrary to the European parent/subsidiary directive.

Based on the principles established by the CJEU, the *Conseil d'État* handed down its decision on Accor's case on March 27, 2023 and held that Accor SA was entitled to be repaid the *précompte* dividend payments it had made as a result of the redistribution of European source dividends. The *Conseil d'État* criticized the Versailles Administrative Court of Appeal in its decision handed down on July 7, 2020 for not checking whether the Accor Group had sufficient income from its European subsidiaries to cover the redistribution of dividends to shareholders and the corresponding *précompte* withholding tax. In this respect, it ordered that €53 million out of the €307 million reimbursed be repaid and referred the matter back to the Versailles Administrative Court of Appeal in relation to the *précompte* withholding tax payments for 2003 and 2004.

On January 9, 2024, the Versailles Administrative Court of Appeal confirmed the *Conseil d'État*'s decision, ordering €53 million to be repaid. The Group has decided to appeal this decision to the *Conseil d'État,* asking it to rule on the matter again.

e) Tax audit

In June 2021, Accor SA received a proposal relative to fiscal years 2016 to 2018. This tax audit completed in 2022.

In December 2023, Accor SA received a tax audit notice for fiscal years 2019 to 2022.

NOTE 26 DEFERRED TAXES

Total additions and reversals to non-deductible provisions for fiscal 2023 for the subsidiaries within Accor's corporate income tax consolidation scope, led to a net non-taxable reversal of €64 million, *i.e.* a decline in the easing of the future tax charge on the companies of €16 million calculated at 25% (excluding social charges at 3.3% levied on corporate income tax).

NOTE 27 OFF-STATEMENT OF FINANCIAL POSITION COMMITMENTS, GIVEN AND RECEIVED

Rental commitments

Fixed and variable rental commitments given by Accor and its subsidiaries at December 31, 2023 are as follows:

(in millions of euros)	Dec. 31, 2022	Dec. 31, 2023
Fixed rental commitments given to subsidiaries	229	236
Variable rental commitments made to subsidiaries	61	60
Total rental commitments(1)(2)	**290**	**296**
Total rental commitments(1)	**(290)**	**(287)**

(1) The lease commitments given by Accor SA are covered by a counter guarantee received from AccorInvest Group.
(2) Including a lease commitment given in relation to ACCOR SA's registered office at the amount of €9 million.

Other off-balance sheet commitments

Off-statement of financial position commitments given at December 31, 2023 are as follows:

(in millions of euros)	Dec. 31, 2022	Dec. 31, 2023
Commitments given (liabilities)		
Other purchase commitments	6	49
Total purchase commitments	**6**	**49**
Guarantees given(1)	225	222
Guarantees for bank borrowings(1)	18	18
Guarantees for confirmed credit lines	40	44
Guarantees given to third parties	12	12
Liability guarantee commitments(2)	460	86
Guarantees for bank borrowings and other items increasing debt	**755**	**382**
Commitments given in the normal course of business	**-**	**-**
Total commitments given	**761**	**431**

(1) This item includes various guarantees given on behalf of direct and indirect subsidiaries either to banks or directly to the subsidiaries' customers.
(2) The fall in commitments under liability guarantees is due to the disposal of SCI Sequana.

Off-balance-sheet commitments given at December 31, 2023 are as follows:

(in millions of euros)	Dec. 31, 2022	Dec. 31, 2023
Commitments received (assets)	**-**	**-**
Guarantees given	2	2
Guarantees for bank borrowings	-	0
Guarantees for bank borrowings and other items increasing debt	**2**	**2**
Total commitments given	**2**	**2**

NOTE 28 SUBSEQUENT EVENTS

No significant event occurred between the closing date and the date of issuance of the interim condensed consolidated financial statements.

NOTE 29 MAIN SUBSIDIARIES AND EQUITY INVESTMENTS AS OF DECEMBER 31, 2023

	(in thousands of local currency)			
Subsidiaries and equity investments	**Currencies**	**Capital**	**Equity excluding share capital**	**Portion of share capital owned** *(as a percentage)*
1- Subsidiaries (at least 50%-owned by Accor SA)				
a) French subsidiaries				
IBL 82 rue Henri Farman 92130 Issy-les-Moulineaux[(1)]	EUR	28,767	18,303	100.00%
ACTIMOS 82 rue Henri Farman 92130 Issy-les-Moulineaux[(1)]	EUR	90,379	(44,452)	100.00%
CHAMMANS 82 rue Henri Farman 92130 Issy-les-Moulineaux(1)	EUR	102,048	1,393	100.00%
Other French subsidiaries	-	-	-	-
b) Foreign subsidiaries				
ACCOR UK LTD (United Kingdom)[(1)]	GBP	85,530	372,418	100.00%
FRHI HOTEL ET RESORTS (Luxembourg)[(1)]	EUR	890,969	(379,440)	100.00%
ACCORHOTELS DEUTSCHLAND GMBH (Germany)[(1)]	EUR	500	80,503	100.00%
MP INVEST AG (Switzerland)[(1)]	CHF	118	81,441	100.00%
ACCOR SERVICES POLAND SP Z.O.O[(1)]	PLN	1,036,025	(219,284)	100.00%
ACCOR HOTELS BELGIUM (Belgium)[(1)]	EUR	765,433	52,983	100.00%
COMPAGNIE DES WAGONS LITS (Belgium)[(1)]	EUR	50,676	272,777	99.93%
ENNISMORE LIFESTYLE GROUP LIMITED (Great Britain)[(1)]	GBP	15	746,351	61.11%
Other foreign subsidiaries	-	-	-	-
2-Equity investments (10 to 50% of the share capital owned by Accor SA)				
a) French companies				
Investments in non-consolidated companies	-	-	-	-
b) Foreign companies				
MÖVENPICK HOTELS RESORTS MANAGEMENT AG (Switzerland)[(1)]	CHF	47,250	38,493	33.33%
ACCORINVEST GROUP (Luxembourg)[(1)]	EUR	2,152,948	1,183,945	28.87%
AAPC LIMITED (Australia)[(1)]	AUD	877,715	(598,926)	27.43%
REEF PROXIMITY AGGREGATOR (United States)[(1)]		NA	NA	19.82%
Investments in non-consolidated companies	-	-	-	-
3-Equity investments (under 10% of the share capital owned by Accor SA)				
a) French companies				
Investments in non-consolidated companies	-	-	-	-
b) Foreign companies				
Investments in non-consolidated companies	-	-	-	-
Total				

(1) Provisional balance sheets or not yet audited.

(in thousands of euros)

Carrying amount of securities held		Loans and advances provided by Accor SA and not yet repaid	Amount of guarantees and sureties provided by Accor SA	Revenue excluding tax over the past year	Profit or (loss) over the past year ended	Dividends received by Accor SA over the period
Gross	Net					
706,501	47,072	-	-	-	1,179	-
271,579	142,444	15,063	-	-	(657)	-
108,161	108,161	50,894	-	-	(2,002)	-
367,010	231,006	190,158	-	-	-	146,356
156,066	156,066	25,773	-	-	1,407	-
913,792	913,792	-	28,123	20,869	(7,285)	-
360,500	360,500	145,400	-	144,642	(26,217)	-
391,765	224,735	-	-	14,178	13,794	-
259,058	172,552	-	-	51,198	7,024	-
1,007,629	1,007,629	-	-	32,930	346,461	500,236
1,151,347	336,923	-	-	3,112	4,405	-
558,297	558,297	151, 155	-	-	(7,174)	-
584,273	462,041	197,307	-	-	-	16,519
98,085	40,144	55,808	-	-	-	8,012
169,880	155,505	-	-	816	(1,173)	-
1,242,612	762,409	-	-	4,793	(51,003)	-
182,541	182,541	427,554	-	46,963	(67,799)	-
150,181	34,900	-	-	NA	NA	-
283,470	262,159	107	-	-	-	16,858
36,016	35,243	100,030	-	-	-	3,158
41,359	33,015	-	-	-	-	829
9,040,122	**6,227,134**	**1,359,248**	**28,123**			**691,968**

6.4 Statutory Auditors' report on the financial statements

(For the year ended December 31, 2023)

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Accor
Tour Sequana
82, rue Henri Farman
92130 Issy-les-Moulineaux,
France

To the Shareholders,

Opinion

In compliance with the engagement entrusted to us by your Annual Shareholders' Meeting, we have audited the accompanying financial statements of Accor for the year ended December 31, 2023.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company at December 31, 2023 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit, Compliance & Risks Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code (Code de commerce) and the French Code of Ethics (Code de déontologie) for Statutory Auditors for the period from January 1, 2023 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by Article 5(1) of Regulation (EU) No. 537/2014.

Justification of assessments – Key audit matters

In accordance with the requirements of Articles L.821-53 and R.821-180 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgment, were the most significant in our audit of the financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the financial statements.

Measurement of equity investments

Description of risk

Equity investments are recorded in the balance sheet at their acquisition cost, excluding acquisition expenses.

At December 31, 2023, the carrying amount of equity investments stood at €6,192 million, approximately 55% of total assets.

As stated in Note 1 "Accounting policies", section c) "Non-current financial assets" to the financial statements, impairment is recognized when the value in use is lower than the carrying amount. The value in use is determined primarily on the basis of the percentage interest in the consolidated equity of the subsidiary represented by such investments and, as the case may be (i) forward-looking information comprising profitability or performance prospects and economic trends, (ii) current information such as the profitability of the Company or the actual value of the underlying assets, (iii) the values derived from recent transactions as a comparison, (iv) historical information used to assess the initial value of equity investments, and (v) the average EBITDA over the previous two years times a multiplier.

The choice of the method for determining value in use requires Management's significant judgment. In view of the significant amount in the balance sheet represented by the equity investments and the impact of the choice of valuation method for determining the value in use, we considered the measurement of equity investments to be a key audit matter.

How our audit addressed this risk

Our audit procedures mainly consisted in:

- assessing the measurement methods used by Management;
- reconciling the equity values used with the source data from the accounts of the subsidiaries concerned, and examining any adjustments made, as well as the documentation underlying these adjustments;
- examining whether the value in use of the equity investments and any impairment was correctly determined on the basis of the methods adopted by Management;
- assessing the appropriateness of the information disclosed provided in Note 1.c) "Non-current financial assets", Note 6 "Changes in equity investments and other long-term securities in 2023" and Note 7 "Statement of provisions and impairment as of December 31, 2023" to the financial statements.

Specific verifications

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French legal and regulatory provisions.

Information given in the management report and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board of Directors' management report and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements.

We attest to the fair presentation and the consistency with the financial statements of the information about the payment terms referred to in Article D.441-6 of the French Commercial Code.

Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L.225-37-4, L.22-10-10 and L.22-10-9 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L.22-10-9 of the French Commercial Code relating to compensation and benefits paid or awarded to corporate officers and any other commitments made in their favor, we have verified its consistency with the financial statements or with the underlying information used to prepare these financial statements, and, where applicable, with the information obtained by the Company from controlled companies within its scope of consolidation. Based on this work, we attest to the accuracy and fair presentation of this information.

Concerning the information given in accordance with the requirements of Article L.22-10-11 of the French Commercial Code relating to those items the Company has deemed liable to have an impact in the event of a takeover bid or exchange offer, we have verified its consistency with the underlying documents that were disclosed to us. Based on this work, we have no matters to report with regard to this information.

Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Other verifications and information pursuant to legal and regulatory requirements

Presentation of the financial statements to be included in the annual financial report

In accordance with professional standards applicable to the Statutory Auditors’ procedures for annual and consolidated financial statements presented according to the European single electronic reporting format, we have verified that the presentation of the financial statements to be included in the annual financial report referred to in paragraph I of Article L.451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*) and prepared under the Chairman and Chief Executive Officer’s responsibility, complies with this format, as defined by European Delegated Regulation No. 2019/815 of December 17, 2018.

On the basis of our work, we conclude that the presentation of the financial statements to be included in the annual financial report complies, in all material respects, with the European single electronic reporting format.

It is not our responsibility to ensure that the financial statements to be included by the Company in the annual financial report filed with the AMF correspond to those on which we carried out our work.

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Accor by the Annual Shareholders' Meetings held on June 16, 1995 for Ernst & Young et Autres and on April 30, 2019 for PricewaterhouseCoopers Audit.

As at December 31, 2023, Ernst & Young et Autres and PricewaterhouseCoopers Audit were in the twenty-ninth year and the fifth year of total uninterrupted engagement, respectively.

Prior to Ernst & Young et Autres, Barbier Frinault et Associés (formerly known as Barbier Frinault et Autres) was the Statutory Auditor from 1970.

Responsibilities of Management and those charged with governance for the financial statements

Management is responsible for preparing financial statements giving a true and fair view in accordance with French accounting principles, and for implementing the internal control procedures it deems necessary for the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Audit, Compliance & Risks Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the financial statements

Objective and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these financial statements.

As specified in Article L.821-55 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company’s management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgment throughout the audit. They also:

- identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management and the related disclosures in the notes to the financial statements;
- assess the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit, Compliance & Risks Committee

We submit a report to the Audit, Compliance & Risks Committee which includes, in particular, a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit, Compliance & Risks Committee includes the risks of material misstatement that, in our professional judgment, were the most significant for the audit of the financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit, Compliance & Risks Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in Articles L.821-27 to L.821-34 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit, Compliance & Risks Committee.

Neuilly-sur-Seine and Paris La Défense, March 27, 2024

The Statutory Auditors

PricewaterhouseCoopers Audit

François Jaumain   Julien Laugel

Ernst & Young et Autres

François-Guillaume Postel

7

Section

Capital and ownership structure

Santa Teresa Hotel RJ - MGallery - Brazil

7.1 Information about the Company

Company name

Accor

Registered office

82 Rue Henri-Farman – 92130 Issy-les-Moulineaux.

Website

www.group.accor.com

The information found on the Group's website does not form part of the Universal Registration Document unless it is incorporated by reference in the Universal Registration Document.

Legal form

Joint stock company (société anonyme) governed by the applicable French laws and regulations, including Articles L. 225-17 to L. 225-56 and L. 22-10-3 to L. 22-10-17 of the French Commercial Code.

Governing law

Joint stock company governed by the applicable French laws and regulations.

Term

The Company was incorporated on April 22, 1960.

It will be dissolved on April 22, 2059 unless it is wound up in advance or its term is extended.

Issuer's objects and purposes

(Article 3 of the Bylaws)

The Company's corporate purpose is to engage in the following activities on its own behalf, or on behalf of third parties, or jointly with third parties:

- the ownership, financing and management, directly, indirectly, or under specified mandates, of hotels, restaurants and bars of any nature or category and, more generally, any establishment related to accommodation, food, tourism, leisure, and services;
- the economic, financial and technical review of projects and, generally, all services related to the development, organization and management of the above-mentioned establishments, including all actions related to their construction or the provision of any related consulting services;
- the review and provision of services intended to facilitate the supply of meals to employees in companies, institutions and other organizations;
- the creation of any new company and the acquisition of interests by any method in any company operating in any business;
- all civil, commercial, industrial and financial transactions, involving both securities and property, related to the purposes of the Company and all similar or related purposes;
- in France and in any other countries.

Registration of the Company

Registered in Nanterre under number 602 036 444.

Business Identification (APE) code: 7010Z.

Legal Entity Identifier (LEI) code: 969500QZC2Q0TK11NV07.

Corporate documents, including the Bylaws, statements of financial position, income statements, Board of Directors' reports and Auditors' reports, may be inspected at the Company's registered office

Corporate documents, including the Bylaws, statements of financial position, income statements, Board of Directors' reports and Auditors' reports, may be inspected at the Company's registered office.

Fiscal year

The Company's fiscal year begins on January 1 and ends on December 31.

Profit available for distribution

(Article 27 of the Bylaws)

Profit available for distribution consists of net profit for the fiscal year, less any losses brought forward from prior years and any amounts to be credited to reserves pursuant to the law, plus any unappropriated retained earnings brought forward from prior years.

After approving the accounts for the year, the Annual Shareholders' Meeting may decide to appropriate all or part of the profit available for distribution, if any, to the payment of a dividend. Alternatively, the Annual Shareholders' Meeting may decide to appropriate all of the profit available for distribution to said reserve accounts.

Shareholders' Meetings

Notice of Shareholders' Meetings

(Article 24 of the Bylaws)

Shareholders' Meetings shall be called as provided for by law. The meetings shall take place at the Company's registered office or at any other venue specified in the notice of meeting.

Attendance and representation

(Article 24 of the Bylaws)

In accordance with the applicable regulations, shareholders have the right to attend and participate in Shareholders' Meetings in person or by proxy, whatever the number of shares held, upon presentation of evidence that their shares have been recorded in a securities account opened in their name or in that of their accredited financial intermediary, as specified in the applicable laws and regulations.

In the case of bearer shares, such evidence shall take the form of a statement of share ownership (attestation de participation) issued by the accredited financial intermediary in accordance with the law.

Organization of Shareholders' Meetings

(Article 25 of the Bylaws)

All shareholders have the right to attend or be represented at Shareholders' Meetings, under the conditions set by law.

They may vote by post in accordance with Article L. 225-107 of the French Commercial Code. The proxy/postal voting form may be sent to the Company or to the Company's registrar in paper form or, by decision of the Board of Directors published in the notice of meeting, by electronic mail in accordance with the applicable laws and regulations.

In addition, if decided by the Board of Directors when the meeting is called, shareholders who participate in the meeting by videoconference or by any electronic means enabling their identification, on the basis and by the method stipulated in the applicable laws and regulations, will be considered as being physically present for the calculation of the quorum and voting majority.

To cast a vote or execute a proxy by electronic means, shareholders or their duly authorized representative or attorney must either:

- provide a secure electronic signature fulfilling the requirements of the applicable laws and regulations;
- or enter a unique username and password on the Company's website, if such a website exists, in accordance with the applicable laws and regulations.

Meetings are chaired by the Chairman of the Board of Directors or, in his or her absence, by a director designated by the Board. Otherwise, the meeting elects its own Chairman.

The function of Scrutineer of the meeting is fulfilled by the two shareholders present at the meeting who represent the largest number of voting rights and who consent to take on the role. The Bureau thus formed names a Secretary, who may or may not be a shareholder.

An attendance register is kept, pursuant to the law.

Copies or excerpts of the meeting minutes may be certified by the Chairman of the Board of Directors, the Chairman of the meeting, or the meeting Secretary.

Ordinary and Extraordinary Shareholders' Meetings fulfilling the relevant quorum and majority voting requirements exercise the powers vested in them by law.

Double voting rights

(Article 25 of the Bylaws)

All fully paid shares registered in the name of the same holder for at least two years carry double voting rights.

In the event of a capital increase through the capitalization of retained earnings, profits or additional paid-in capital, the resulting bonus shares distributed in respect of registered shares carrying double voting rights will similarly carry double voting rights.

Registered shares converted into bearer shares or sold to a different holder lose their double voting rights. However, transfers through inheritance, liquidation of marital assets, inter vivos transfers to a spouse or to a relative in the ascending or descending line do not result in the loss of double voting rights or a break in the qualifying period. The merger of the Company has no impact on double voting rights, provided that the Bylaws of the surviving company allow for their exercise.

When shares are held by beneficial and non-beneficial owners, voting rights in Ordinary and Extraordinary Shareholders' Meetings are exercised by the beneficial owner.

Disclosure thresholds

(Article 9 of the Bylaws)

Any shareholder, acting alone or in concert with other shareholders within the meaning of Article L. 233-10 of the French Commercial Code, that directly or indirectly acquires an interest, or raises or reduces its interest, in the capital or voting rights of the Company, including any equivalent shares or voting rights as defined in Article L. 233-9-1 of the French Commercial Code, to above or below any statutory disclosure threshold is required to disclose its interest to the Company.

In addition, any shareholder that acquires or raises its interest to 1% of the capital or voting rights is required to disclose its interest to the Company by registered letter with return receipt requested sent to the head office, within five trading days of the transaction date or the signature of any agreement resulting in the disclosure threshold being crossed, whatever the date on which the shares are recorded in the holder's account.

Beyond said 1% threshold, the same disclosure rules as defined above ("*i.e.* in the capital or voting rights") will apply to any increase in a shareholder's interest by any multiple of 0.5% of the capital or voting rights and to any reduction in a shareholder's interest by any multiple of 1% of the capital or voting rights.

For the application of the above paragraphs, the shares or voting rights referred to in paragraphs 1 to 8 of Article L. 233-9-1 of the French Commercial Code are considered as being equivalent to the shares or voting rights held by the shareholder.

Restrictions on voting rights

(Article 9 of the Bylaws)

In the case of failure to comply with the above-mentioned disclosure obligation, at the request of one or several shareholders representing at least 3% of the Company's capital or voting rights, as duly recorded in the minutes of the Shareholders' Meeting, the undisclosed shares will be stripped of voting rights at all Shareholders' Meetings held in the two years following the date when the omission is remedied.

Notification of intentions

(Article 9 of the Bylaws)

Any shareholder that acquires or raises its interest to more than one-twentieth, three-twentieths or one-quarter of the capital or voting rights is required to notify the Company of their intentions over the following twelve months.

At the end of each successive twelve-month period, any shareholder that continues to hold a number of shares or voting rights in excess of the above fractions will be required to notify the Company of its intentions for the following twelve months.

In particular, the shareholder must inform the Company of whether it is acting alone or in concert with other shareholders, whether or not it plans to purchase additional shares, and whether or not it intends to acquire control of the Company or to request its election or the election of one or several candidates of its choice as directors of the Company.

The Company will have the right to inform the public and shareholders of the said shareholder's disclosed intentions, or of the shareholder's failure to comply with this requirement.

For the application of the above paragraphs, the shares or voting rights referred to in paragraphs 1 to 8 of Article L. 233-9-1 of the French Commercial Code are considered as being equivalent to the shares or voting rights held by the shareholder.

7.2 Ratings

The ratings assigned to Accor by Standard & Poor's and Fitch Ratings are as follows:

Rating agency	Long-term debt	Short-term debt	Outlook	Date of last review
Standard & Poor's	BBB-	A-3	Stable	09/12/2023
Fitch Ratings	BBB-	F3	Stable	04/05/2023

7.3 Capital

7.3.1 Capital

At December 31, 2023, the Company's share capital amounted to €756,868,056 divided into 252,289,352 common shares with a par value of €3.00, all fully paid-up and in the same class.

Shares may be held in either registered or bearer form.

The Company avails itself of legal procedures to identify its shareholders.

Shares are freely transferable within legal and regulatory limits.

The transfer of shares, regardless of price or terms, is made by account transfer, pursuant to the regulations in force.

The Company's ordinary shares are listed on Euronext Paris (Compartment A; Stock code: FR0000120404; Symbol "AC").

Since March 2, 2015, Accor has also maintained an American Depositary Receipt (ADR) program. An ADR is a U.S. security representing the shares of a non-U.S. company. The ADRs are denominated in U.S. dollars and are traded on the securities market in the United States. Dividend payments are also denominated in US dollars. ADRs are intended to facilitate the purchase, holding and sale of securities of non-U.S. companies by U.S. investors and to provide a corporate finance vehicle for non-U.S. companies. The custodian for Accor's ADR program (symbol: ACCYY) is Citibank.

7.3.2 Share buyback program

Authorization granted by the Annual Shareholders' Meeting of May 17, 2023

At the Annual Shareholders' Meeting on May 17, 2023, shareholders authorized the Board of Directors to buyback the Company's shares on the stock market. The authorization was given for a period of 18 months and superseded all previous authorizations.

The Annual Shareholders' Meeting set the maximum number of ordinary shares that may be bought back at the equivalent of 10% of the share capital and the maximum per-share price at €70 (excluding purchase costs). The maximum amount likely to be allocated to the buyback of these shares (based on the share capital at the date of this Universal Registration Document) stands at €1.76 billion.

The authorization may be used to purchase shares for the following purposes:

- for cancellation at a later date in connection with a capital reduction decided or authorized by shareholders in an Extraordinary Meeting;
- for allocation under employee stock ownership plans, in particular free stock grant plans made under Articles L. 225-197-1 *et seq.* and L. 22-10-59 *et seq.* of the French Commercial Code, employee savings (or similar) plans under Articles L. 3332-1 *et seq.* of the French Labor Code, and stock option plans under Articles L. 225-177 *et seq.* and L. 22-10-56 of the French Commercial Code;
- for allocation on the conversion, redemption, exchange or exercise of share equivalents;
- to hold treasury shares for subsequent remittance in exchange or payment in connection with external growth transactions, a merger, demerger or asset contribution, within the limit of 5% of the Company's capital;
- to make a market in the Company's shares via a liquidity service provider under a liquidity contract that complies with market practices recognized by the French securities regulator (Autorité des Marchés Financiers – AMF);
- to perform any market transaction or practice permitted, now or hereafter, under the laws or regulations in force or by the AMF.

Implementation of the share buyback program in fiscal 2023

As of May 30, 2013, and for a period of twelve months tacitly renewable for successive twelve-month terms, Accor contracted with Rothschild & Cie Banque to implement a liquidity contract complying with the Code of Conduct issued by the French securities regulator association (AMAFI) and approved by the AMF on March 24, 2011 for €30 million, allocated to the liquidity account.

In accordance with AMF decision no. 2021-01 of June 22, 2021, Accor has, by an amendment dated July 4, 2022, reduced by €9,808,390.85 the resources allocated to the liquidity contract entered into on May 21, 2019 with Rothschild Martin Maurel.

In 2023, the Company launched a €400 million share buyback program via an investment services provider. The repurchased shares were cancelled on December 29, 2023.

At December 31, 2023, Accor did not hold shares in treasury.

New authorization proposed to the Annual Shareholders' Meeting of May 31, 2024

At the Annual Shareholders' Meeting on May 31, 2024, shareholders are requested to authorize the Board of Directors to buyback the Company's shares on the stock market. The authorization will be given for a period of 18 months and superseded all previous authorizations.

The maximum number of ordinary shares that may be bought back at the equivalent of 10% of the share capital and the maximum per-share price at €70 (excluding purchase costs). The maximum amount likely to be allocated to the buyback of these shares (based on the share capital at the date of this Universal Registration Document) stands at €1.76 billion.

The objectives of the program would be as follows:

- cancellation at a later date as part of a capital reduction decided or authorized by shareholders at an Extraordinary Meeting;
- for allocation under employee stock ownership plans, in particular free stock grant plans made under Articles L. 225-197-1 *et seq.* and L. 22-10-59 *et seq.* of the French Commercial Code, employee savings (or similar) plans under Articles L. 3332-1 *et seq.* of the French Labor Code, and stock option plans under Articles L. 225-177 *et seq.* and L. 22-10-56 of the French Commercial Code;
- for allocation on the conversion, redemption, exchange or exercise of share equivalents;
- to hold treasury shares for subsequent remittance in exchange or payment in connection with external growth transactions, a merger, demerger or asset contribution, within the limit of 5% of the Company's capital;
- to make a market in the Company's shares via a liquidity service provider under a liquidity contract that complies with market practices recognized by the French securities regulator (Autorité des Marchés Financiers – AMF);
- to perform any market transaction or practice permitted, now or hereafter, under the laws or regulations in force or by the AMF.

7.3.3 *Employee stock ownership*

The first employee share issue, open to participants in the "Accor en Actions" Corporate Savings Plan, was carried out in France in 1999.

In 2000, Accor launched its first international employee share issue in 23 countries, demonstrating its commitment to offering a significant number of employees worldwide the opportunity to become Accor shareholders by tailoring the plan rules to comply with legal and tax restrictions in each country. This plan will enable the achievement of Accor's desire to offer a significant number of employees worldwide the opportunity to become Accor shareholders, despite the legal and tax restrictions in each country.

International employee share issues were again carried out in 2002 in 25 host countries.

In 2004, another share issue for employees in 20 or so countries took place.

In 2007, for the first time, a leveraged employee share ownership plan was offered in the 26 countries where such plans are permitted by local legislation.

In 2017, a new leveraged employee share ownership plan (Share 17) was offered in nine European countries. 35% of eligible employees participated in Share 17.

In 2019, Accor launched another leveraged employee share ownership plan (Share 19), which was offered in 12 European countries. Under this plan, as with Share 17, for each Accor share purchased by an employee, the Group's partner bank will finance the purchase of an additional nine shares on the employee's behalf (except in four countries where the formula was adjusted to comply with local legislation). At the end of the five-year lock-up period, or earlier if the lock-up is waived, the employee recovers his or her personal contribution plus a multiple of the locked-in average increase in the Accor share compared to the reference price. 25% of eligible employees participated in Share 19.

At December 31, 2023, 2.33% of the Company's capital was held by Accor employees and former employees.

7.3.4 *Shares not representing capital*

None.

7.3.5 *Changes in capital*

Year	Changes in capital over the past five years	Increase/(decrease) in capital *(in €)*		New capital *(in €)*	New shares outstanding
		Nominal	Prime		
2018	Exercise of stock options at €26.41	387,393	3,022,956	870,753,852	290,251,284
	Exercise of stock options at €26.66	1,102,887	8,698,102	871,856,739	290,618,913
	Exercise of stock options at €30.49	254,748	2,334,341	872,111,487	290,703,829
	Exercise of stock options at €31.72	595,503	5,700,949	872,706,990	290,902,330
	Vesting of performance shares	250,650	-	872,957,640	290,985,880
	Accelerated vesting of performance shares[1]	2,055	-	872,959,695	290,986,565
	Cancellation of treasury shares	(25,136,295)	(326,348,463)	847,823,400	282,607,800
2019	Exercise of stock options at €26.41	142,242	1,109,962	847,965,642	282,655,214
	Exercise of stock options at €31.72	634,590	6,075,142	848,600,232	282,866,744
	Vesting of performance shares	2,532,750	-	851,132,982	283,710,994
	Employee share issue at €33.11	1,839,174	17,697,612	852,972,156	284,324,052
	Cancellation of treasury shares	(40,175,106)	(459,508,702)	812,797,050	270,932,350
2020	Exercise of stock options at €26.41	283,404	2,211,496	813,080,454	271,026,818
	Vesting of performance shares	1,593,657	-	814,674,111	271,558,037
	Cancellation of treasury shares	(30,525,927)	(269,474,063)	784,148,184	261,382,728
2021	Accelerated vesting of performance shares[1] and Vesting of performance shares	1,368,948	-	785,517,132	261,839,044
	Vesting of performance shares	51,672	-		261,856,268
2022	Accelerated vesting of performance shares[1]	2,400	-	785,571,204	261,857,068
	Vesting of performance shares	3,417,438	-	788,988,642	262,996,214
	Vesting of performance shares	1,980	-	788,990,622	262,996,874
	Vesting of performance shares	104,760	-	789,095,382	263,031,794
2023	Vesting of performance shares	954,924	-	790,050,306	263,350,102
	Vesting of performance shares	4,631,220	-	794,681,526	264,893,842
	Vesting of performance shares	110,208	-	794,791,734	264,930,578
	Cancellation of treasury shares	(37,923,678)	(362,076,288)	756,868,056	252,289,352

(1) Early vesting by beneficiaries of free stock grant plans.
N.B.: As of December 31, 2023, all stock option plans had expired.

7.4 Ownership structure

7.4.1 Ownership and voting rights structure

At December 31, 2023, the Company's capital consisted of 252,289,352 shares, representing a total of 320,079,582 voting rights, all of which were exercisable. There are 67,790,230 double voting rights outstanding.

The Company had 6,617 registered shareholders at December 31, 2023, representing 29.44% of the capital and 44.39% of total voting rights.

Shareholders at December 31, 2023 (holding more than 5% of the capital)

	Shares	% capital	Voting rights	% voting rights	Exercisable voting rights	% exercisable voting rights
Parvus Asset Management Europe Limited	26,463,510	10.5%	26,463,510	8.27%	26,463,510	8.27%
JinJiang International Holdings Co., Limited	24,141,368	9.6%	47,979,692	14.99%	47,979,692	14.99%
Qatar Investment Authority	22,505,060	8.9%	45,010,020	14.06%	45,010,020	14.06%
Kingdom Holding Company	16,494,440	6.5%	29,015,880	9.07%	29,015,880	9.07%
Pzena Investment Management, LLC	14,505,348	5.7%	14,505,348	4.53%	14,505,348	4.53%
Harris Associates L.P.*	12,877,823	5.1%	12,877,823	4.02%	12,877,823	4.02%
Other shareholders	135,301,803	53.6%	144,227,309	45.06%	144,227,309	45.06%
Total	**252,289,352**	**100.00%**	**320,079,582**	**100.00%**	**320,079,582**	**100.00%**

Sources: on the basis of declarations made to the Company and the Autorité des Marchés Financiers of the crossing of legal and statutory thresholds.

At December 31, 2023, 5,876,138 shares (2.33% of total capital) and 10,386,111 voting rights (3.24% of the total) were held by Accor employees and former employees.

In accordance with legal provisions, the Company has been informed of the following legal thresholds crossed during the last financial year:

Shareholders	Disclosure date	AMF reference number	Increase or decrease in interest	Number of shares	% capital	Number of voting rights	% theoretical voting rights
Pzena Investment Management, LLC	March 24, 2023	223C0488	Increase	13,260,794	5.04%	13,260,794	3.86%
Pzena Investment Management, LLC	March 30, 2023	223C0518	Decrease	13,067,485	4.97%	13,067,485	3.80%
Harris Associates L. P.	April 19, 2023	223C0591	Decrease	16,929,028	6.44%	16,929,028	4.93%
Qatar Holding LLC[1]	May 15, 2023	223C0722	Decrease	22,505,060	8.56%	45,010,120	13.10%
Parvus Asset Management Europe Limited	May 17, 2023	223C0741	Increase	14,732,576	5.60%	14,732,576	4.29%
HSBC Holdings Plc [2]	May 22, 2023	223C0746	Increase	16,144,532	6.14%	16,144,532	4.70%
Parvus Asset Management Europe Limited	July 5, 2023	223C1036	Increase	17,819,488	6.73%	17,819,488	5.27%
Harris Associates L. P.	August 23, 2023	223C1313	Decrease	13,202,497	4.98%	13,202,497	3.93%
Rubyrock Capital Co.[3]	September 18, 2023	223C1442	Decrease	26,332,156	9.94%	50,170,480	14.92%

(1) Controlled at the highest level by the Qatar Investment Authority.
(2) Indirect holding.
(3) Controlled at the highest level by JinJiang International Holdings Co.

Changes in ownership structure over the past three years

	December 31, 2021			December 31, 2022			December 31, 2023		
	Number of shares	% capital	% voting rights	Number of shares	% capital	% voting rights	Number of shares	% capital	% voting rights
Parvus Asset Management Europe Limited	0	0	0	0	0	0	26,463,510	10.5%	8.27%
JinJiang International Holdings Co., Limited	33,972,608	12.97%	16.90%	33,972,608	12.92%	16.82%	24,141,368	9.6%	14.99%
Qatar Investment Authority	29,505,060	11.27%	17.26%	29,505,060	11.22%	17.17%	22,505,060	8.9%	14.06%
Kingdom Holding Company	16,494,440	6.30%	9.65%	16,494,440	6.27%	9.60%	16,494,440	6.5%	9.07%
Pzena Investment Management, LLC	850,000	0.32%	0.25%	19,000	7.22%	5.53%	14,505,348	5.7%	4.53%
Harris Associates L. P.	23,468,302	8.96%	6.86%	23,440,926	8.91%	6.82%	12,877,823	5.1%	4.02%
Other shareholders	158,415,858	60.18%	49.33%	159,599,760	53.46%	54.06%	135,301,803	53.6%	45.06%
Treasury shares	-	-	-	-	-	-	-	-	-
Capital	**261,856,268**	**100.00%**	**100.00%**	**263,031,794**	**100.00%**	**100.00%**	**252,289,352**	**100.00%**	**100.00%**

Sources: on the basis of declarations made to the Company and the Autorité des Marchés Financiers of the crossing of legal and statutory thresholds.

Shareholders' agreements relating to the shares making up the Company's capital

To the best of the Company's knowledge, apart from the shareholders' agreements described below, there are no other agreements between shareholders concerning the Company's shares.

Agreements concerning the governance of FRHI, acquired on July 12, 2016

On December 9, 2015, Accor entered into an agreement with the shareholders of FRHI Holdings Limited (FRHI) including subsidiaries of the Qatar Investment Authority (QIA) and Kingdom Holding Company, for the acquisition of FRHI for a combination of cash and Accor shares. Under the terms of this agreement, the Qatar Investment Authority and Kingdom Holding agreed to sell their FRHI shares subject to certain conditions precedent, mainly approval of the transaction and related share issue by Accor shareholders.

The transaction and related share issue were approved at an Ordinary and Extraordinary Shareholders' Meeting held on July 12, 2016, after which Lodge Investment Company and Voyager Fund Enterprise I Ltd received a total of 29,505,060 Accor shares representing 10.38% of the capital and 9.26% of the voting rights, and Kingdom Hotels received 16,494,440 Accor shares representing 5.80% of the capital and 5.18% of the voting rights.

Two shareholders' pacts were signed on the transaction completion date, with similar terms, between Accor and the Qatar Investment Authority (through Lodge Investment Company[1], Voyager Fund Enterprise I Ltd[1] and Qatar Holding LLC[1] to which the rights were transferred) and between Accor and Kingdom Holding Company (through Kingdom Hotels (Europe) LLC).

Shareholders' pact entered into with Qatar Investment Authority

The main clauses of the pact between Accor and the Qatar Investment Authority (QIA) provide for:

- election to the Accor Board of Directors of two directors proposed by QIA, provided that it holds over 6% of Accor's capital, or one director if its interest stands at between 3% and 6% of Accor's capital. One of these two directors will also sit on the Commitments Committee and the Appointments and Compensation Committee;
- an undertaking by the Qatar Investment Authority to hold all of the 29,505,060 Accor shares received in consideration for the contribution of FRHI shares for a period of 12 months after the transaction date, and then to hold 50% of the Accor shares received in consideration for the contribution until January 1, 2018, subject to the customary exceptions and unless the shares are transferred to companies owned by Kingdom Holding Company;
- an undertaking by QIA not to hold, alone or in concert, more than 57,556,980 Accor voting rights during a period of three years after the transaction date. The above cap may be raised in the event of certain corporate actions involving Accor shares. If QIA were to enter into a concert arrangement with Kingdom Holding Company, the cap would be raised to 91,100,000 voting rights and would apply to the combined interest of the concert group members;
- in the event of a third party tender offer for Accor shares that complies with French securities regulations as formulated by the AMF, the option for QIA to file a competing bid for all outstanding Accor shares;
- a right of first refusal for Accor in the event of a planned transfer of Accor shares to certain identified competitors of the Accor Group;
- the orderly sale of Accor shares on the market in order to limit the impact on the share price;

(1) *Companies ultimately controlled by the Qatar Investment Authority.*

- disclosure to Accor of any transfer of shares that leads to a direct or indirect, partial or total, immediate or deferred transfer of title;
- an undertaking to hold Accor shares in registered form;
- the possibility for QIA to act in concert, with regard to Accor, with another shareholder including Kingdom Holding Company but excluding certain identified competitors of Accor.

The pact came into effect on the transaction completion date (July 12, 2016) for a 12-year term. It will be terminated in advance if the combined interest of Lodge Investment Company, Voyager Fund Enterprise I Ltd and Qatar Holding LLC (direct Accor shareholders) is reduced to less than 3% of Accor's capital or if they cease to be wholly owned, directly or indirectly, by the Qatar Investment Authority.

Shareholders' pact entered into with Kingdom Holding Company

The main clauses of the pact between Accor and Kingdom Holding Company provide for:

- the election to the Accor Board of Directors of a director proposed by Kingdom Holding Company, provided that it holds over 3% of Accor's capital. The director concerned will also sit on the Commitments Committee and the Appointments and Compensation Committee;
- an undertaking by Kingdom Holding Company to hold all of the 16,494,440 Accor shares received in consideration for the contribution of FRHI shares for a period of 12 months after the transaction date, and then to hold 50% of the Accor shares received in consideration for the contribution until January 1, 2018, subject to the customary exceptions and unless the shares are transferred to companies owned by QIA;
- an undertaking by Kingdom Holding Company not to hold, alone or in concert, more than 32,176,520 Accor voting rights during a period of three years after the transaction date. The above cap may be raised in the event of certain corporate actions involving Accor shares. If Kingdom Holding Company were to enter into a concert arrangement with QIA, the cap would be raised to 91,100,000 voting rights and would apply to the combined interest of the concert group members;
- in the event of a third party tender offer for Accor shares that complies with French securities regulations as formulated by the AMF, the option for Kingdom Holding Company to file a competing bid for all outstanding Accor shares;
- a right of first refusal for Accor in the event of a planned transfer of Accor shares to certain identified competitors of the Accor Group;
- the orderly sale of Accor shares on the market in order to limit the impact on the share price;
- disclosure to Accor of any transfer of shares that leads to a direct or indirect, partial or total, immediate or deferred transfer of title;
- an undertaking to hold Accor shares in registered form;
- the possibility for Kingdom Holding Company to act in concert, with regard to Accor, with another shareholder including QIA but excluding certain identified competitors of Accor.

The pact came into effect on the transaction completion date (July 12, 2016) for a 12-year term. It will be terminated in advance if the interest of Kingdom Hotels (Europe) LLC (direct Accor shareholder) is reduced to less than 3% of Accor's capital or if it ceases to be wholly owned, directly or indirectly, by Kingdom Holding Company.

7.4.2 Dividends

The historical dividend policy consists in an ordinary dividend payment calculated on the basis of 50% of the recurring free cash-flow.

Year	Shares outstanding at December 31	Dividend for the fiscal year *(in €)*	Paid on	Share price *(in €)* High	Low	Year-end closing price	Yield based on year-end closing price
2013	228,053,102	0.80	June 4, 2014	34.32	24.54	34.30	2.33%
2014	231,836,399	0.95	June 3, 2015	39.58	28.87	37.34	2.54%
2015	235,352,425	1.00	May 18, 2016	51.65	35.99	40.00	2.50%
2016	284,767,670	1.05	June 6, 2017	41.25	29.96	35.43	2.96%
2017	290,122,153	1.05	May 15, 2018	43.67	35.17	43.00	2.44%
2018	282,607,800	1.05	May 14, 2019	48.95	35.30	37.11	2.83%
2019	270,932,350	- (1)	-	42.58	32.39	41.75	- (1)
2020	261,382,728	- (1)	-	41,76	20.72	29.60	- (1)
2021	261,856,268	- (1)	-	35.37	25.60	28.45	- (1)
2022	263,031,794	1.05	May 25, 2023	34.58	20.47	23.35	4.50%
2023	252,289,352	1.18(2)	June 7, 2024	35.47	23.39	34.60	3.41%

(1) In light of the health crisis, the Board of Directors has decided not to propose a dividend to its shareholders in respect of fiscal 2019, 2020 and 2021.
(2) Subject to the approval of the Annual Shareholders meeting held on 31 May 2024.

Dividends are paid through Euroclear France.

Dividends not claimed within five years from the date of payment are forfeited, as provided for by law.

7.5 The market for Accor securities

The market for Accor securities

Accor shares are traded on the Euronext Paris stock exchange (Compartment A) and are included in the CAC 40 index. Ordinary shares are identified by ISIN code FR0000120404 and ticker symbol AC.

Accor is included in the benchmark international socially responsible investing indexes of which the CAC 40-ESG index.

At December 31, 2023, the Company's market capitalization stood at roughly €8.7 billion, based on the closing share price of €34.60.

Accor share prices and trading volumes (ISIN: FR0000120404)

	Average closing price	Extreme trading prices		Trading volume
		High	Low	
2023				
January	27.55	29.86	23.82	17,295,958
February	30.61	31.74	29.49	14,060,108
March	29.83	31.89	28.58	22,228,532
April	30.94	32.12	28.79	12,789,373
May	31.80	32.77	30.97	16,283,791
June	32.77	34.02	31.20	16,518,038
July	33.79	34.29	33.00	11,151,006
August	33.04	33.90	32.31	11,343,817
September	33.50	34.84	31.94	13,668,123
October	30.76	32.19	29.52	18,714,529
November	30.95	32.27	29.57	15,268,727
December	34.36	35.24	32.46	16,260,040

Source: Euronext.

Section

8

Additional information

Mercure Tokyu Stay Osaka Namba - Japan

8.1 Investor relations and documents on display

In addition to the Annual Shareholders' Meeting and the events organized to present the annual results, Accor keeps both individual and institutional shareholders informed of the latest developments on a highly responsive daily basis.

This information is tailored to the specific needs of different types of shareholders and financial analysts while constantly complying with the principle of fair access to information.

Meetings with investors

In 2023, Accor met with 354 financial institutions during 30 conferences and roadshows.

The Combined Ordinary and Extraordinary Shareholders' Meeting of Accor took place on Wednesday, 17 May, 2023 at 9:00 at the Company's headquarters, 82 rue Henri Farman, 92130 Issy-les-Moulineaux. The Meeting was broadcasted live by webcast.

Accor Shareholders Club

Created in May 2000, the Accor Shareholders Club had more than 7,300 members at year-end 2023 (each one owning at least 50 bearer shares or one registered share).

Club members enjoy special benefits and exclusive advantages, including regular e-mail updates throughout the year with press releases, Shareholder webzines and other news, the possibility of subscribing to all of our other corporate publications, the opportunity to discover the Group's businesses in a more personal way through site visits, and VIP invitations to investor events in which Accor participates.

During the first year after signing up, Shareholders Club members receive the Group's ALL – Accor Live Limitless – loyalty program Gold Card, which offers a systematic upgrade whenever possible, a discount in the form of points that can be saved and used in the Accor network and with its partners, and exclusive deals and benefits offered by its partners.

Easily accessible information tailored to shareholder profiles

All of the Group's financial news and publications can be accessed in the "Finance" section of the group.accor.com website, which serves as a comprehensive investor relations database. The site carries live webcasts of results presentations, Investor Days and Annual Shareholders' Meetings, which are also available for replay on demand. It also tracks the Accor share price in real time and features a dedicated section for retail shareholders and members of the Shareholders Club.

Accor publishes a wide array of documents above and beyond regulatory requirements.

These documents, covering both the current year and previous years, may be viewed in the "Finance" section of the group.accor.com website. They include:

- the Universal Registration Document filed with the Autorité des Marchés Financiers (AMF), the French securities regulator;
- the Integrated Report included in the Universal Registration Document;
- information memoranda filed with the AMF concerning corporate actions;
- brochures notifying Shareholders' Meetings, sent systematically to registered shareholders and on request to members of the Shareholders Club;
- the Shareholder Webzine.

Legal documents are on display at the Company's primary business office: Tour Sequana, 82, rue Henri-Farman, 92130 Issy-les-Moulineaux.

Since January 20, 2007, when the European Transparency Directive was transposed into French law, Accor has issued its regulatory filings through a professional disclosure service that complies with the criteria set out in the AMF's General Regulations. The filings are also available on the corporate website.

Shareholder hotline

Shareholders in France can call 0805 650 750 (free from a landline) at any time to obtain general information about the Group, the share price, the latest news and practical guidelines for individual shareholders. Operators are available to answer questions from 9:00 a.m. to 6:00 p.m. from Monday to Friday. Outside these hours, messages can be left and are answered as soon as possible. The communciation.financiere@accor.com e-mail address is also available to shareholders wishing to submit written questions.

8.2 Persons responsible for the Universal Registration Document and the audit of the accounts

Name and position of the person responsible for the Universal Registration Document

- Sébastien Bazin

  Chairman and Chief Executive Officer

Statement by the person responsible for the Document

I hereby declare that the information contained in this Universal Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I further declare that, to the best of my knowledge, the financial statements included in the Universal Registration Document have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of the Company and all of its subsidiaries, and that the management report referred to in the cross-reference table presented in Chapter 8.5 presents a fair view of the business, results and financial position of Accor and its subsidiaries, and that it describes the main risks and uncertainties to which they are exposed.

Issy-les-Moulineaux, March 29, 2024

Sébastien Bazin

Persons responsible for the information

- Martine Gerow

  Chief Financial Officer

  martine.gerow@accor.com
- Besma Boumaza

  Group General Counsel and Board of directors' Secretary

  besma.boumaza@accor.com
- Pierre-Loup Étienne

  Investor Relations and Financial Communications Officer

  pierre-loup.etienne@accor.com

Statutory Auditors

Statutory Auditors

- Ernst & Young et Autres

  Member of the Ernst & Young network

  François-Guillaume Postel

  1/2 Place des Saisons

  92400 Courbevoie – Paris-La Défense 1, France

  Date of first appointment: June 16, 1995.

  Re-appointed for six fiscal years at the April 30, 2019 Annual Shareholders' Meeting.
- Cabinet PricewaterhouseCoopers Audit

  François Jaumain, Julien Laugel

  63 Rue de Villiers

  92208 Neuilly-sur-Seine Cedex, France

  Date of first appointment: April 30, 2019

  Appointed for six fiscal years at the April 30, 2019 Annual Shareholders' Meeting.

Alternate Auditors

- Auditex

  Tour Ernst & Young – 11 Allée de l'Arche

  92037 Paris La Défense Cedex, France

  Re-appointed for six fiscal years at the April 30, 2019 Annual Shareholders' Meeting.
- Patrice Morot

  63 Rue de Villiers

  92208 Neuilly-sur-Seine

  Date of first appointment: April 30, 2019

  Appointed for six fiscal years at the April 30, 2019 Annual Shareholders' Meeting.

8.3 Informations incluses par référence

En application de l'article 19 du Règlement (UE) 2017/1129 du Parlement européen et du Conseil du 14 juin 2017, les informations suivantes sont incluses par référence dans le présent Document d'enregistrement universel :

- les états financiers consolidés et le rapport des Commissaires aux Comptes correspondant figurant respectivement aux pages **292** à **351** et, **352** à **355,** du Document d'enregistrement universel de l'exercice 2022 déposé auprès de l'Autorité des Marchés Financiers le **30 mars 2023** sous le n° **D.23-0202 ;**
- les comptes annuels et le rapport des Commissaires aux Comptes correspondant figurant respectivement aux pages **356 à 387** et, **388** à **391,** du Document d'enregistrement universel de l'exercice 2022 déposé auprès de l'Autorité des Marchés Financiers le **30 mars 2023** sous le n° **D.23-0202 ;**
- les informations financières figurant aux pages **276** à **289** du Document d'enregistrement universel de l'exercice 2022 déposé auprès de l'Autorité des Marchés Financiers le **30 mars 2023** sous le n° **D.23-0202 ;**
- les états financiers consolidés et le rapport des Commissaires aux Comptes correspondant figurant respectivement aux pages **298** à **359** et, **360** à **363,** du Document d'enregistrement universel de l'exercice 2021 déposé auprès de l'Autorité des Marchés Financiers le **30 mars 2022** sous le n° **D.22-0205 ;**
- les comptes annuels et le rapport des Commissaires aux Comptes correspondant figurant respectivement aux pages **364 à 397** et, **398** à **401**, du Document d'enregistrement universel de l'exercice 2021 déposé auprès de l'Autorité des Marchés Financiers le **30 mars 2022** sous le n° **D.22-0205 ;**
- les informations financières figurant aux pages **280** à **294** du Document d'enregistrement universel de l'exercice 2021 déposé auprès de l'Autorité des Marchés Financiers le **30 mars 2022** sous le n° **D.22-0205.**

Les parties non incluses de ces documents sont, soit sans objet pour l'investisseur, soit couvertes par un autre endroit du Document d'enregistrement universel.

8.4 Table de concordance du Document d'enregistrement universel

La table de concordance du Document d'enregistrement universel permet d'identifier les informations prévues par les annexes 1 et 2 du Règlement délégué (UE) 2019/980 du 14 mars 2019 ayant complété les dispositions du règlement (UE) 2017/1129 du 14 juin 2017. Dans le tableau ci-dessous, les pages mentionnées font référence au présent Document d'enregistrement universel de Accor déposé auprès de l'AMF, sauf mention des pages des Documents de référence 2022 et 2021.

Key information required under Annexes 1 and 2 of Delegated Regulation (EU) 2019/980 of March 14, 2019, supplementing Regulation (EU) 2017/1129 of June 14, 2017		Section of the Universal Registration Document	Page numbers
4.	**Information about the issuer**		
4.1.	Legal and commercial name of the issuer	7.1 Information about the Company	418
4.2.	Place of registration, registration number and LEI of the issuer	7.1 Information about the Company	418
4.3.	Date of incorporation and length of life of the issuer	7.1 Information about the Company	418
4.4.	Domicile and legal form of the issuer, legislation under which it operates, country of incorporation, address and telephone number of its registered office and website, with a disclaimer	7.1 Information about the Company	418
5.	**Business overview**		
5.1.	Principal activities	Integrated Report	4; 35-49
5.1.1.	Nature of the issuer's operations, principal activities, main categories of products sold and/or services performed	Integrated Report	4; 35-49
5.1.2.	Significant new products and/or services that have been introduced	Integrated Report	20-21; 52-57
5.2.	Principal markets in which the issuer competes, breakdown of total revenues by operating segment and geographic market	Integrated Report	4
		1.1.2 Solid geographical positions in diversified segments	75-80
		5.1 2023 business review	300-307
5.3.	Important events in the development of the issuer's business	Integrated Report	10-11; 52-57
5.4.	Strategy and objectives	Integrated Report	17-21; 70-71
		1.3 The Group's strategic levers	
5.5.	Extent to which the issuer is dependent on patents, licenses, contracts or manufacturing processes	N/A	N/A
5.6.	Statements made by the issuer regarding its competitive position	1.1 Group profile and strengths	74-80
		1.2 Sector challenges and consumer trends	81-84
5.7.	Investments	5.1 2023 business review	305; 311-312; 327-329 of the 2023 Universal Registration Document
		5.2 2023 parent company management report	
		6.1 Consolidated financial statements and notes	279; 288-289; 303-305; 327 of the 2022Universal Registration Document
5.7.1.	Material investments for the period up to the date of the Universal Registration Document	5.1 2023 business review	305; 311-312; 327-329
		5.2 2023 parent company management report	
		6.1 Consolidated financial statements and notes	
5.7.2.	Material investments that are in progress or for which firm commitments have already been made, and method of financing	5.1 2023 business review	305; 311-312; 327-329
		5.2 2023 parent company management report	
		6.1 Consolidated financial statements and notes	

Key information required under Annexes 1 and 2 of Delegated Regulation (EU) 2019/980 of March 14, 2019, supplementing Regulation (EU) 2017/1129 of June 14, 2017		Section of the Universal Registration Document	Page numbers
5.7.3.	Joint ventures and undertakings in which the issuer holds a proportion of the capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses	6.1 Consolidated financial statements and notes	325-329; 340-342
5.7.4.	Environmental issues that may affect the issuer's utilization of tangible fixed assets	N/A	N/A
6.	**Organizational structure**		
6.1.	Brief description of the Group	Integrated report 1.1 Group profile and strengths	4; 22-23; 74-80
6.2.	List of significant subsidiaries	6.3 Parent company financial statements and notes	410-411
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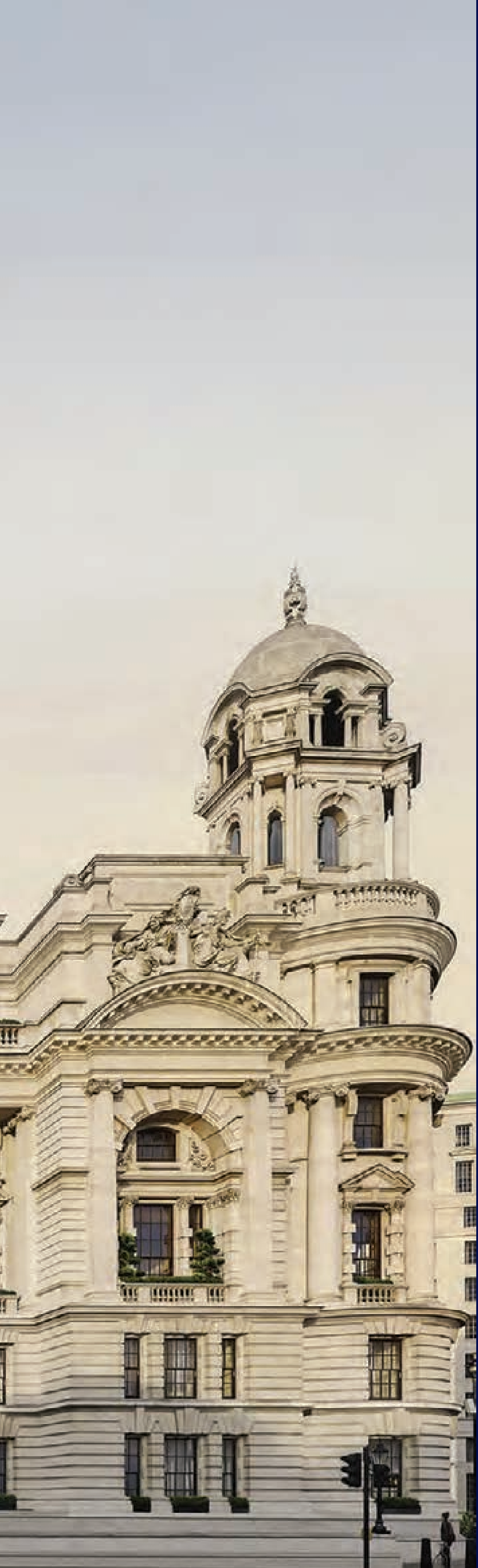

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