2022 Universal Registration Document

ANNUAL FINANCIAL REPORT
INTEGRATED REPORT

ACCOR
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2022 Universal registration document

ANNUAL FINANCIAL REPORT/
INTEGRATED REPORT

AMF

This Universal Registration Document has been filed on March 30, 2023 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 document is a free 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.

“Gérard Pélisson was a true revolutionary of our industry who, together with Paul Dubrule, made Accor a global force to be reckoned with. Gérard’s legacy lives on at Accor and we will all endeavor to embrace his daring spirit, mirroring his pursuit of excellence and passion for business. His vision and heart will forever be with us.”

Sébastien Bazin,
Chairman and Chief Executive Officer

Tribute to Gérard Pélisson, co-founder of the Group

Gérard Pélisson (1932-2023)

Following the announcement of the passing of Accor co-founder, Mr Gérard Pélisson, on March 6th, 2023, it is with great sadness and emotion that we will all remember a man who shaped the Group we know today.

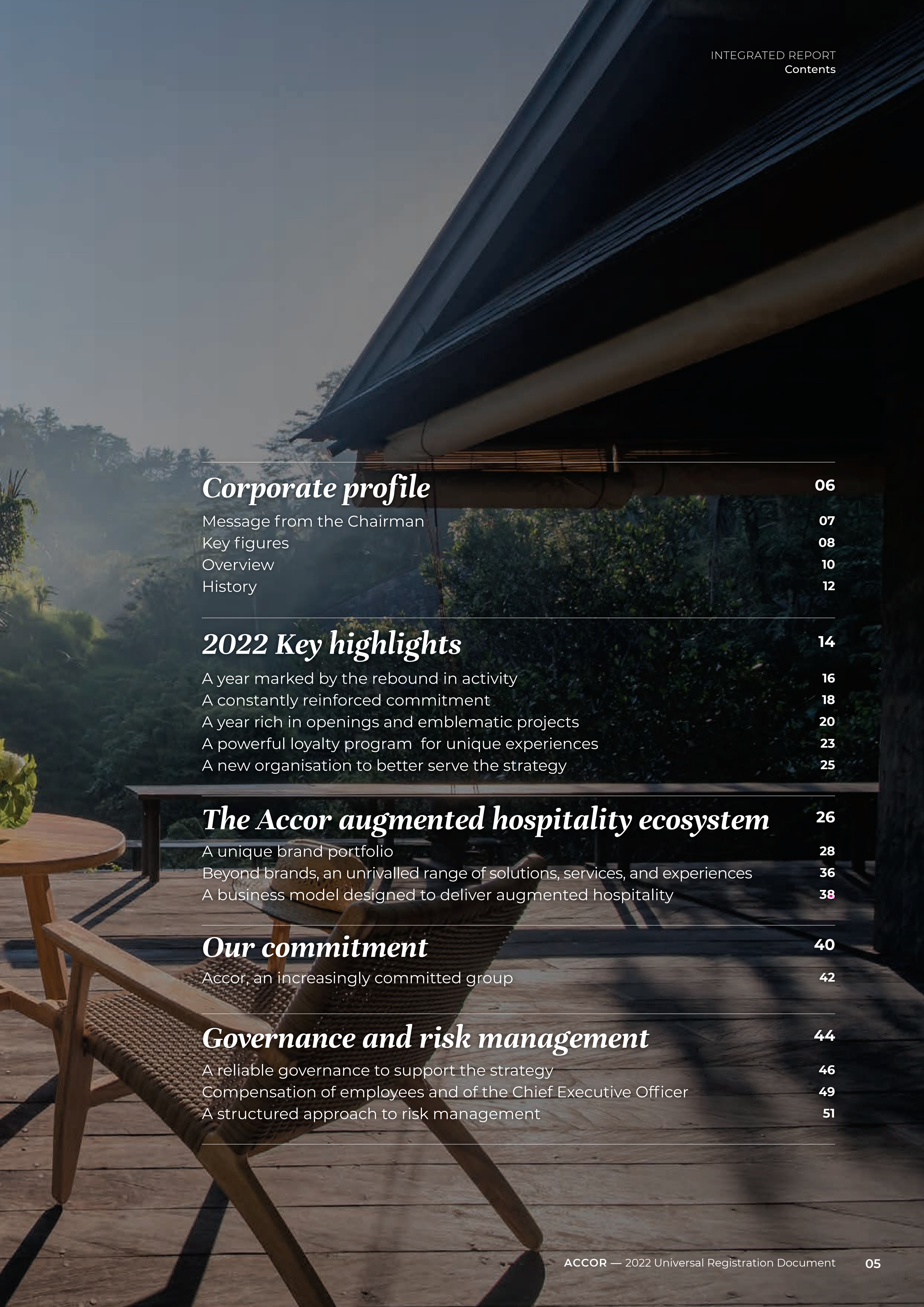
Gérard was an iconic pioneer who, together with co-founder Paul Dubrule, inspired a modern approach to French hospitality at a time when it was poised for fresh ideas. During Les Trente Glorieuses, France's post-war boom, a new, more modern world emerged, changing the face of travel. Drawing inspiration from the America way of life in the 1960s, Gérard and Paul took a bold approach to bringing their vision of a French-led world class enterprise, to life.

Setting aside his engineering background and a budding career at IBM, Gérard seized an opportunity that would lay the foundation for today's Accor. In 1967, alongside Paul, he established the very first modern, standardized hotel business model through the creation of Novotel in Lille Lesquin. The Novotel model was a truly revolutionary concept which was years ahead of its time. It offered guests a modern bedroom with en-suite bathroom and desk, a grill restaurant, swimming pool and breakfast, all for one rate. Something most hotels of the time did not provide.

An astute businessman, Gérard tenaciously pursued opportunities to expand the Group's portfolio. For over 40 years, he and Paul exemplified drive and determination in their pursuit of excellence, achieving major milestones including: establishing ibis in 1974, purchasing Mercure in 1975, and Sofitel in 1980, leading the merger with Jacques Borel in 1982, launching Formule 1 in 1985, integrating Lenôtre in 1990 and acquiring Compagnie Internationale des Wagons-Lits et du Tourisme in 1991. These actions would become the cornerstones of our Group.

To honor Gérard's legacy, teams from around the world and all of Accor pay tribute to him.

Integrated report



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"We've built on our teams' incredible spirit and tenacity, which drive the Accor vision."

Message from Sébastien Bazin, Chairman and Chief Executive Officer

2022 was the year optimism returned for the travel industry, and Accor thrived. Leisure and domestic travel are back stronger than ever, international travel is gathering momentum, and Accor's own activity was very strong, outpacing 2019 levels. This is a tribute to the fundamental strengths of the Group, to our solid partnership with our owners and partners, and above all, a tribute to our teams' incredible spirit and tenacity, which drive the Accor vision.

Our brand portfolio remains unmatched and we pursued our global expansion in 2022, signing significant development agreements in China, unveiling the Orient Express train and opening 300 new hotels. We are continuously evolving to best accelerate our growth and support our owners and network, and our decision to organize the Group into two dedicated divisions reinforces our focus and positions us to fully reap the benefits of our expertise, brands, and market leadership.

The future of hospitality goes far beyond the hotel room, it's also about unlocking inspired experiences and capturing ever-changing guest needs, and we continued to create unique moments and diversify our offerings in 2022. We enriched our F&B concepts, participated in major events such as the 2022 World Cup with The Living Adventure, reopened the famous Lido in Paris, strengthened our powerful loyalty program ALL and booking platform, and made exciting plans for the Olympic and Paralympic Games Paris 2024. Our augmented hospitality vision naturally extends to our owners and partners' experiences, and we continued investing in our fully holistic ecosystem to deliver and support their needs.

The future of hospitality must also be responsible, respectful and with sustainability at its heart. Accor is committed to building a hospitality model where we contribute more than we take. In 2022, we delivered great achievements in our sustainable journey, including eliminating single-use plastic in the guest experience in more than 80% of our hotels, and are working hand in hand with all stakeholders to achieve meaningful change. It's a question of mindset, vision, and determination. I'm convinced we share these.

Also more than ever critical to hospitality is our people. We are continuing to focus on what matters most to me, taking care of and empowering our 290,000+ Talents, and we are deeply committed to recruitment, development and training. To care for one another is the very essence of hospitality, and at Accor we embrace this purpose wholeheartedly.

We are poised to boldly move forward and further strengthen our leadership as the most attractive and innovative hospitality Group.

I am proud of Accor's achievements and saluting them would not be complete without a tribute to Accor co-founder Gérard Pélisson. His recent passing filled us with great sadness - Gérard was a true entrepreneur, reinventing hospitality and making a global impact that continues to live on and be a source of inspiration.

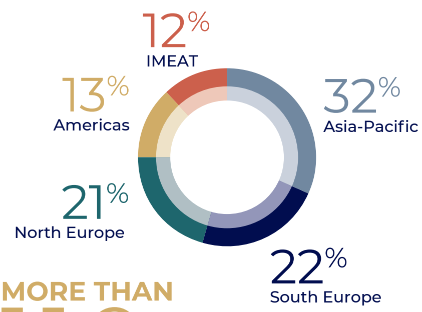
Looking ahead, I am confident that, together, we can go even further in 2023 and build on these tailwinds and on the legacy of Accor's founders. We are poised to boldly move forward to further strengthen our leadership as the most attractive and innovative hospitality Group. We have the people, we have the brands, we have the ambition and the focus. Now is the time to do what we do best, seize the opportunity and build an even stronger future ahead.

More than a hotel group, Accor is a large ecosystem of brands, know-how and solutions

We are more than 290,000 hospitality experts placing people at the heart of what we do, creating emotion for our guests, and nurturing passion for service and achievement beyond limits. Building on the strength of our teams and of our holistic ecosystem of leading brands, personalized services, and expert solutions, we break new ground to reimagine and shape hospitality and inspire new ways to experience the world.

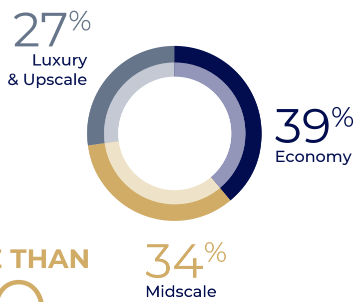
We offer the most diversified and best performing integrated hospitality ecosystem. We foster human connections, empowerment, and meaningful impact. We bring our unique expertise and solutions to drive performance and value for our business partners. We are pioneering the hospitality of tomorrow, fostering innovation and creating new experiences.

ACROSS ALL CONTINENTS
(as a % based on number of rooms)



MORE THAN 110 COUNTRIES

ACROSS ALL SEGMENTS
(as a % based on number of rooms)



MORE THAN 40 BRANDS

OUR NETWORK

5,400+
HOTELS

802,000
ROOMS

1,200+
HOTELS IN THE PIPELINE

216,000
ROOMS IN THE PIPELINE

OUR PEOPLE

290,000+
EMPLOYEES

300+
TYPE OF JOBS

250+
PARTNER SCHOOLS AND UNIVERSITIES

OUR ECOSYSTEM

10,000+
RESTAURANTS AND BARS

600+
SPAS

18,500+
MEETING ROOMS

OUR COMMITMENT

COMMITMENT
NET-ZERO
SBTi BY 2050

84%
OF HOTELS HAVE ELIMINATED SINGLE-USE PLASTIC FROM THE GUEST EXPERIENCE*

39%
OF WOMEN IN MANAGEMENT COMMITTEES

OUR FINANCIAL PERFORMANCE

€4,224m
REVENUE

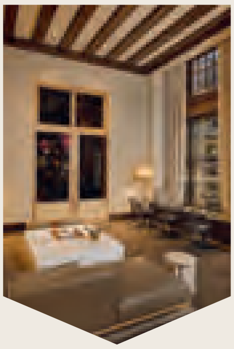
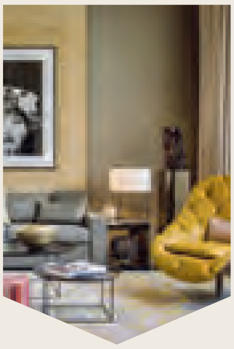
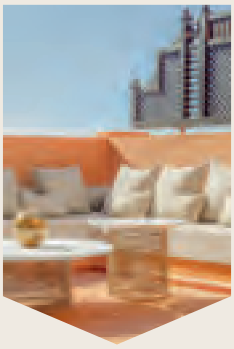
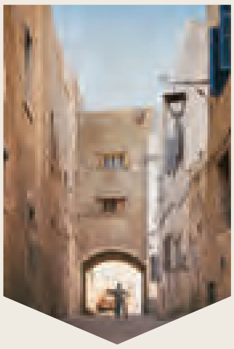
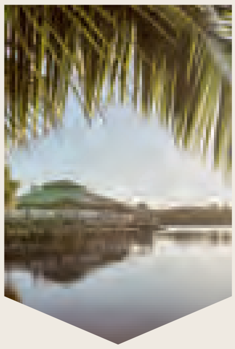
€675m
EBITDA

€373m
RECURRING FREE CASH-FLOW

** Excluding disposable water bottles.*

Raffles Seychelles – Praslin

Hotel network breakdown

By segment *as a % based on number of rooms*

	AMERICAS	NORTH EUROPE	SOUTH EUROPE	IMEAT	ASIA-PACIFIC
Luxury & Upscale	36%	14%	7%	59%	34%
Midscale	20%	41%	33%	23%	39%
Economy	44%	45%	60%	18%	27%

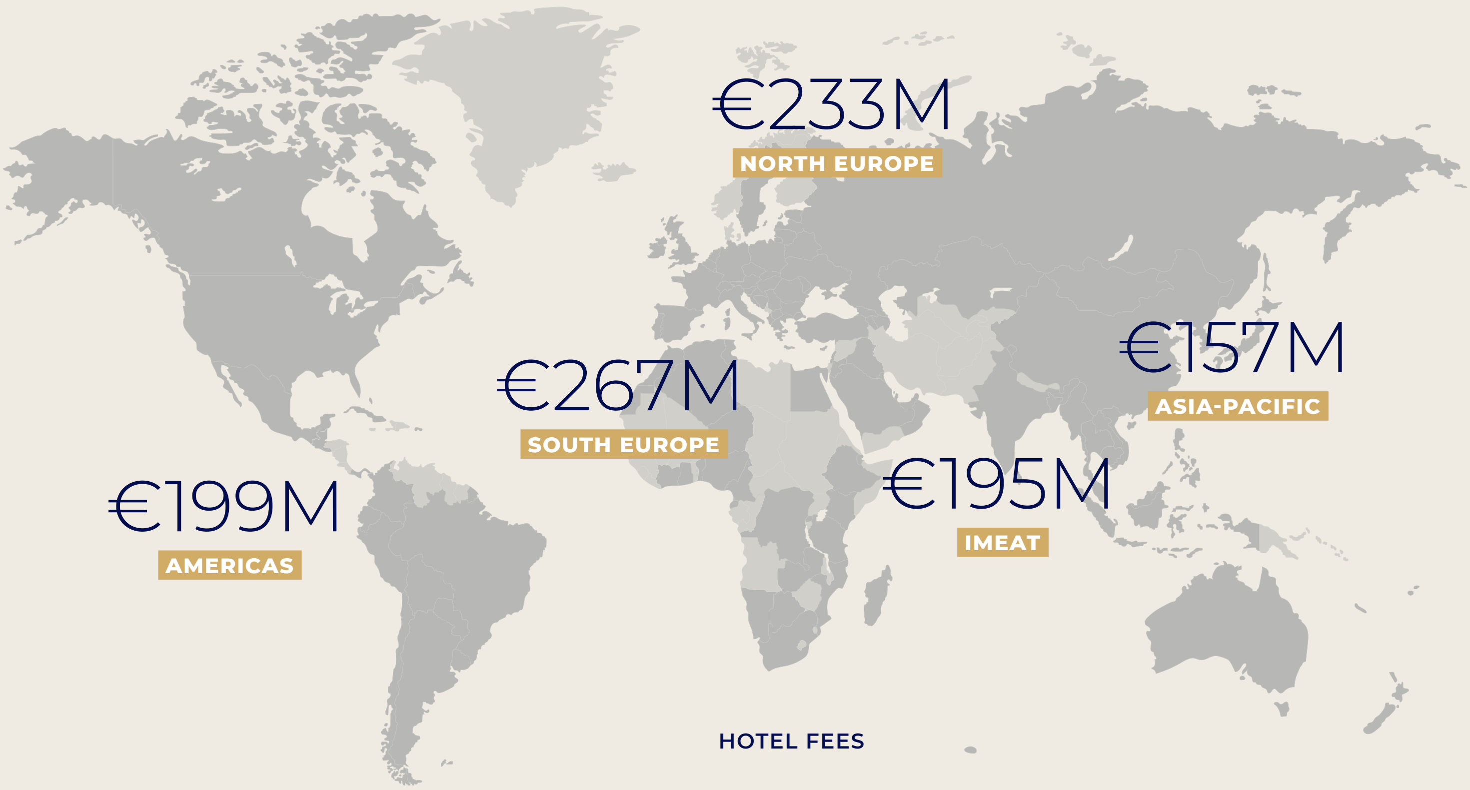
By operating mode *as a % based on number of rooms*

	AMERICAS	NORTH EUROPE	SOUTH EUROPE	IMEAT	ASIA-PACIFIC
Franchised	33%	43%	65%	14%	37%
Managed	56%	56%	34%	83%	61%
Hotel Assets	11%	1%	1%	3%	2%

Hotel portfolio and pipeline *Network in K rooms*

	AMERICAS	NORTH EUROPE	SOUTH EUROPE	IMEAT	ASIA-PACIFIC
Pipeline	14	41	18	43	100
Hotel Portfolio	105	165	181	98	253

Across the globe



448,567
ROOMS IN **MANAGED** HOTELS

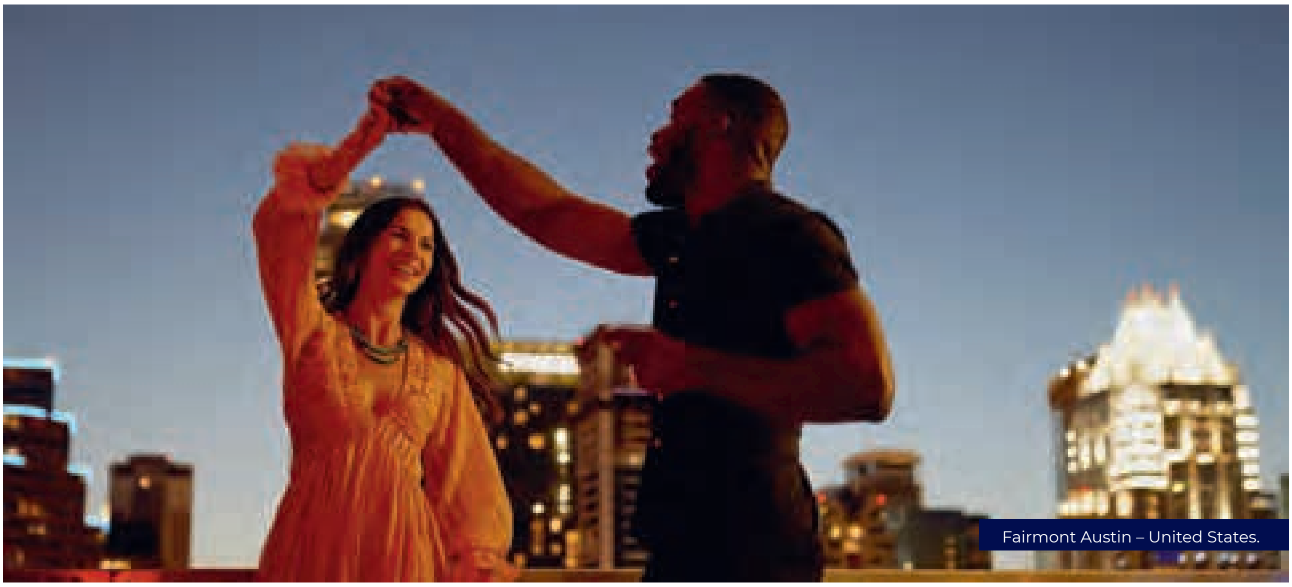
331,266
ROOMS IN **FRANCHISE** HOTELS

22,436
ROOMS IN **AFFILIATE** HOTELS

290,000+
EMPLOYEES

€1,052
MILLION
IN HOTEL FEES

For 50 years, Accor reinvents hospitality



Fairmont Austin – United States.

1967 the early days, with the Novotel Lille Lesquin

Paul Dubrule and Gérard Pélisson grasped what no one else had anticipated: the post-war years were ushering in a new, more modern and faster-paced lifestyle offering the chance for travel. At a time when hotels were either family businesses or luxury establishments, our founders invented the modern, standardized hotel chain. While the standards of the day required nothing more than a single shared bathroom per corridor, the Novotel Lille Lesquin revolutionized the industry by providing one in each room. And as the French started crisscrossing the country for work or on paid leave, Novotel offered them an office, a grill, a swimming pool and breakfast – all for the price of a hotel room.

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 Spa brand.
— **Accor creates Formule 1, a new 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 meets the unique needs of businesses** with the creation of Pullman, a premium brand for business travelers.
— **Accor confirms its global leadership in the world of luxury** with the acquisition of Fairmont, Raffles and Swissôtel, and a partnership with Banyan Tree.
— **Accor steps up the pace of hyper-segmentation** with carefully selected brands such as Jo & Joe, Mama Shelter, 25hours Hotels, TRIBE, greet and Faena as well as names synonymous with design including Hyde Hotels, Delano, SLS Hotels and Orient Express.

2020 — **Accor provides a high level of service to its guests and partners** with its new ALL–Accor Live Limitless loyalty program.
— **Accor accelerates its move into entertainment** by forging partnerships with event specialists such as: Paris Society, Potel & Chabot, Accor Arena, PSG, IMG, etc.
— **Accor strengthens its positioning in lifestyle hotels** with the acquisition of SBE and the creation of Ennismore.
— **Accor supports new ways of working** with its Wojo-branded in-hotel coworking spaces.

2021 — **The new Ennismore entity becomes the leader in lifestyle hotels** and the player boasting the fastest growth worldwide.
— **Accor presents Emblems Collection,** its new luxury brand set to house 60 establishments across the world by 2030.
— **Accor stages the grand return of the Orient Express** in Italy with the Dolce Vita train.
— **Accor strengthens its partnership strategy and the appeal of its loyalty program** by launching its first co-branded payment card in France.
— **Accor becomes an official partner of the Paris 2024 Olympic and Paralympic Games**.

2022 — **Accor unveils a wide range of spectacular new locations** and announces the global launch of its All-Inclusive Collection.
— **ALL–Accor Live Limitless offers even more experiences to its members** with a digital platform available in 100 destinations.
— **Accor continues to simplify its business model** to create greater value by announcing the evolution of its organization around two distinct business lines.

Having a positive impact

1970 — **Accor adopts its first Gender Equality at Work Charter,** with the implementation of an action plan for women in the workplace.

1988 — **Accor is recognized for its "best environmental** policy" based on its initial charter of 65 actions.

1994 — **Accor becomes the first CAC 40 company to create an Environment Department,** recast as the Sustainable Development Department in 2000.

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 and empowering, training and protecting the most vulnerable people.

2009 — **Accor launches Plant for the Planet,** a global agroforestry initiative to promote greener agriculture.

2012 — **Gender equality becomesa Group-wide objective** with the launch of its Gender Equality Network, *RiiSE*.

2015 — **Accor seals a partnership with Energy Observer,** a revolutionary catamaran embodying its support for the ecological transition.

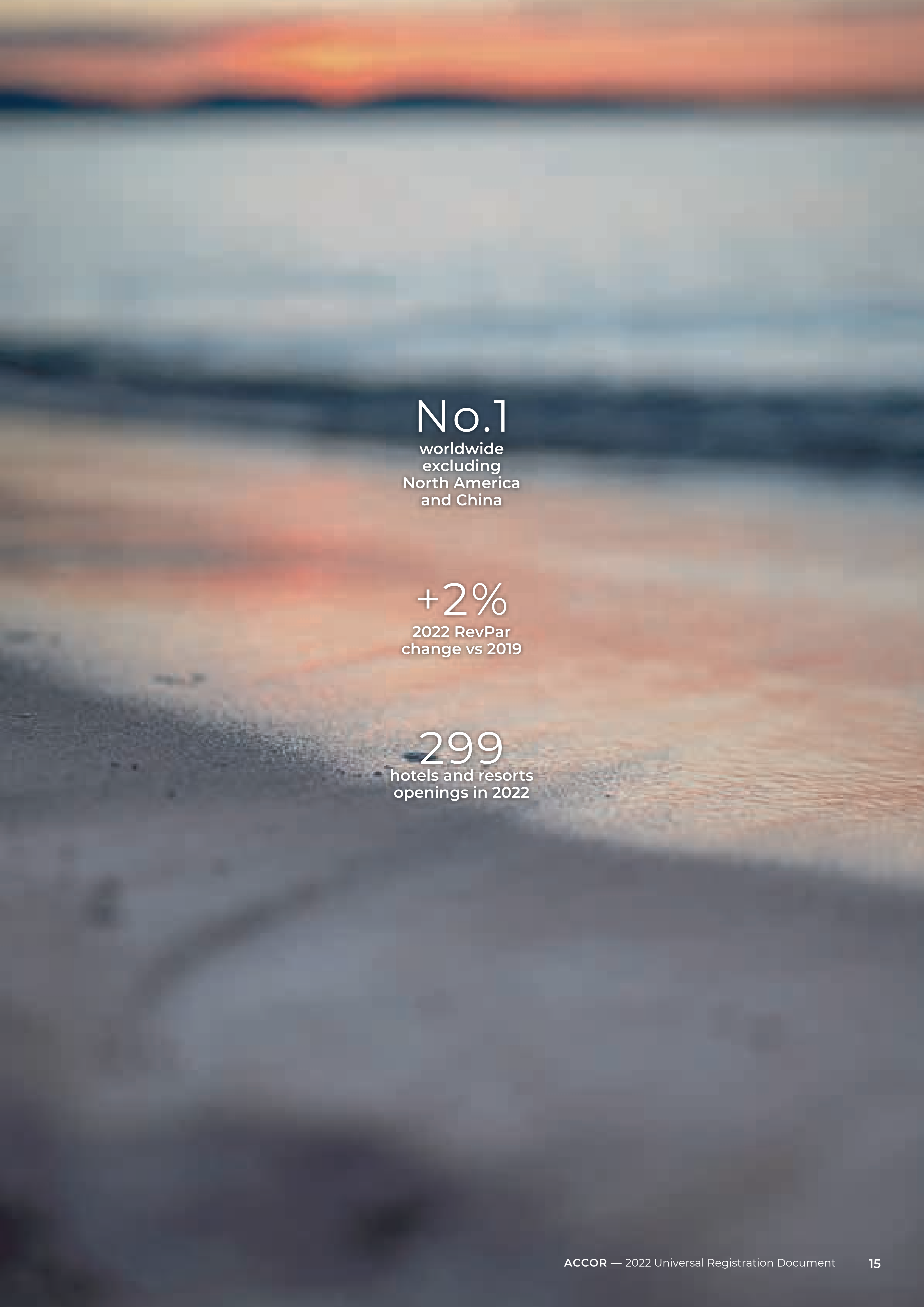
2016-2021 — **Accor rolls out Planet 21 – Acting Here,** a corporate social responsibility (CSR) strategy summed up in six commitments serving as an industry benchmark. In 2020, Accor developed a climate trajectory driven by the demands of science and compatible with the collective ambition of keeping global warming below 1.5°C. The Group has also restated its ambition to ban single-use plastic in guest experience and has set up the solidarity program ALL Heartist Fund for employees most affected by the health crisis. In 2021, Accor names Brune Poirson Chief Sustainability Officer, on the Group Executive Committee, **commits to Net zero carbon by 2050,** with a first reduction of 46% in its emissions by 2030 and **issue its first bond** indexed to its sustainable development targets, for €700 million.

2022 — **Sustainability: a new strategic framework for 2030.** Accor has taken another step forward by placing sustainable development (Human and Nature) at the heart of its business model. The new sustainable strategy sets ambitious objectives for the Group by 2030, based on science (SBT) and covering the entire customer journey: stay, eat and explore.
ESG criteria play an important role in the variable remuneration of Accor's managers and executives (up to 15% for key positions). The Group continues to spearhead international events on climate change and biodiversity (G20, COPs) and to be a key player in the fight against climate change (Sustainable Hospitality Alliance, Global Sustainable Tourism Council).

2022
Key highlights

The year 2022 marks the rebound in activity and a return to levels above those observed in 2019. In 2022, the openings and projects are numerous.

The loyalty program continues its development for ever more unique experiences. The Group is strengthening its commitment and reorganises itself to serve the strategy.



No.1
worldwide excluding North America and China

+2%
2022 RevPar change vs 2019

299
hotels and resorts openings in 2022

A year marked by the rebound in activity

The Group's reactivity driving recovery to growth — To capture recovery and drive future growth, Accor is reinforcing its strategic focus on leisure travel, with a global action plan to maximize the segment's momentum and reinforce its global leisure leadership. Long overdue getaways, quality time between families, wellness breaks, in 2022, leisure travel has led the recovery. Celebrating the return to travel through our Unveil the world campaign in 2021 we acted with agility to capture this recovery over the Covid period. Our Group's early response involved adapting targeted offers for local markets to draw guests back – such as staycations, dining offers, wellness or golf packages, social events and beyond.


Sofitel Legend Old Cataract Aswan - Aswan - Egypt.

Increased focus on our leisure offer — Today, our hotels are designed to meet the needs for leisure travel, with 600 spas; more than 1,000 in-hotel gyms and health clubs, 800 pools and 300 golf courses - while family travel is facilitated through 300 kids clubs worldwide. To reinforce our leadership position, Accor is making its resort offer key in leisure promotion. With 60 different country destinations and a choice of more than 25 brands, our 450 resorts provide the perfect solution to attract the modern leisure traveler seeking those trips where everything they desire is at their fingertips.

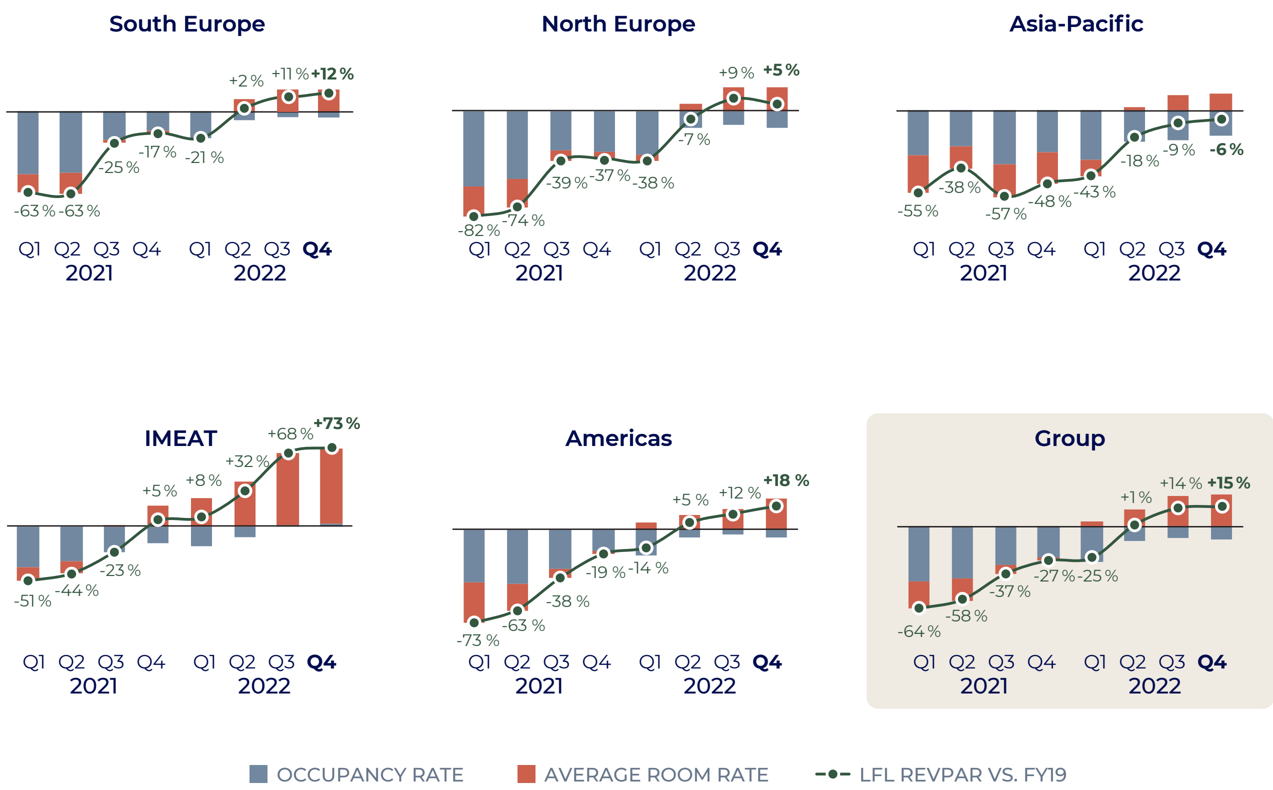
In 2022, Accor captures the leisure travel momentum and the return of corporate travellers — After two years of health crisis that disrupted the global balance, 2022 marks the end of the crisis for Accor and the return of higher RevPAR than in 2019.

After two years severely impacted by the health crisis, the fiscal-year 2022 posted a solid and sustainable rebound in Group's activity. The performance of hotels over the second half of the year surpasses pre-crisis levels in almost all our regions. Only Asia, a region impacted by China's strict zero-Covid policy until year end, is still significantly below 2019 activity levels.

Worldwide, our recovery was primarily driven by domestic guests, with levels exceeding those of 2019. Whereas international travelers, even whose number grows sharply, failed to return to the level of 2019. As observed in recent quarters, the recovery was led by a strong increase in prices, fueled by demand and accentuated by inflation.

Full year 2023 Group RevPAR is expected to increase between 5% and 9% on a like-for-like basis compared to full year 2022.

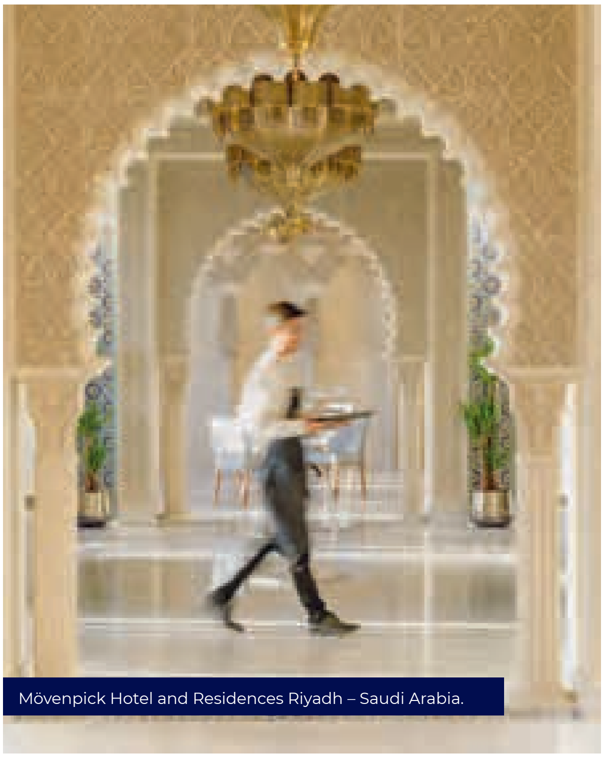
GROUP REVPAR TRENDS BY REGION
(in %)




JO&JOE Largo do Boticario - Rio de Janeiro - Brazil.

A constantly reinforced commitment

Accor at the G20 — What future for sustainable tourism? How to make tourism a driver for change? These questions were among the discussions and interrogations that animated the G20 stage in Bali. Solutions were proposed by the sector professionals who came to debate the subject, including Brune Poirson, such as: creating common standards for the travel industry, launching a coalition of players to move the lines, developing innovative financing methods to protect countries at risk or identifying pilot destinations that could serve as examples.


Mövenpick Hotel and Residences Riyadh – Saudi Arabia.


Mercure Kuta – Bali.

A commitment rewarded in 2022 — This year, Accor won two awards in the international competition organised by Hospitality ON, which promotes emblematic initiatives in the international hotel sector. The first award was for the Group's initiative to eliminate single-use plastic from the guest experience in all Accor hotels. This project resulted in 84% of hotels eliminating or replacing six categories of plastics, representing 46 products. A second award went to the School For Change global sustainability training program for all head office staff. Employees around the world were able to take an online training course, approximately six hours of mandatory training on the topics of climate change, biodiversity, the impact of human societies on natural resources, etc. The training was deployed in six languages and was taken by 97% of employees.

Accor joins the leading sustainability organization in the hotel industry GSTC (Global Sustainable Tourism Council) — In 2022, Accor joined the Global Sustainable Tourism Council (GSTC), the leading sustainability organization in the hotel industry. Accor believes that as a hotel company, it has a key role to play in transforming the industry and defining industry transformation and the setting of ambitious standards for sustainable tourism. Through the partnership with GSTC, Accor will be able to work with all stakeholders to collectively shape a more sustainable hotel industry. In addition, Accor is integrating the GSTC criteria into the heart of its transformation process, by integrating them into the standards of 17 of the Group's brands.

Amundi and Accor support oceans in collaboration with Fondation de la Mer — Amundi, a responsible investment leader, and Accor announce an increased commitment to ocean preservation through the adoption of the Ocean Framework, designed by Fondation de la Mer to help companies and investors assess the impact of business activities on ocean wildlife. Accor is the first large corporate to adopt the framework, which Amundi helped design, as part of its dedicated ocean strategy and reporting policy. As a part of their environmental commitments, Amundi and Accor began a close collaboration with the Fondation de la Mer (Sea Foundation), which has developed a framework to help companies measure impacts and make positive changes in line with the UN Sustainable Development Goal #14 'Life below water'. This goal seeks to conserve the oceans and seas, and use marine resources sustainably.

Accor announces partnership with SHe Travel Club, the 1st hotel label focused on women's travelling needs — Accor and SHe Travel Club the only independent hotel label designed by women for women, announce a partnership which aims to reimagine the female travel and hospitality experience. SHe Travel Club is the first and only hotel label which leverages technology and women's individual feedback to create a label specifically designed around meeting their expectations and requirements. Key Accor brands including Sofitel, MGallery, Novotel and Mercure will be part of a 50-hotel pilot in Europe and in the Middle East to encourage the deployment and growth of the SHe Label. Its ambition is to work hand in hand to raise the bar and support an improved travel experience for women.

Fondation des Femmes and Accor launch a platform dedicated to the "Emergency Shelter" project — The Fondation des femmes, a leading foundation in France for the protection of women's rights and combatting violence against women, and Accor have announced the launch of a platform dedicated to "Emergency Shelter". This initiative is aimed at providing accommodation and safety within Accor hotels for women and children who are victims of abuse. Financed by Accor, this platform helps ensure that emergency accommodation is provided quicker and more securely. It addresses an essential need of the Fondation des Femmes and the non-profit organizations it supports, including the Fédération Nationale Solidarité Femmes (French National Federation for Women's Solidarity). 4 in 10 female victims of abuse who request accommodation sadly have to be turned away, due to emergency schemes being at full capacity. In addition, such schemes are not always best suited to accommodating women and children who have suffered so much. Via this platform, Accor is committing to providing female victims of abuse with a hotel room. The quality of the accommodation offered, even for a brief period, is a key factor in the pathway out of violence and towards rebuilding their lives. Since March 2022, 148 women and children have already benefited from this ground-breaking program, which is being rolled out throughout France.

Fairmont Mara Safari Club – Kenya.

A year rich in openings and emblematic projects


Naru Seoul – MGallery - South Korea.

A robust development strategy — The Group opened an impressive 299 hotels and resorts and 43,000 rooms. This brings Accor's total gloal network to more than 5,400 hotels and 802,000 rooms, with another 1,200+ properties and 216,000 rooms in the pipeline. Accor's global development teams achieved a 3.2% net growth rate in 2022, with more openings and signings than any global competitor across its historical top markets.

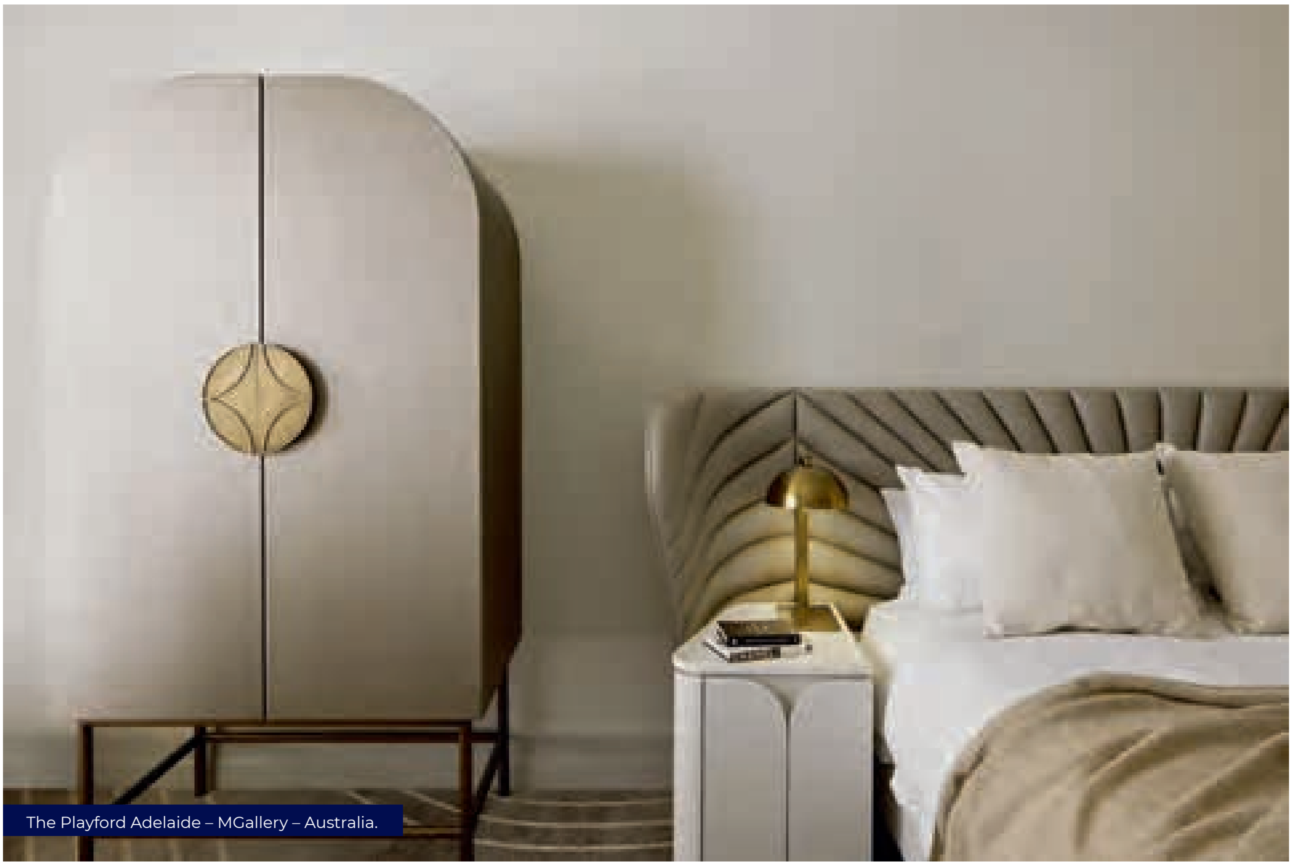
The company's 2022 development performance was particularly strong in Europe, China, and the Middle East. Europe represented the #1 market for Accor with 144 new hotels signed. China held Accor's #2 spot for signings last year, with the highest percentage growth at +54% vs 2021, while the Group's India, Middle East, Africa, Turkey (IMEAT) region increased its strategic position year-over-year. In terms of overall value, the IMEAT region is now the largest growth driver for Accor.

Of note, more than 40% of Accor's worldwide development projects involve the refurbishment of existing buildings rather than new builds, in line with the company's environmental, social and governance (ESG) commitments.

Accor announces global launch of its *All-Inclusive Collection* — Building upon the success of Rixos, Accor is significantly expanding its all-inclusive offering by including its luxury and premium brands with Fairmont, Sofitel, Pullman, Swissôtel and Mövenpick in the Collection. The objective is to leverage the strength and visibility of these brands in the key target markets for expansion for the *All-Inclusive Collection*.

This will be complemented by the exceptional quality and wide breadth of restaurant, bar, beach club and nightlife concepts, creating unforgettable guest experiences. The Collection's programming in this space will be inspired and led by Carte Blanched, Ennismore's F&B Concept Lab with each venue providing diverse and culturally relevant cuisines and culinary experiences.

Orient Express will open its second hotel in Italy at the exceptional Palazzo Donà Giovannelli in Venice — Legendary travel brand Orient Express, part of the world-leading Accor group, has signed a partnership agreement with Italian hospitality group Arsenale S.p.A to open the second Orient Express hotel in Italy at the spectacular Palazzo Donà Giovannelli in Venice. Located just ten minutes from Venice's Santa Lucia train station, next to the Cannaregio shopping district, and rooted in the origins of the City of the Doges, the Palazzo Donà Giovannelli is a treasured palace built in 1400 by architect Filippo Calendario, known for Venice's famed Doge's Palace. An ode to the heritage of Venice, inspired by all of the cultures and eras that are forever a part of its history, the Orient Express Venice Hotel will be home to 45 rooms and suites, all overlooking the gardens and canals of Venice. The hotel bar will be located in the former piano nobile ballroom on the main floor of the building. A world-class restaurant will introduce guests to the flavours of Italian gastronomy. Select terraces hidden on the hotel's rooftops will offer the most beautiful views of the wonders of the Serenissima.



The Playford Adelaide – MGallery – Australia.

World's most diverse hospitality group continues to accelerate growth across Greater China - surpassing the 500 hotels milestone with a robust pipeline of new hotels opening in 2022 and beyond — Accor is advancing through 2022 with a continued focus on expanding its presence across Greater China, offering more hotels to travelers and loyalty members than ever before, from acclaimed brands such as Raffles, Fairmont, Sofitel, MGallery, Pullman, Grand Mercure, Novotel, Mercure, and ibis. Accor's new project signings in China reached an all-time high in 2022 – leading to more than 590 hotels now in operation and an additional 285 under development. Accor is also on track to drive even greater momentum and growth success this year.

Accor adds legendary Queen Elizabeth 2 to its portfolio — Taking over operations from May 2022, the world-renowned cruise ship will undergo further up-grades and renovations prior to joining the MGallery Hotel Collection. Once fully rebranded, Queen Elizabeth 2 will undoubtedly become a landmark property for the MGallery brand and Dubai overall. Once the renovation is completed, the new MGallery Queen Elizabeth 2 will feature 447 hotel rooms, nine food & beverage outlets, ten meeting rooms, 5,620 sqm area for outdoor events, six retail outlets, a swimming pool and a gym.

Accor debuts Novotel Mexico City World Trade Center — The Group celebrates the Novotel brand's 20th year anniversary since its arrival in Mexico with the opening of this new modern hotel featuring Novotel's new global design concept and as the second flagship for the brand in the region. Situated in a prime location in front of the World Trade Center in Mexico City, one of the most important business centers in the region, and nearby several of the city's main attractions, the energizing urban haven will cater to business and leisure travelers.

Queen Elizabeth 2 – Dubai – United Arab Emirates.

Focus Lifestyle

In 2022, Ennismore reaches major milestone with the opening of its 100th property, the SO/ Paris, cementing its position as a leader in lifestyle hospitality.

A significant milestone for Ennismore follows a period of high growth alongside a strong global pipeline focused on Europe, the Middle East, North & Central America, and Asia. Ennismore brands and properties form a unique connection with local and international travellers through relevant cultural programming and authentic restaurant and bar destinations. Ennismore prides itself in being a collective of entrepreneurial and founder-built brands with creativity and purpose at their heart, partnering with visionaries and a pioneering entrepreneurial spirit.

SO/ Paris – France.

Accor enters into exclusive negotiations on the sale of a 10.8% interest in Ennismore, the fastest growing lifestyle hospitality company

After the launch of Ennismore in October 2021 and as the world's leading lifestyle hospitality company, in June 2022 Accor announces it is entering into exclusive negotiations to sell a 10.8% stake in Ennismore for a total amount of €185 million. This transaction demonstrates the excitement and attractiveness of this fast-growing segment. Ennismore has delivered a high growth performance opening a new hotel every 2 weeks, expanding its collective of brands in new regions, launching flagship properties SLS & 25hours in Dubai, and with a committed pipeline of over 150 hotels, with over 40 new projects signed in 2022. Ennismore will expand across the lifestyle and leisure segment with the addition of Accor's stakes in Rixos, the all-inclusive brand, and Paris Society, an upscale collection of restaurants & entertainment venues. The combined Ennismore group will now consist of over 140 hotels operating in nearly 40 countries, with over 275 F&B venues.

A powerful loyalty program for unique experiences

***ALL*–*Accor Live Limitless* is at the heart of Accor's fully integrated hospitality ecosystem, and connects with our clients beyond travel only, into their daily lives & lifestyles.** This industry-leading program delivers a wide variety of rewards, services, unique partnerships, and elevated experiences to both travelers and locals alike through the widest range of world-class brands. Reinforcing the Group ecosystem, the loyalty program relies on a powerful, inspirational digital distribution and transaction platform: an all-in-one booking portal & app that provides choice, seamless experiences and personalization.

SIXT and Accor announce a multi-year strategic partnership providing great benefits for customers — As part of the long-term collaboration, *ALL* members can collect points for the *ALL* loyalty program when they book a rental car with SIXT. As part of Accor's "Augmented Hospitality" strategy, the program offers members once-in-a-lifetime but also day-to-day experiences which go beyond the classic hotel blueprint. Members have access to unique experiences across a variety of areas: from travel, wellbeing and sports to dining, shopping and entertainment.


Hotel Molitor Paris - MGallery - France.


Fairmont Sanya Haitang Bay – China.

***ALL-Accor Live Limitless* offers even more experiences to its members through a digital platform available in 100 global destinations —** In April, Accor enhanced its loyalty program *ALL – Accor Live Limitless* with a new range of experiences in partnership with Fever. To increase its footprint in the experiential sector, Accor and Fever – the leading global live-entertainment discovery platform that helps discover each week the best experiences – have today announced a strategic partnership. This alliance aims to broaden the range of digital services provided throughout the year to *ALL-Accor Live Limitless* members and will constantly unlock brand-new experiences, including immersive exhibitions, interactive theater, candle-lit classical concerts in beautiful locations, festivals and much more. In addition to existing ticketing access included within *ALL*, covering major sporting events (PSG matches, French Open, Rolex Paris Masters, etc.), food festivals (Taste Paris, London) or legendary concerts at the Accor Arena Paris, this new destination-based service will expand the program's portfolio adding some of the best-rated experiences.

SO/ Sotogrande – Spain.

***ALL-Accor Live Limitless* launches "ALL Mobilité" a new digital mobility service developed with Karhoo —** Thanks to this mobility service, members of the loyalty program can now reserve their taxi or private hire vehicle on the *ALL* app or the website All.com. The mobility service covers 490 European cities, as well as Dubai and New York, and addresses two main needs:

- **Trips when traveling**, to go to a station, airport or an Accor hotel. This is a particularly useful service when abroad, where guests are often unaware of how to reserve and pay for taxis or chauffeur-driven vehicles.
- **Day-to-day travel**, whether personal or professional, to go to a meeting or a restaurant.

The service allows users to compare, in real time, available taxi and private hire vehicle offers and to make their choice according to rate, waiting time, vehicle category (electric, traditional, etc.) and available extras. The mobility service is the result of a strategic and technological partnership between *ALL* and Mobilize, the Renault Group brand dedicated to new mobilities, via its start-up Karhoo.

***ALL-Accor Live Limitless* sets out the next chapter with Paris Saint Germain —** After three highly successful years as a major partner and official jersey sponsor of Paris Saint-Germain, Accor has decided to extend its commitment with the French football giant, albeit in a different capacity, for a further four years to promote its lifestyle loyalty program. In the new partnership, *ALL-Accor Live Limitless* will now be visible on the sleeve of PSG's training jersey, while a major focus of the collaboration will be on using Paris Saint-Germain assets to en-gage with and offer unique experiences *ALL-Accor Live Limitless* members all over the World. The partnership was initially created in 2019 to launch *ALL-Accor Live Limitless*, the daily lifestyle companion that brings together and enhances all the brands, services and partnerships operating within the Accor ecosystem. It has been a great success in providing current and future members with unforgettable experiences while supporting and promoting awareness of what was a new brand. The sponsorship has enabled *ALL* to be established as a global brand.

A new organisation to better serve the strategy

Accor leverages its leadership positions in the most buoyant hospitality markets and segments — In 2022, the Group is evolving its structure to capitalize on the transformation undertaken in recent years, consolidate its leadership positions, focus its efforts, strengthen its know-how, accelerate its growth and continue to improve its profitability. From October 1, 2022, Accor 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 ever more relevant products and services, and attracting the best talents.

- **« Economy, Midscale & Premium Division »**, comprising notably the Group's brands ibis, Novotel, Mercure, Swissôtel, Mövenpick and Pullman. This division will incorporate leadership positions in Europe, Latin America, Asia-Pacific and the Middle East, and will be structured around four regional headquarters based in Paris, Sao Paulo, Singapore and Shanghai. It will focus its strategy on accelerating its development notably through franchises, the rejuvenation of its brands and the industrialization of our operating model.
- **« Luxury & *Lifestyle* Division »**, bringing together Accor's luxury brands as well as the Group's lifestyle entity, Ennismore. This division focused on Luxury and Lifestyle will be structured by brand around 4 pillars: Raffles & Orient Express, Fairmont, Sofitel & MGallery, and Ennismore. It will be committed to strengthening the identities of its iconic brands, investing in top talents, selecting the best locations and offering unique and innovative experiences.

Through these two business divisions incorporating growth strategies and trajectories that have been clearly defined and tailored to guest and owner expectations, Accor will offer its partners and investors a clear and transparent model for each of its business lines, which will be a factor in creating value and ramping up the development of its brands and segments.

Rixos Premium Gocek – Turkey.

The Accor augmented hospitality ecosystem

Accor's unique ecosystem of leading brands, value-added services & solutions, and powerful loyalty program allows us to constantly reinvent unique & personalized experiences and services for our clients in line with their evolving needs and new ways of living, traveling and working, from hotel stays to restaurants to working and meeting. For our partners, we also maximize performance and value, thanks to our complete range of business solutions and expertise.

More than
40
brands

+3.2%
2022 net
unit growth

5,400+
hotels in more
than 110 countries

Fairmont Doha – Qatar.

An unrivaled portfolio of hotel brands

Hotels Luxury

Accor has curated one of the most extraordinary luxury portfolios in the world. Counting iconic names such as Raffles, Fairmont and Sofitel, the Group's luxury brands consistently surpass the expectations of guests, providing transformative experiences and thoughtful, high-touch service.

Raffles Doha – Qatar.

A myth for over 130 years, Orient Express remains the symbol of luxury travel and timeless refinement. The multicultural heritage of the legendary train will soon be transported to a collection of Orient Express hotels, taking travelers on a captivating journey to elsewhere.

Network
280 rooms in the pipeline.

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.

Network
21 hotels, or 3,057 rooms in 15 countries and 2,611 rooms in the pipeline.

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.

Network
3 hotels, or 388 rooms in 2 countries.


Sofitel Bahrain Zallaq Thalassa sea and spa – Manama – Bahreïn.

At Fairmont, our passion is to connect our guests to the very best of our destinations. From the beaches of Hawaii to the deserts of the United Arab Emirates to the heart of London, 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.

Network
87 hotels, either 33,275 rooms in 31 countries and 8,748 rooms in the pipeline

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.

Network
121 hotels, or 31,336 rooms in 49 countries and 7, 800 rooms in the pipeline.

Some hotels are more than just mere hotels. They are genuine icons, the pride of a nation. Emblems have been created to bring together these jewels in one collection...
Whatever the destination, a stay at Emblems give the unique experience of feeling like your part of an exclusive, select club.

Network
4 hotels in the pipeline in 3 countries, 535 rooms and 60 establishments in the world by 2030.

Hotels Upscale segment

Our upscale brands are known for their distinctiveness and unique character. From the storied portfolio of MGallery Hotel Collection to the culinary brilliance of Mövenpick, Pullman's energy to Swissôtel's vitality, each brand provides a custom-made guest experience unlike any other.

MGallery selects unique properties with passion to gather them into a unique collection of hotels where captivating stories are lived and shared. With more than 100 hotels around the world, each MGallery tells a unique story inspired by the location. 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.

Network
120 hotels, or
13,208 rooms in
38 countries and
5,826 rooms in the pipeline.

Mantis has uncovered hotels, eco-lodges and cruises in some of the most remote places on the planet, offering vibrant cityscapes,
vast African plains and just about every other type of destination in between.
Each has its own unique spirit, but all are bound by a common obsession, that of being extraordinary, preserving the environment and protecting all that is rare.

Network
17 hotels, or
542 rooms in
9 countries and
318 rooms in the pipeline.

Inspired by and dedicated to Australian contemporary artists, Art series offers an extraordinary boutique hotel experience. 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.

Network
7 hotels, or
1,834 rooms in Australia.

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.

Network
153 hotels, or
45,020 rooms in
43 countries and
13,616 rooms in the pipeline.


The Silveri Hong Kong – MGallery – China.

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.

Network
34 hotels, or
13,806 rooms in
20 countries and
8,215 rooms in the pipeline.


Novotel Mexico City Toreo – Naucalpan – Mexico.

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.

Network
119 hotels, or
27,569 rooms in
35 countries and
12,353 rooms in the pipeline.

GRAND MERCURE
HOTELS AND RESORTS

At Grand Mercure, world-class standards are entwined with a uniquely local spirit. We set out to harness the mind, heart and soul of our locations, brought to life through a blend of rituals, customs, culture and sensations. We invite you to experience deeper, discover the unexpected and gain a fresh perspective on your world.

Network
59 hotels, or
13,799 rooms in
12 countries and
9,030 rooms in the pipeline.

PEPPERS

Peppers creates irresistible hotels for select experiences in some of the most spectacular spots in Australia, New Zealand and Indonesia. Peppers is synonymous with refinement, infinite attention to detail and personalized service.

Network
26 hotels, or
4,622 rooms in
3 countries and
467 rooms in the pipeline.

THE SEBEL

The Sebel is a collection of sophisticated, elegant and spacious apartments with customized service, offering guests the chance to really get to know the destination.

Network
34 hotels, or
2,509 rooms in
3 countries and
462 rooms in the pipeline.

Hotels Midscale segment

Accor's 50+ year history began in France with leading edge concepts in hospitality, bringing leisure travel and hotel stays to the broader public with innovative brands such as Novotel and Mercure, which make Accor a global leader in the midscale segment.

Mercure Kooddoo Resort – Maldives.

mantra

Offering premium accommodation with a warm welcome in bustling cities and favorite holiday destinations. Whether you're travelling for business or relaxing with family, you will feel right at home with Mantra. 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. Across Australia, New Zealand and Indonesia, whether you want less hassle on business trips or more good times on holiday, Mantra makes room for you.

Network
75 hotels, or
14,643 rooms in
3 countries and
635 rooms in the pipeline.

NOVOTEL

At Novotel, we believe that quality time is about making everyday moments matter. Everything has been thought to enhance our guests' life balance, sense of well-being but also enjoyment. Whether through our intuitive & modern design or our large range of rewarding experiences, everyone can disconnect from a busy life or make time to connect with their family, friends or colleagues. This combination makes Novotel the perfect spot for travellers and locals to have a drink, a bite to eat, to work, play or just relax.

Network
564 hotels, or
109,382 rooms in
65 countries and
32,443 rooms in the pipeline.

MERCURE

Every Mercure is a portal to a destination. Our teams are genuinely knowledgeable about the city and every detail of the decor tells a story about the location and its cultural heritage. While every Mercure hotel is unique, all share the same passion for high quality services. From the moment our guests step inside a Mercure – be it in Paris, Rio or Bangkok – they are immersed in their destination. Mercure, locally inspired hotels.

Network
943 hotels, or
125,341 rooms in
62 countries and
33,459 rooms in the pipeline.

adagio

Whether it's a short break or a stay of several months, Aparthotel 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, the modern and warm apartments suitable for families; Adagio access, the friendly and affordable range; and Adagio premium, the upscale residences.

Network
127 hotels, or
14,355 rooms in
16 countries and
3,762 rooms in the pipeline.

Hotels Economy segment

Our economy brands provide spirited, easy-going, and fun travel experiences with great value guaranteed. The hotels are as popular with traveling guests as they are with locals, due to their strong brand markers, welcoming styles, and strong ties to local communities.

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, recognise the style and promise of a BreakFree offer. For them, their stay is all about the experience of the location and the comfortable, unpretentious accommodation and relaxed service they enjoy.

Network
21 hotels, or
2,826 rooms in
2 countries.

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.

Network
1,269 hotels, or
159,180 rooms in
70 countries and
17,474 rooms in the pipeline.

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.

Network
642 hotels, or
69,029 rooms in
51 countries and
18,875 rooms in the pipeline.

greet

greet hotels welcome those who look for meaning in their purchase, 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!

Network
24 hotels, or
1,693 rooms in
2 countries and
1,496 rooms in the pipeline.

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.

Network
644 hotels, or
65,601 rooms in
25 countries and
4,303 rooms in the pipeline.

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!

Network
141 hotels, or
10,977 rooms in France and
62 rooms in the pipeline.

greet Colmar – France.

ENNISMORE

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.

Network
9 hotels, or
1,240 rooms in United States and
305 rooms in the pipeline.

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.

Network
15 hotels, or
2,730 rooms in
7 countries and
1,286 rooms in the pipeline.
chambres
en développement.

DELANO

Delano burst on to the scene in Miami in 1995, redefining the luxury resort experience and marking the inception of lifestyle hospital-ity. Delano offers a discreet and private oasis where you can escape from the hustle and bustle to nourish and stimulate the senses and rejuvenate your energy. Maison Delano is an evolution of the resort brand: a sanctuary away from the every day in the heart of the city for the global traveller.

Network
1 hotel, or
1,114 rooms in United States and
141 rooms in the pipeline.

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 playground of country pursuits and fine dining, the hotel has reclaimed its position on the social calendar. In 2022, Gleneagles embarked on a jour-ney from the countryside to the city with the opening of Gleneagles Townhouse in the Scottish capital, Edinburgh.

Network
2 hotels, 263 rooms.

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 introducing 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.

Network
3 hotels, or
736 rooms in
2 countries and
2,008 rooms in the pipeline.

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. Open to travellers and locals, JO&JOE supports the creative expression of street art and the boardsports community. 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.

Network
6 hotels, or
1,033 rooms in
4 countries and
1,048 rooms in the pipeline.

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 travellers as if they were her own.

Network
16 hotels, or
2,366 rooms in
9 countries and
1,742 rooms in the pipeline.

MONDRIAN

Always at the heart of the most exciting cultural scenes in the world, Mondrian serves up innovation and creativity with it 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.

Network
8 hotels, or
1,627 rooms in
5 countries and
3,199 rooms in the pipeline..

MORGANS ORIGINALS

Morgans Originals is rooted in iconic cultural legacy, with a collection of independent hotels all sharing the same free spirit. Each hotel, one of a kind, is brought together by a shared culture and community. 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. Morgans Original is a stamp of approval giving guests a guarantee and an invitation to join and access something unique.

Network
5 hotels, or
958 rooms in
4 countries and
665 rooms in the pipeline.

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.

Network
10 hotels, or
2,487 rooms in
4 countries and
956 rooms in the pipeline.

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.

Network
9 hotels, or
1,276 rooms in
8 countries and
2,354 rooms in the pipeline.

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 diver-sity of the streets and scenes that surround them. Ever since we opened the doors of our first hotel in Shoreditch back in 2006, we've been known for our vibrant, homey lobbies and our celebration of the locality through art, design, retail and eclectic programming.

Network
12 hotels, or
2,225 rooms in
6 countries and
1,670 rooms in the pipeline

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.

Network
11 hotels, or
1,477 rooms in
7 countries and
6,931 rooms in the pipeline.

RIXOS

Combining the "all-inclusive" concept with a vibrant and luxurious atmosphere, and adventures and entertainment for the whole family, Rixos hotels offer exceptional escapades to delight the imagination, opening up a world of possibilities for our guests, all in modern Turkish style.

Network
32 hotels, or
10,750 rooms in
7 countries and
6,949 rooms in the pipeline.

Beyond brands, an unrivalled range of solutions, services, and experiences

Accor offers the industry's most diverse portfolio of brands with more than 40 hotel brands across all segments, from luxury to economy. Our hospitality ecosystem also includes entertainment, co-working, and business services and solutions to drive performance.

FOOD & BEVERAGE

Our ambition is to make food and beverage at the heart of the guest experience by creating one-of-a-kind and authen-tic experiences that attract locals and travelers alike. We build on a locally driven approach to bring the highest level of expertise and excellence to serve delicious meals that are respectful of the environment and the seasons and to create stand-out places that are rooted in their communities.

ENTERTAINMENT & NIGHTLIFE

In unforgettable places all over the world –from rooftop venues to underground clubs, breathtaking bars to remarkable restaurants –Accor offers the very best in entertainment all year round thanks to expert brands, as well as bespoke concepts & events launched by our hotel brands. We continue to make every guest experience truly exceptional by creating new ways of making memorable moments.

1,500 PARIS SOCIETY events organized every year

6 MOMENSE prestigious places and more than 600 listings

A RANGE OF MEETING AND WORKING SOLUTIONS

Accor offers coworking and flexible workspace solutions to meet all needs, from freelancers to employees to companies. We also offer a wide variety of solutions to host meetings and events in our properties around the world. Further rein-forced by the health crisis, remote working & new ways of meeting are here to stay. And Accor is well equipped to welcome professionals with workspace solutions and services -coworking, office spaces, meeting solutions -for individual workers as well as for companies, both close to home and during travels.

With state-of-the-art equipment supported by innovative solutions, 3,500 of our hotels around the world reward clients when they plan a professional event, enabling seamless physical & virtual meetings, and providing instant online booking for groups. A unique combination that ensures that every business event is a success for our guests.

Meeting spaces
A range of modular meeting spaces supported by hybrid meeting solutions +18,500 meeting rooms.

FLEXIBLE PRIVATE OFFICE SPACES
Use of guest rooms or meeting rooms as office spaces, both with flexible day offers and dedicated private office spaces.

ALL Connect
An innovative solution for seamless physical & virtual meetings worldwide.

ALL Meeting planner
Loyalty program for event organizers.

GroupSync
Instant online booking for groups in our hotels.

WOJO
Wojo is one of the European leaders in flexible offices and workspaces. The brand offers spaces with a wide range of services available to remote workers and companies alike.
+600 Wojo locations within the Accor network.
18 sites.

Premier Village Phu Quoc Resort – Vietnam.

WELLNESS

Wellness is not a passing trend, but has become a daily lifestyle objective and growing expectation of our clients. Accor brings a holistic vision and expertise to foster guests' physical and emotional health & well-being, embedding wellness across the guest journey: from spa & fitness, to nutrition and sleep, to design and surrounding environment.

600+ spas
1,000 hotels with fitness facilities
10 Thalassa Wellness Resorts

EXTENDED STAY HOTELS & BRANDED PRIVATE RESIDENCES

Accor offers the industry's most comprehensive portfolio of extended stay and branded residences, with projects ranging from the high-end luxury market to premium and midscale offerings, and an increasing number of highly compelling lifestyle-driven communities.

Apartmentsandvillas.accor.com
Website dedicated to rentals and stays of up to 120 days in more than 60,000 apartments, villas and chalets.

INNOVATIVE AND EXPERT BUSINESS SERVICES & SOLUTIONS

Accor brings business partners its expertise, support and solutions to maximize performance and ensure success at every step of our collaboration -developing distribution, optimizing hotel operations and enhancing the customer experience.

DISTRIBUTION BUSINESS ACCELERATORS

D-EDGE is a SaaS company offering leading-edge cloud-based e-commerce solutions Combining technical excellence with digital marketing expertise, D-EDGE brings a holistic hospitality technology infrastructure under one roof. Its 360° suite of solutions covers all stages of hotel distribution and adresses the needs of both Hotel Chains and Individual Hotels.

17,000 hotels customers

Created in France in 2009, Gekko brings together experts and technology to deliver renowned IT solutions, developed for the leisure & business travel industry and its dif-ferent actors.

100% owner of its technologies

VeryChic is a members only travel agency, with exclusive offers up to 70% off.

10 million members

OPERATIONS & EXPERIENCES BUSINESS ACCELERATORS

Astore is a Procurement service offering - thanks to more than 250 experts in over 20 purchasing offices offices around the world - a competitive and responsible offer covering the majority of hoteliers' needs.

~8,000 clients worldwide, of which ~40% non-Accor

~5,000 listed suppliers

John Paul combines the unique know-how and skills of its Concierges and the operation of a global digital platform with ultra-personalized content.

24/7 worldwide

A business model designed to deliver augmented hospitality

RESOURCES

HUMAN CAPITAL

- **290,500** employees
- More than **300** professions
- Accor Academy
  8 regional training campuses

NATURAL CAPITAL

- **7.6** TWh of energy consumed
- **27.5 million** m³ of water consumed
- **2,924,000** tCO_2eq Scopes 1 & 2 in 2022
- **2,644,000** tCO_2eq Scope 3 in 2021

COMMERCIAL CAPITAL

- More than **40** brands across all segments (economy, midscale, upscale, luxury and lifestyle)
- A range of services to serve performance: Procurement department, distribution tools, expertise in technology and digital
- More than **110** countries
- A network of **5,445** hotels, **802,269** rooms
- **216,000** rooms in the pipeline
- More than **10,000** bars and restaurants, more than **600** spas, **18,500** meeting rooms

FINANCIAL CAPITAL

- **€2.8**bn in cash and equivalents
- An **optimized balance sheet**
- A **sound financial structure**

STRATEGY

Megatrends

UNIQUE EXPERIENCES

NEW LIFE BALANCE

VALUE CREATION

FOR EMPLOYEES

- Around €**2**bn in wages and staff costs in 2022
- **123,596** hires in 2022
- €**70** m pledged to the ALL Heartist Fund
- **97**% of eligible corporate employees trained to Sustainability
- More than **39**% of women in management committees and **31**% of women general managers
- A hotel engagement rate of **8.6/10**

FOR THE PLANET

- Commitment to net-zero SBTi by 2050
- **84**% of hotels with zero single-use plastic in guest experience
- More than **833,000** meals saved with Too Good To Go in the fight against food waste

FOR HOTEL OWNERS

- €**23**bn of business volume
- A wide range of tools and services to serve owners and performance
- €**2.5**bn of purchases via the **Procurement department**

FINANCIAL PERFORMANCE

- Dividend policy of **50**% of the recurring Free cash flow
- Revenue of more than €**4**bn

DIGITALIZATION

SUSTAINABLE TOURISM

Our commitment

Hospitality is fundamentally about people: welcoming them, connecting people and cultures, sparking emotion. Hospitality also is at the crossroads of many activities, making it an important vector for change. At Accor, we believe it's our role to shape a more sustainable future of travel.

97%

of employees have been trained to Sustainability

39%

of women in management committees

84%

of hotels removed single-use plastic in guest experience

Raffles Udaipur – India.

Accor, an increasingly committed group

Accor's success relies on our Heartists® to deliver the best service, welcome and care for our guests. Their passion, creativity, individual personalities and differences are what make the Group truly unique and that's why we always place people at the heart of everything we do. And we are convinced that sustainability builds value for all stakeholders: Heartists®, owners, partners, guests and communities. We are engaging a global transformation of all our operations, building a model where we contribute back more than we take, and embedding planetary boundaries across all our activities.

EMPOWERING TALENT

We give access to leading training and development plans and empower our team members to be actors of their professional growth. We want our *Heartists®* to feel free to dare and to develop their potential, by taking on new challenges and opening new doors to continuous learning & skills development.

WELCOMING EVERYONE WITH OPENNESS

With team members in all four corners of the globe, diversity is at the heart of our DNA. We foster an open and inclusive culture that welcomes all personalities, empowers team members and cultivates individual & collective innovation and performance. Our ambition is to prevent inequalities & discrimination at work and give everyone unrestricted opportunities. At Accor, we believe in strength in unity, and power in diversity.

Fairmont Kea Lani Maui – Hawaii.

Gender diversity & equality

Member of the global "Gender-based Violence" coalition by UN Women.

Inclusion of people with disabilities

Member of the Valuable 500.

Welcoming the LGBTQ+ community

Global partnership with IGLTA.

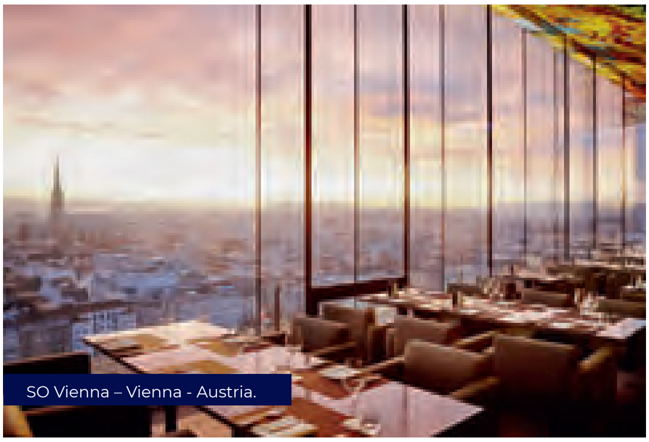
SOLIDARITY IS AT THE HEART OF ACCOR

As the world was facing unprecedented challenges due to the Covid-19 pandemic, the Group took proactive measures from April 2020 to support its team members and partners facing dire financial difficulties, by creating the €70m *ALL Heartist Fund*. Given the scale of the crisis, it will continue in the long term to accompany and support *Heartists®* affected by the pandemic.

15
years
of solidarity

450
projects
supported

+2,100
direct beneficiaries
in 2022


SO Vienna – Vienna - Austria.

SPREADING HOSPITALITY OF THE HEART

Accor Heartist Solidarity's mission is to fight economic and social exclusion of vulnerable people through social and professional integration. We support projects developed by local associations & NGOs and carried out by Heartists® working near the project site. At the request of our teams, the fund can also be mobilized to help populations hit by a humanitarian disaster by supporting post-emergency reconstruction projects.

PAVING THE WAY TO A MORE SUSTAINABLE HOSPITALITY

Nature and tourism are deeply intertwined. At Accor, preserving nature and reducing our environmental footprint means resolute commitments and action. This involves not only moving to a low carbon model, but also using natural resources more responsibly, promoting a circular economy, protecting local ecosystems, and encouraging our hotels and guests to connect with local communities. At the same time, Hospitality is a people business, and we are embarking all teams on this collective journey. Together, we will design the path to a more sustainable hospitality. We're implementing change through three key operational pillars: Buildings, Food and our Local Ecosystem.


Commitment to net-zero SBTi by 2050

Elimination of all single-use plastic items in guest experience


Fight against food waste

Governance and risk management

Accor has implemented a governance that complies with market recommendations aimed at ensuring compliance with the fundamental principles of corporate governance. Compensation policies for Accor corporate officers comply with AFEP/MEDEF corporate governance recommendations.

Risk governance operates on an extended consultation and decision-making model through a Group Risk Committee which meets quarterly and reports to the Executive Committee.

11

Board meetings in 2022

5

principles in compensation policy

1

Group Risk Committee

Tribe Perth Kings Park – Australia.

A reliable governance to support the strategy

Composition of the Board of Directors

The Company is governed by a Board of Directors composed of twelve members, including two representing employees. Since 2009, the roles of Chairman of the Board and Chief Executive Officer have been combined, enabling the Group to have a greater agility in its governance and management, while also creating a direct relationship between management and shareholders.
The balance of power is ensured thanks notably to the presence of a Senior Independent Director. The diversity of the Board of Directors and in particular the Directors' complementary technical knowledge and expertise (in finance, marketing, digital, luxury, CSR or indeed hospitality) enable the Board to properly identify and understand the challenges facing the Group's activities and facilitate their development.

50% women directors

54 average age

60% independance of the Board

MEMBERSHIP OF THE BOARD OF DIRECTORS AT DECEMBER 31, 2022

Asma Abdulrahman Al-Khulaifi
End of term – 2025 AGM

Hélène Auriol Potier
End of term – 2025 AGM

Ugo Arzani
End of term – 2025 AGM

Sébastien Bazin
End of term – 2023 AGM

Iliane Dumas
End of term – 02/05/2023

Qionger Jiang
End of term – 2025 AGM

Iris Knobloch
End of term – 2023 AGM

Bruno Pavlovsky
End of term – 2023 AGM

Nicolas Sarkozy
End of term – 2025 AGM

Christine Serre
End of term – 27/01/2024

Isabelle Simon
End of term – 2025 AGM

Sarmad Zok
End of term – 2025 AGM

AUDIT, COMPLIANCE & RISKS COMMITTEE

COMMITMENTS COMMITTEE

APPOINTMENTS, COMPENSATION AND CSR COMMITTEE

INTERNATIONAL STRATEGY COMMITTEE

Independent

Not-independent

Directors chairing a Committee

Director representing employees

Vice-Chair and Senior Independent Director

Work of the Board and its Committees in 2022

BOARD OF DIRECTORS

- Monitoring of work done by the *ALL Heartist Fund*
- Monitoring the Group's positioning in Ukraine
- Approval for entering into exclusive negotiations for the sale of the company holding the headquarters building Sequana
- Monitoring of the Special Purpose Acquisition Company of which Accor is the sponsor
- Entering into a new partnership agreement with Paris Saint Germain Football
- Internal reorganisation of the Group's into two divisions « Economy, Midscale & Premium » and « Luxury & Lifestyle »
- Review of the composition of the Board and its Committees and proposal to renew the term of office of the Chairman and CEO
- 2021 parent company and consolidated financial statements and 2022 interim financial statements
- Review of the independence of directors and consideration of potential conflicts of interest
- Notice of the Annual Shareholders' Meeting

11
meetings in 2022

90%
attendance rate

BOARD COMMITTEES

4 AUDIT, COMPLIANCE AND RISKS
meetings

- Interim and full-year accounts
- Group financial results
- Review of the Statutory Auditors' fees
- Monitoring of the works of the *ALL Heartist Fund*
- Review of the cybersecurity and personal data protection measures in place
- Monitoring of the Group's compliance program

5 APPOINTMENTS, COMPENSATION & CSR
meetings

- Review of compensation
- Review of the succession process
- Review of the independence of directors
- Review of the gender diversity policy and monitoring of the action plan
- Review of CSR strategy and initiatives
- Internal assessment procedure regarding the operations of the Board
- Review of the renewals of mandates, including the functions of of the Chairman and CEO

4 COMMITMENTS
meetings

- Review and monitoring of various acquisition and disposal projects

1 INTERNATIONAL STRATEGY
meeting

- Review of current international issues in particular the situation of the hotels of the Group in Ukraine in the context of the conflict with Russia and their impact on the Group's activities

WORK OF THE BOARD OF DIRECTORS AND ITS COMMITTEES IN 2022

All information relating to the Company's governance is provided in the corporate governance report in section 4 of the 2022 Universal Registration Document.
The Executive Committee, chaired by the Chairman and CEO Mister Sébastien Bazin, ensures consistency and alignment between the two divisions, both in terms of strategic priorities and performance drivers. The Executive Committee also includes a Global Shared Platform, which provides expertise and services to both divisions, including digital, technology and procurement

Composition of the executive management

GROUP MANAGEMENT BOARD

Sébastien Bazin
CHAIRMAN & CEO

Jean-Jacques Morin
DEPUTY CEO & CFO

Besma Boumaza
GROUP GENERAL COUNSEL & BOARD OF DIRECTORS' SECRETARY

Steven Daines
CHIEF TALENT & CULTURE OFFICER

Brune Poirson
CHIEF SUSTAINABILITY OFFICER

Kamal Rhazali
SECRETARY GENERAL & GENERAL COUNSEL, LUXURY & LIFESTYLE

Floor Bleeker
CHIEF TECHNOLOGY OFFICER

Alix Boulnois
CHIEF DIGITAL OFFICER

Caroline Tissot
CHIEF PROCUREMENT OFFICER

PREMIUM, MIDSCALE & ECONOMY EXECUTIVE COMMITTEE

Jean-Jacques Morin
DIVISION CEO

Thomas Dubaere
CEO AMERICAS

Patrick Mendes
CEO EUROPE & NORTH AFRICA

Duncan O'Rourke
CEO MIDDLE EAST, AFRICA, TURKEY & 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
DIVISION CEO

Omer Acar
CEO RAFFLES & ORIENT EXPRESS

Maud Bailly
CEO SOFITEL, MGALLERY & EMBLEMS

Gaurav Bhushan
CO-CEO ENNISMORE

Mark Willis
CEO FAIRMONT

Kamal Rhazali
SECRETARY GENERAL & GENERAL COUNSEL

Agnès Roquefort
CHIEF DEVELOPMENT OFFICER

Johny Zakhem
CHIEF FINANCIAL OFFICER

Gary Rosen
CEO GREATER CHINA

Compensation of employees and the Chief Executive Officer

General compensation policy

Accor has established a global compensation policy that is adapted to each country's specific practices. It is based on five principles:

- **take into consideration the performance and potential of each employee;**
- **offer competitive compensation in relation with the relevant market and country;**
- **ensure that employee compensation is determined fairly;**
- **encourage employee savings and stock ownership;**
- **strengthen employee healthcare coverage and other benefits.**

More information on talent compensation is presented in section 3 of the 2022 Universal Registration Document.


Rixos Borovoe – Shchuchinsk – Kazakhstan.

Compensation policy for the Chairman and CEO

The Company's compensation policy for its Chairman and Chief Executive Officer is determined by the Board of Directors, acting on the recommendation of the Appointments, Compensation & CSR Committee. To this extent, the Board constantly ensures that it complies with the principles of completeness and consistency with the company's other executives and employees' compensation policy, as well as comparability, motivation, measurement and comprehensibility of the rules, while ensuring a balance is maintained between the compensation packages. The Appointments, Compensation & CSR Committee bases its recommendations on compensation benchmarks conducted by external consultants of the practices of other companies of comparable size and international hotel groups. An additional aim of the analysis is to ensure that the Company's compensation policy for its executive officer complies with the AFEP/MEDEF Corporate Governance Code. The compensation policy of the Chairman and Chief Executive Officer for 2023 along with the items of compensation paid or awarded to him in respect of fiscal 2022 will be subject to the approval of shareholders at the Company's 2023 Annual Shareholders' Meeting and are presented in section 4 of this Universal Registration Document.


Fairmont San Francisco – United States.

Summary of the overall structure of the Chairman and Chief Executive Officer's compensation package proposed for 2023

Components	Criteria and objectives	Amount/Weighting (new term of office)
ANNUAL FIXED COMPENSATION	Determined by the Board of Directors based on the recommendation of the Appointments, Compensation & CSR Committee, taking into account: • Experience; • 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: (80% of annual variable compensation) • **financial:** actual versus budgeted consolidated EBITDA for 2023, actual versus budgeted free cash flow (excluding disposals and acquisitions) after change in operating working capital for 2023; • **non-financial:** organic growth in number of rooms (net of transfers to another brand) versus 2023 budget, Percentage of managed and franchised hotels that have removed single-use plastic in the guest experience, including disposable water bottles, Percentage of managed and franchised hotels measuring carbon emissions through a carbon measurement tool, Percentage of 300 managed and franchised hotels that have defined their food waste baseline, Percentage of women on Management Committees worldwide.	Each qualitative objective may trigger the payment of between 0% and 160% of the share of variable compensation it represents.
	Qualitative objectives: (20% of annual variable compensation) • implementation of the new TURBO organization and talent development.	This objective may trigger the payment of between 0% and 120% of the share of variable compensation it represents.
LONG-TERM COMPONENTS	**Performance share** subject to the achievement of performance conditions set 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 view of the health crisis and the short-time working measures used 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.*

JO&JOE Medellin – Colombia.

A structured approach to 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.

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

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 risks identified. Risk governance operates on an extended consultation and decision-making model through a Group Risk Committee which meets quarterly and reports to the Executive Committee.

Material risks

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

- Climate risk SNFP TCFD
- Malicious harm to the integrity of digital personal data SNFP
- Talent attraction and retention risk SNFP
- Deterioration of the economic, geopolitical or health environment
- Unavailability of digital operating data
- Non-compliance with standards, laws and regulations SNFP

Pullman Maldives Maamutaa – Maldives.

Section 1

Group presentation

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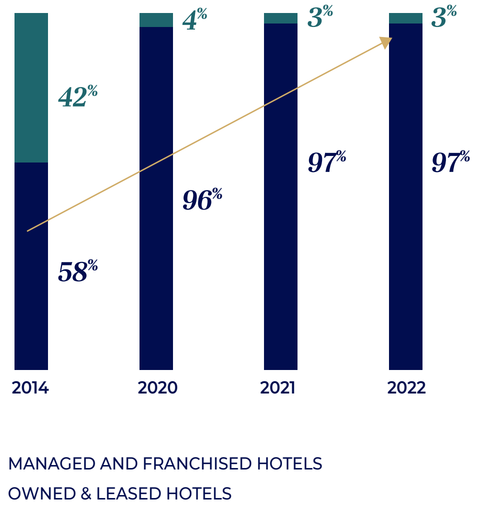
1.1 Group profile and strengths

Accor's business model is unique in the travel industry. Operating 5,445 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

Over the past four years, 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 its hotel assets directly or via leases.

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



With its asset-light profile, the Group now operates 56% of its network under management contracts and 41% under franchise agreements, thereby reducing the volatility of its earnings. The remaining 3% of hotels correspond mainly to those 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.

97% 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 purchasing system and Académie Accor for employee training.

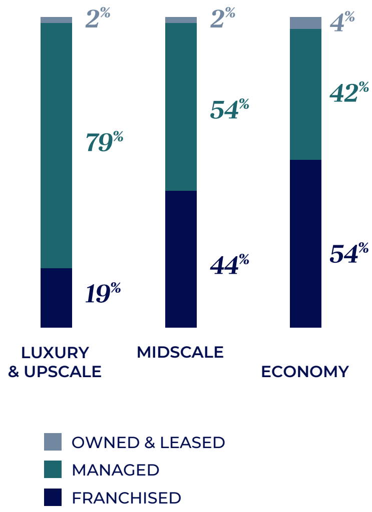
Accor is compensated in the form of trademark, distribution, sales, marketing and loyalty fees. Where applicable, it also receives fees for ancillary services. Guaranteeing the operational know-how, reputation and image of its brands, of which it sells the right to use, Accor is responsible for managing 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.

Although sales of AccorInvest hotel portfolio assets since 2018 did little to change the shape of the Accor network in the luxury and upscale segments (gain of 4 points vs. 2017) [1] and did not change the proportion of franchised hotels, it did change the proportion of management contracts in the economy and midscale segments, since the contracts governing hotels that were previously owned and leased by Accor have been converted to this management style.

Management contracts and franchise agreements now account for 96% of hotels in the economy segment (up 32 points vs. 2017), 98% in the midscale segment (up 25 points vs. 2017), and 98% in the luxury and upscale segments (up 8 points vs. 2017).

Hotel portfolio by segment and operating structure at December 31, 2022 *(as a % based on number of rooms)*



1.1.2 Solid geographical positions in diversified segments

1.1.2.1 Development driven by organic growth

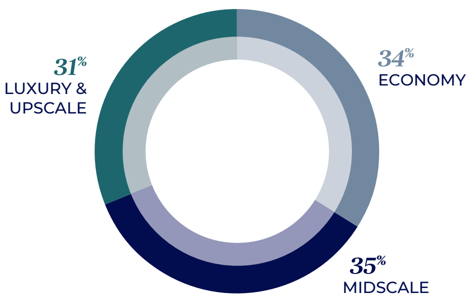
Enjoying strong momentum despite the health crisis, Accor saw its network grow by 43,362 rooms (299 hotels) in 2022, driven by organic growth. Accor's development covered all segments, predominantly the midscale (35%) and economy (34%) segments and to a lesser extent, the luxury and upscale segments (31%).

Globally, the Mercure, ibis and Novotel brands account for 60% of Group growth. The luxury and upscale segments grew by 3.8% in 2022 mainly thanks to the Pullman, Mövenpick, MGallery, Rixos, Grand Mercure, Fairmont and Sofitel brands.

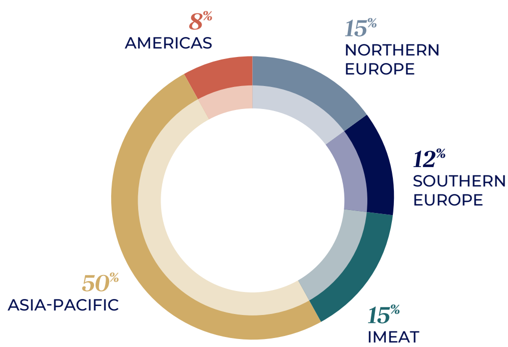
Benefiting from growth of 4.0% over the year, the midscale segment owes 84% of its development to the Mercure, Novotel and Adagio brands, while growth in the economy segment (2.0%) reflects the expansion of the ibis family, which continues to unveil its significant potential across the world.

Geographically, 73% of new openings in 2022 took place outside Europe: 50% in Asia-Pacific thanks to the Pullman, Mercure, ibis, Novotel and MGallery brands, 15% in the India, Middle East, Africa and Turkey region thanks to Novotel, Rixos, Mövenpick et Fairmont, and 8% in the Americas thanks to ibis, Mercure, Novotel, Mondrian and Sofitel.

Breakdown of hotel openings by segment at December 31, 2022 *(as a % based on number of rooms)*



Gross openings by region at December 31, 2022 *(as a % based on number of rooms)*



(1) *Including acquisitions and partnerships completed in 2018.*

1.1.2.2 Global coverage of all markets

Accor operates on six 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 Europe, home to Accor's densest network, with 3,068 hotels and 346,115 rooms representing 43% of its total portfolio by number of rooms at end-2022.

At the same time, Accor has new growth drivers in other parts of the world, such as in Asia-Pacific with 1,387 hotels (32% of rooms), North America, Central America and the Caribbean with 559 hotels (13% of rooms), and in the India, Middle East, Africa and Turkey with 431 hotels (12% 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.

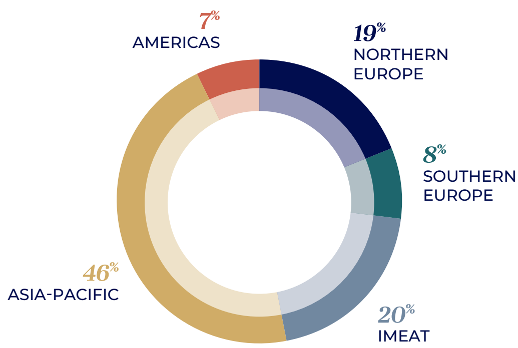
Hotel portfolio by region and brand at December 31, 2022

	Southern Europe		Northern Europe		IMEAT		ASPAC		Americas		Total	
Brands	Hotels	Number of rooms	Hotels	Number of rooms	Hotels	Number of rooms	Hotels	Number of rooms	Hotels	Number of rooms	Hotels	Number of rooms
RAFFLES	2	213	1	106	8	1,463	10	1,275	0	0	**21**	**3,057**
FAIRMONT	2	1,028	9	2,276	20	5,984	12	4,134	44	19,853	**87**	**33,275**
BANYAN TREE	0	0	0	0	3	388	0	0	0	0	**3**	**388**
SOFITEL	14	2,258	12	3,268	27	7,243	52	15,125	16	3,442	**121**	**31,336**
RIXOS	0	0	8	1,844	24	8,906	0	0	0	0	**32**	**10,750**
SLS	0	0	0	0	1	575	0	0	9	1,912	**10**	**2,487**
DELANO	0	0	0	0	0	0	0	0	1	1,114	**1**	**1,114**
MORGANS ORIGINALS	0	0	2	353	2	296	0	0	1	309	**5**	**958**
REDBURY HOTELS	0	0	0	0	0	0	0	0	2	356	**2**	**356**
SO	2	312	3	397	1	92	3	475	0	250	**9**	**1,276**
GLENEAGLES	0	0	2	263	0	0	0	0	0	0	**2**	**263**
EMBLEMS	0	0	0	0	0	0	0	0	0	0	**0**	**0**
FAENA	0	0	0	0	0	0	0	0	2	226	**2**	**226**
Luxury	**20**	**3,811**	**37**	**8,507**	**86**	**24,947**	**77**	**21,009**	**75**	**27,212**	**295**	**85,486**
HOXTON	3	605	5	970	0	0	0	0	4	650	**12**	**2,225**
HYDE	0	0	0	0	1	276	0	0	2	460	**3**	**736**
MONDRIAN	0	0	1	120	1	270	1	295	5	942	**8**	**1,627**
PULLMAN	12	3,614	14	3,514	17	6,180	98	28,199	12	3,513	**153**	**45,020**
MGALLERY	41	3,422	19	2,017	10	1,718	42	5,377	8	674	**120**	**13,208**
SWISSÔTEL	0	0	7	1,402	11	5,513	12	5,471	4	1,420	**34**	**13,806**
GRAND MERCURE	0	0	0	0	8	1,590	43	10,422	8	1,787	**59**	**13,799**
THE SEBEL	0	0	0	0	0	0	34	2,509	0	0	**34**	**2,509**
MANTIS	0	0	1	35	14	488	0	0	2	19	**17**	**542**
ART SERIES	0	0	0	0	0	0	7	1,834	0	0	**7**	**1,834**
PEPPERS	0	0	0	0	0	0	26	4,622	0	0	**26**	**4,622**
MÖVENPICK	0	0	23	4,968	72	16,994	24	5,607	0	0	**119**	**27,569**
25HOURS	2	410	12	1,886	1	434	0	0	0	0	**15**	**2,730**
21c	0	0	0	0	0	0	0	0	9	1,240	**9**	**1 240**
Upscale	**58**	**8,051**	**82**	**14,912**	**135**	**33,463**	**287**	**64,336**	**54**	**10,705**	**616**	**131,467**
NOVOTEL	141	20,447	130	25,117	62	13,808	146	36,277	51	9,513	**530**	**105,162**
NOVOTEL SUITES	21	2,358	7	1,040	3	383	3	439	0	0	**34**	**4,220**
MERCURE	310	30,554	279	36,791	30	5,417	262	44,468	62	8,111	**943**	**125,341**
ADAGIO	40	4,395	22	2,571	10	1,582	0	0	5	518	**77**	**9,066**
MANTRA	0	0	0	0	0	0	74	13,466	1	1,177	**75**	**14,643**
MAMA SHELTER	10	1,539	4	702	0	0	0	0	2	125	**16**	**2,366**
NEQTA	0	0	0	0	0	0	4	438	0	0	**4**	**438**
TRIBE	5	504	3	590	0	0	3	383	0	0	**11**	**1,477**
Midscale	**527**	**59,797**	**445**	**66,811**	**105**	**21,190**	**492**	**95,471**	**121**	**19,444**	**1,690**	**262,713**

Brands	Southern Europe		Northern Europe		IMEAT		ASPAC		Americas		Total	
	Hotels	Number of rooms	Hotels	Number of rooms	Hotels	Number of rooms	Hotels	Number of rooms	Hotels	Number of rooms	Hotels	Number of rooms
Multibrand	**6**	**427**	**6**	**496**	**8**	**1,303**	**23**	**3,886**	**4**	**863**	**47**	**6,975**
IBIS	441	40,712	283	39,695	82	14,773	281	37,232	182	26,768	**1,269**	**159,180**
IBIS STYLES	281	21,185	135	14,943	15	2,798	157	22,650	54	7,453	**642**	**69,029**
IBIS BUDGET	371	29,371	157	18,543	0	0	49	5,738	67	11,949	**644**	**65,601**
ADAGIO ACCESS	43	4,383	7	906	0	0	0	0	0	0	**50**	**5,289**
HOTELF1	141	10,977	0	0	0	0	0	0	0	0	**141**	**10,977**
JO&JOE	3	780	1	115	0	0	0	0	2	138	**6**	**1,033**
BREAKFREE	0	0	0	0	0	0	21	2,826	0	0	**21**	**2,826**
GREET	22	1,438	2	255	0	0	0	0	0	0	**24**	**1,693**
Economy	**1,302**	**108,846**	**585**	**74,457**	**97**	**17,571**	**508**	**68,446**	**305**	**46,308**	**2,797**	**315,628**
Total	**1,913**	**180,932**	**1,155**	**165,183**	**431**	**98,474**	**1,387**	**253,148**	**559**	**104,532**	**5,445**	**802,269**

At the end of 2022, Accor operated 5,445 hotels (802,269 rooms) around the world and plans to open 1,247 additional hotels (216,000 rooms).

Hotel pipeline by region at December 31, 2022
(as a % based on number of rooms)



1.1.2.3 A firm footprint in emerging markets

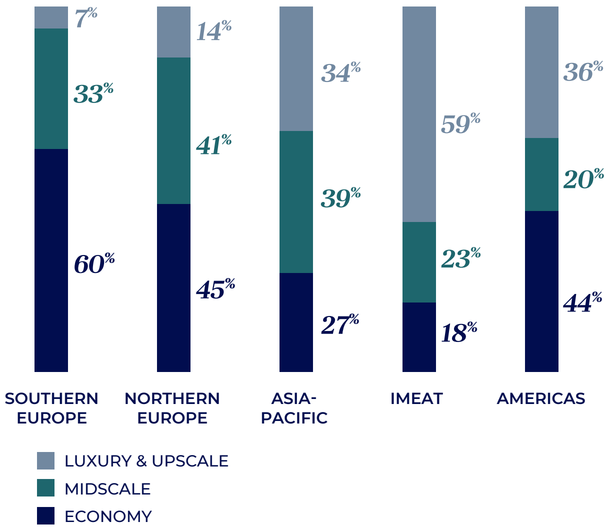
The Accor network has undergone a significant transformation as a result of property restructuring between 2014 and 2021, and the expansion of the brand portfolio. At the same time, the Group has focused its organic development exclusively on hotel management and franchising.

At December 31, 2022, 98% of Accor's hotels in Asia-Pacific were operated under management contracts and franchise agreements. The Americas and IMEAT regions have 89% and 96% of hotels under management contracts and franchises respectively. Whereas Europe had the lowest proportion of hotels under management contracts and franchise agreements before the change in the Group's model, in 2022 the level stood at 99% for Northern Europe and 100% for Southern Europe. Europe was the region where the majority of assets were transferred from Accor to AccorInvest.

Hotel portfolio by region and operating structure at December 31, 2022

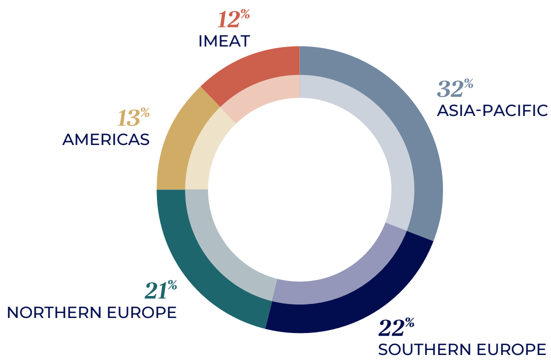
	Managed		Franchised		Owned & leased		Total	
	Number of hotels	Number of rooms	Hotels	Number of rooms	Hotels	Number of rooms	Hotels	Number of rooms
SOUTHERN EUROPE	434	61,830	1,476	117,712	3	1,390	**1,913**	**180,932**
NORTHERN EUROPE	579	92,646	570	71,284	6	1,253	**1,155**	**165,183**
IMEAT	348	81,945	66	13,527	17	3,002	**431**	**98,474**
ASIA-PACIFIC	679	153,832	679	94,121	29	5,195	**1,387**	**253,148**
AMERICAS	264	58,314	236	34,622	59	11,596	**559**	**104,532**
Total	**2,304**	**448,567**	**3,027**	**331,266**	**114**	**22,436**	**5,445**	**802,269**

Hotel portfolio by region and by segment at December 31, 2022 *(as a % based on number of rooms)*



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

Hotel portfolio by region at December 31, 2022
(as a % based on number of rooms)



1.1.2.4 A broader footprint in the luxury and upscale segments

The range of 40 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, 2022

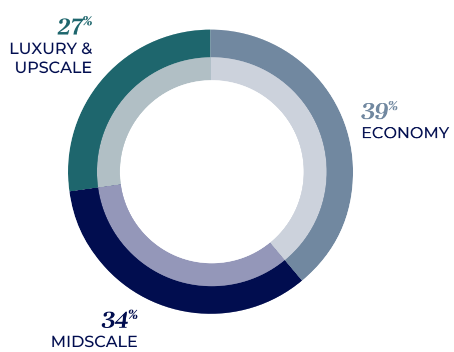
	Owned & leased hotels		**Managed**		Franchised		**Total**	
Brands	Hotels	Number of rooms	**Hotels**	**Number of rooms**	Hotels	Number of rooms	**Hotels**	**Number of rooms**
RAFFLES	0	0	21	3,057	0	0	**21**	**3,057**
FAIRMONT	1	53	85	32,964	1	258	**87**	**33,275**
BANYAN TREE	0	0	3	388	0	0	**3**	**388**
SOFITEL	2	583	115	29,208	4	1,545	**121**	**31,336**
RIXOS	0	0	18	6,386	14	4,364	**32**	**10,750**
SLS	1	68	7	2,082	2	337	**10**	**2,487**
DELANO	0	0	0	0	1	1,114	**1**	**1,114**
MORGANS ORIGINALS	0	0	4	887	1	71	**5**	**958**
REDBURY HOTELS	0	0	0	0	2	356	**2**	**356**
SO	1	92	8	1,184	0	0	**9**	**1,276**
GLENEAGLES	0	0	2	263	0	0	**2**	**263**
EMBLEMS	0	0	0	0	0	0	**0**	**0**
FAENA	0	0	2	226	0	0	**2**	**226**
Luxury	**5**	**796**	**265**	**76,645**	**25**	**8,045**	**295**	**85,486**
HOXTON	0	0	10	1,868	2	357	**12**	**2,225**
HYDE	0	0	2	336	1	400	**3**	**736**
MONDRIAN	0	0	5	1,104	3	523	**8**	**1,627**
PULLMAN	4	1,830	110	31,484	39	11,706	**153**	**45,020**
MGALLERY	1	111	59	7,932	60	5,165	**120**	**13,208**
SWISSÔTEL	1	238	24	11,377	9	2,191	**34**	**13,806**
GRAND MERCURE	0	0	34	8,744	25	5,055	**59**	**13,799**
THE SEBEL	0	0	13	1,234	21	1,275	**34**	**2,509**
MANTIS	0	0	15	528	2	14	**17**	**542**
ART SERIES	6	1,583	1	251	0	0	**7**	**1,834**
PEPPERS	3	380	20	4,052	3	190	**26**	**4,622**

Brands	Owned & leased hotels		Managed		Franchised		Total	
	Hotels	Number of rooms	Hotels	Number of rooms	Hotels	Number of rooms	Hotels	Number of rooms
MÖVENPICK	0	0	90	21,491	29	6,078	**119**	**27,569**
25HOURS	0	0	15	2,730	0	0	**15**	**2,730**
21c	0	0	8	943	1	297	**9**	**1,240**
Upscale	**15**	**4,142**	**406**	**94,074**	**195**	**33,251**	**616**	**131,467**
NOVOTEL	13	2,277	326	72,552	191	30,333	**530**	**105,162**
NOVOTEL SUITES	0	0	20	2,792	14	1,428	**34**	**4,220**
MERCURE	1	174	260	43,497	682	81,670	**943**	**125,341**
ADAGIO	3	416	61	7,413	13	1,237	**77**	**9,066**
MANTRA	17	2,792	48	11,201	10	650	**75**	**14,643**
MAMA SHELTER	0	0	16	2,366	0	0	**16**	**2,366**
TRIBE	0	0	5	781	6	696	**11**	**1,477**
NEQTA	0	0	0	0	4	438	**4**	**438**
Midscale	**34**	**5,659**	**736**	**140,602**	**920**	**116,452**	**1,690**	**262,713**
Multibrand	**1**	**51**	**26**	**4,922**	**20**	**2,002**	**47**	**6,975**
IBIS	39	7,318	437	73,222	793	78,640	**1,269**	**159,180**
IBIS STYLES	4	820	110	20,202	528	48,007	**642**	**69,029**
IBIS BUDGET	14	3,384	198	25,495	432	36,722	**644**	**65,601**
ADAGIO ACCESS	0	0	44	4,611	6	678	**50**	**5,289**
HOTELF1	0	0	59	5,353	82	5,624	**141**	**10,977**
JO&JOE	1	80	5	953	0	0	**6**	**1 033**
BREAKFREE	1	186	18	2,488	2	152	**21**	**2,826**
GREET	0	0	0	0	24	1,693	**24**	**1,693**
Economy	**59**	**11,788**	**871**	**132,324**	**1,867**	**171,516**	**2,797**	**315,628**
Total	**114**	**22,436**	**2,304**	**448,567**	**3,027**	**331,266**	**5,445**	**802,269**

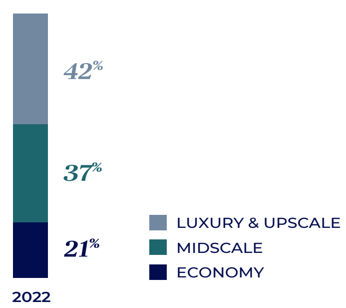
The Group's development has focused on the most profitable segments to increase the weighting of high-value markets in its brand portfolio. Between 2015 and 2022, the weight of the luxury and upscale segments within the Accor network increased by 169%, versus growth of 57% in the network as a whole.

At December 31, 2022, the luxury and upscale segments accounted for 27% of the Accor network, up 1 point relative to 2019. 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, 2022
(as a % of number of rooms)



Pipeline by segment at December 31, 2022
(as a % of number of rooms)



1.1.3 *A resolutely innovative group*

The hospitality sector is evolving increasingly rapidly, not only driven by constant digital innovation but also in view of changing lifestyles as the expectations and needs of customers, employees and partners evolve along with the challenges of sustainable development. The agility and organization implemented by Accor has helped anticipate future trends in these markets and to position the Group at the forefront of these changes.

1.1.3.1 An ecosystem of innovation to create the hospitality of tomorrow

For many years, Accor has been committed to a dynamic of innovation in order to stimulate the creativity of a large internal and external community and to support new uses, new generations as well as new businesses and challenges.

It enables the Group to anticipate economic, environmental and societal changes with agility and to accelerate value creation for and with its customers, partners and employees.

The Accor innovation ecosystem aims to:

- stimulate internal innovation, notably through mentoring programs;
- create brands and concepts: greet, JO&JOE, Le Loft, Flying Nest, Emblems;
- penetrate new business sectors and markets, to round out the Group's expertise (D-Edge);
- create solid ties with partners throughout the world, especially with other major groups of international dimension.

Accor's innovation ecosystem is based on two main contributors:

The Innovation lab

The main role of the Innovation Lab is to act as a catalyst for innovation within the Group. Its mission is to explore new areas of innovation that will enable our hotels to respond in an eco-responsible and inclusive way to the new demands of our customers, while at the same time providing new sources of revenue for Accor.

Its innovation methodology, based on systematic collaboration with operational teams and business experts, allows it to develop and test a range of new products and services as well as innovative hotel concepts.

Through a process of co-innovation, the Innovation lab is currently developing new commercial and technological partnerships with the aim of positioning Accor as a leader in hospitality innovation.

Digital innovation

The digital innovation team, within the Digital & Business Factory teams, is in charge of monitoring technology, educating teams in the *mindset*, and methodically and rapidly testing new opportunities through its Innovation Factory. The aim is to inject more innovation into the digital products and services offered by Accor while maintaining a level of scalability consistent with internal objectives.

Accor's innovation ecosystem spans its entire organization, calling on five main contributors:

- Marketing, digital and e-commerce: Innovation in customer relations, concepts and new experiences, with an emphasis on personalization, new technologies, artificial intelligence (AI) and interactivity with guests and partnerships.
- Talent & Culture: Identifying and championing employees, managerial and cultural transformation for multi-disciplinary teams.
- Hotels: Implementing transformation and testing Group innovations.

As well as its hotel concept creation projects, the Innovation lab assists start-ups that contribute new competencies to the Group:

- FULLSOON offers a predictive service for footfall levels and waste reduction in restaurants, with its artificial intelligence (AI) tool. The lab now supports it in its product ambition and its conquest of new Group restaurants.
- ALLTHEWAY, co-created by Accor in partnership with other major groups, aims to shift luggage check-in, initially by using hotels as check-in hubs rather than at airports to ease the travel experience.

1.1.3.2 Co-innovate alongside the leaders of tomorrow

A partnership logic: start-ups, large groups and schools

Accor also establishes innovation partnerships with external players located at the crossroads between hospitality and technology, thus creating endeavors that can be used in its ecosystem to maximize their growth. To identify new projects and test concepts that enhance the guest experience, Accor has adopted a co-development and co-creation approach enabling faster anticipation of changes, more agile adaptation and an accelerated transformation to societal and environmental challenges.

While start-ups and tech partners allow Accor to imagine the experiences that will shape tomorrow's hospitality, its talents are nonetheless the essence of its wealth.

This is why the Group establishes key partnerships with top schools worldwide, in order to consolidate its attractiveness among higher education students, future leaders in the world of hospitality, and to benefit from their new and innovative vision.

With a network of more than 200 partner schools in its various host countries, Accor organizes two annual challenges for students aimed at encouraging and promoting its open innovation approach:

- the TakeOff competition, which brings together more than 500 students from business schools, hotel management schools and universities;
- the Accor Design Award, which brings together more than 300 designers from design, architecture and interior design schools.

During the challenges, candidates offer new solutions to a range of strategic issues such as the loyalty program, F&B services, the commitment of guests and employees to sustainable development and even imaging and design the hospitality of the future.

1.2 Sector trends and challenges

Accor's global presence means that it is subject to specific laws and regulations for its global and local operations.

Accor is subject to various laws and regulations issued by local, national and governmental entities in each of the countries in which it operates, as well as to European Union regulations. In general, Accor is not subject to sector-specific regulations.

1.2.1 An ever-changing and lasting industry

For 70 years, and excluding the years of the Covid crisis, international tourism has experienced steady development, driven by increasing numbers of travelers and the diversification of destinations throughout the world. While the occasional crisis has disrupted this trend in the past, the tourism industry has always made it through these periods of tension, which have had only a limited impact in the long run.

It has traditionally been one of the most dynamic sectors, posting annual growth rates of 4-7% [(1)]. In normal times, it is also one of the largest contributors to global growth and accounted for 10.4% of global GDP in 2019.

Reflecting economic growth trends over the past 30 years, international tourism boasts long-term structural growth prospects which the health crisis only impacted temporarily:

- 1.5 billion people traveled around the world in 2019;
- the number of overnight stays booked in the hotel industry climbed to 8.5 billion;
- tourism- and travel-related spending increased by 5% per annum for eight years;
- Europe received 51% of international travelers.

Rise of the middle class in emerging countries and more outward-looking younger generations

The development of the middle classes in emerging countries, in search of discovery and travel, is driving the growing number of travelers observed around the world. In addition to these new travelers, there are also those from the new generations who tend to cut back on other expenses in favor of experiences and travel. These generations, more mobile and eager to discover, are traveling more and faster than their predecessors and increasing the number of travelers.

More borders opening worldwide and more diverse and accessible means of transport

While the popularity of international tourism can be explained by the rise in living standards, it is also facilitated by the opening of borders by a growing number of countries. Moreover, the multiplication and diversification of transport offers, through more varied transport modes (train, car, plane, carpooling, etc.) that are more accessible (low cost, in-house offers, etc.), is helping to redefine travel.

(1) In number of international tourists.

China, the largest source market for tourism

Now also an essential component of international tourism, China is the world's largest source market, with Chinese tourists spending almost twice as much as their American counterparts in 2019.

And this growth potential remains considerable, as only 10% of Chinese citizens have passports, compared with 40% of Americans and more than 75% of the British. In 2019, 170 million Chinese nationals traveled abroad, disbursing nearly $280 billion, or one-fifth of global tourism spending. Over 10 years, departures for stays outside China have more than tripled. The China Tourism Research Institute estimates there will be 400 million Chinese tourists worldwide by 2030, making up half of the industry's global growth.

Europe has historically been the third most popular tourist destination for Chinese travelers, after Asia and the Pacific, which together account for 90% of Chinese tourism. Europe receives about 10% of Chinese tourists (80% on leisure stays), and France is the leading European destination.

Rise in domestic tourism

Domestic tourism is also flourishing in Asia, particularly in China, India and Indonesia, where the number of international tourists is still below that of domestic tourists, implying enormous potential for growth in the medium term.

Independent hotels represent the vast majority of the global offer and very significant development potential for chains

In 2022, the global hotel industry represented a total of 47 million rooms, 35% of which operated by hotel chains. 65% of existing hotels worldwide are owned by independent operators and therefore represent very significant development potential for chains. Accor is the most firmly established hotel group in Europe, Asia-Pacific, Latin America and the Middle East & Africa region.

The highly fragmented nature of the hotels market, especially in the most attractive and high-growth regions, reflects the extent of development and growth opportunities.

Consolidation among players in search of economies of scale

In recent years, the hotel industry has witnessed a consolidation phase, initiated primarily by Chinese, American and European players. These consolidation moves are generally designed to meet several core objectives:

- acquire new geographic growth drivers;
- deepen local hotel networks in fast-growing regions;
- enhance the brand portfolio, to be present in new high value-added segments;
- capitalize on guest loyalty programs;
- leverage synergies, economies of scale;
- extend the service offering;
- enhance the business model and corporate image.

Consolidation helps hotel groups entrench their leadership by deepening their footprints and taking them into the most dynamic destinations. M&A also opens up new strategic avenues, fostering synergies and the sharing of best business practices.

1.2.2 *A competitive landscape which is diversifying*

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 allowing operators to enrich their range of services.

Intermediation by online travel agencies and *metasearch* engines

These digital players have carved out positions along the value chain as intermediaries between hotel operators and their guests. Focusing their resources on the research and booking stages, they are paid by hotel operators in exchange for the guests they bring them. Their technologies allow them to quickly collect a great deal of personal information about guests, grasp their consumption habits and offer them a wide choice corresponding to their profiles. Metasearch engines have a big impact on the competitive landscape and margins by promoting the deals of the players offering the most generous compensation.

The emergence of private home rental platforms

Other digital players offering rentals of private homes have also emerged over the last decade, providing guests with alternatives to conventional hotels. Operated by online platforms, these accommodation solutions compete with those of hotels. Addressing new consumer aspirations in the quest for authenticity, these offerings also include, in certain cases, personalized services.

The emergence of digital disruptors in the tourism industry

Through their technological innovations, including the development of voice assistants, digital disruptors have penetrated the hospitality industry by promoting and distributing accommodation. As they entered the value chain, they came into direct competition with online travel agencies. This helped push down intermediation costs and allowed hotel operators to regain some independence.

Convergence of business models

Given the wide variety of options now available, hotel operators and digital players have diversified their portfolios into private home rentals, while private home rental platforms have started listing hotels and developing luxury services. These diversifications have prompted a measure of convergence between models, and the emergence of powerful ecosystems that integrate a wide choice of services designed to enrich the overall experience, keep guests coming back, increase their market shares and secure their growth in a changing environment.

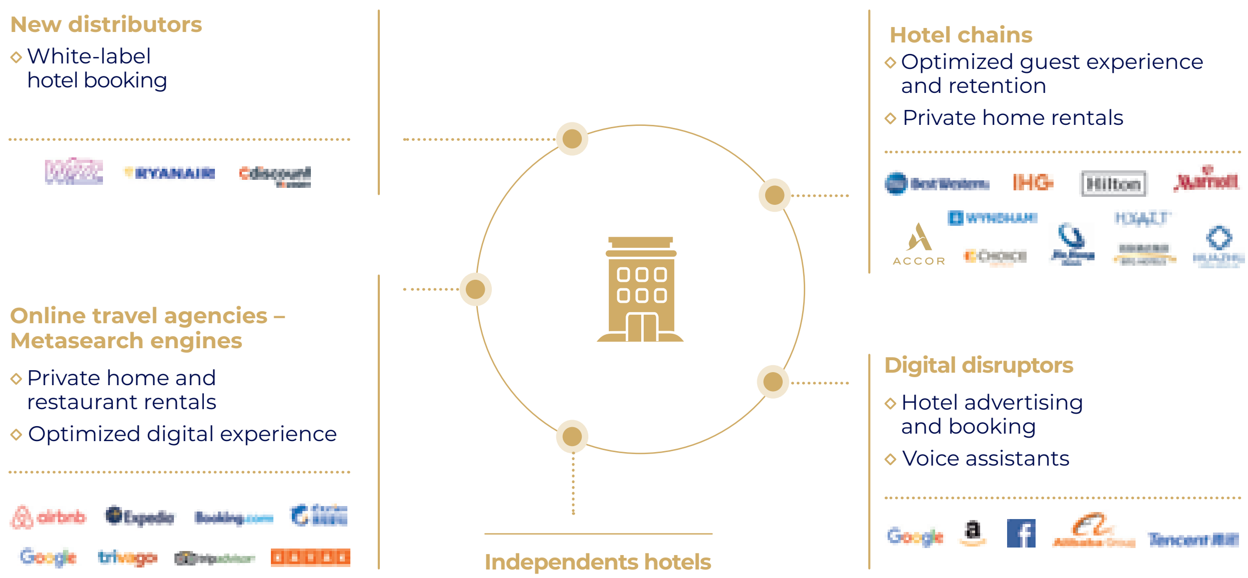
Dovetailing of distribution models and emergence of new distributors

The line between bricks-and mortar retail and e-commerce platforms is becoming increasingly blurred, both being links in longer chains. Companies are also seeking to diversify their distribution to address a broader range of both individual and business customers. Building on the catalogs given to them by online travel agencies, some distribution platforms have also decided to expand their offering into the hotel industry by proposing white label accommodation.

Incumbents are still active, with ongoing competition in the field of the guest experience

For incumbent hotel groups, competition is all about deciphering and anticipating guests' new aspirations. Nonetheless, key differentiators also include the strength of their brands and their ability to innovate and retain guests. As a result, for several years, travelers have been seeking choice, experiences, comfort and personalization, requiring hoteliers to pay keen attention to design, architecture, furnishings, restaurant services and other services offered by their establishments.

The highly diverse competitive environment



1.2.3 A world marked by planetary limits and increasing social issues

Business integrity

As a major economic player, Accor operates in more than 110 countries, interacting with many established economic and public partners. As an industry leader, it must consistently apply the highest ethical standards in its operations. To achieve this, the Group relies on a common culture throughout the organization and an ongoing dialogue with all its stakeholders.

KEY CHALLENGES: Fight against corruption and conflicts of interest, protection of personal data.

Social elevator

Accor is a labor-intensive group. It has a responsibility to take care not only of the people whose work is the foundation of its business and to contribute to their development, but also of all the people working throughout the value chain. Playing the role of social elevator, Accor acts on three key levels to attract, retain, upgrade and diversify its senior staff: (i) by promoting broad and inclusive recruitment to address the talent shortage that the sector is experiencing; (ii) by developing the skills of its employees throughout their lives to enable them to progress in their careers; (iii) by diversifying senior staff on the basis of employee potential. In 2022, more than 50 recruitment, skills development or leadership training programs were identified in all regions where the Group operates. Furthermore, faced with the impact of the Covid-19 pandemic on sector business, Accor illustrated its reactivity with the creation of the ALL *Heartist* fund to support its employees: since its launch and as at December 2022, more than 100,000 requests were funded for a budget of €35.4 million. Finally, the Group's geographic location and business activities naturally expose Accor to risks of human rights violations. To protect and respect human rights in its business and sphere of influence, Accor applies internationally recognized principles and affirms its commitments through its Ethics and CSR Charter and its Compliance Plan.

KEY CHALLENGES: Decent work, inclusion, diversity, well-being, development of individuals, human rights.

Reducing the environmental footprint

The hotel industry has many negative environmental impacts. The Group is committed to complying with the objectives of the Paris Agreement. Promoted by its CEO, Accor has set itself the ambitious objective of contributing to global carbon neutrality by 2050 (objective validated by the SBTi) and launched its maiden sustainability-linked bond issue indexed to absolute greenhouse gas emission reduction targets. In addition, in line with the conclusions of COP 15 on biological diversity, the Group is committed to contributing to a "nature-positive" world and has placed this theme at the heart of its sustainable development strategy. In this way, Accor has a responsibility to fight against waste, for the preservation of water resources, against the artificialization of land and for its preservation and regeneration.

KEY CHALLENGES: Greenhouse gas emissions, water, plastic and chemical pollution, waste, soil quality.

Promoting sustainable food

As a major player in the food and beverage industry, with traditionally one-third of business volume generated in this area, the Group plays a key role in the transition from a traditional food model to a more sustainable food system, which would have multiple positive impacts on biodiversity and would also protect natural resources. Accor aims to offer restaurant services based on the transition towards menus with fewer meat products and responsible, local and sustainable procurement, while drastically reducing food waste.

KEY CHALLENGES: Fight against food waste, healthy and high-quality food, regenerative and environmentally friendly farming practices, protection of biodiversity, changing consumption habits.

Strong local roots

The Group's hotels draw on the resources provided by local communities and the natural environments in which they are located. This comes in the form of the workforce needed to operate the hotel, the economic ecosystem used to support its value chain, and raw materials, including food, water and energy, which are key to providing a premium quality hotel service to guests.

They also owe much to the regional culture and heritage, which constitute the well from which visitors can draw an endless source of authentic tourist experiences. The hotels in turn support their host communities by fostering the training and integration of local populations, by using businesses in the local economic ecosystem to meet their supply and service needs and by promoting locations as tourist destinations.

They generate economic benefits and create jobs for local communities by sharing their profits with hotel owners, local authorities and public services in the form of taxes and duties, and by leading outreach and environmental projects with positive local impacts. They also contribute to protecting local culture, assets and heritage.

KEY CHALLENGES: Fight against exclusion, support for communities, fight against sexual exploitation, solidarity, protection and valuing cultures, heritage and natural resources.

1.3 The Group's strategic levers

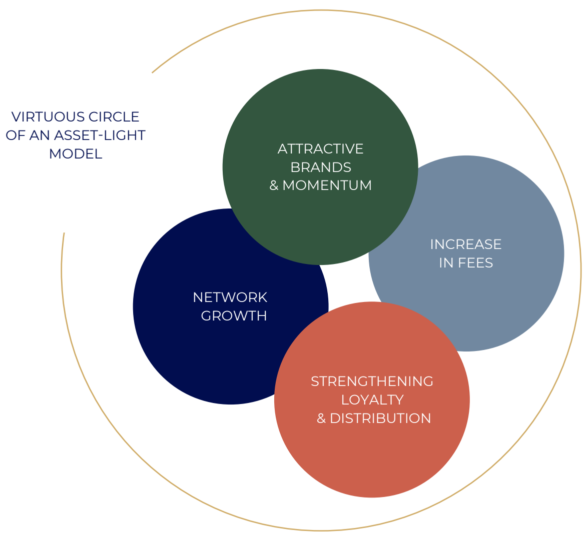
Accor has structured its core business around the concept of augmented hospitality, reflecting a sophisticated vision of hospitality and bespoke services to provide guests, travelers, workers and local residents unique experiences.

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.

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 profitable segments, and to acquire new brands, new services and new rewards for its customers and partners.

1.3.1 Guarantee sustainable growth thanks to an asset-light model

In 2018, Accor finalized its transformation into an asset-light group and implemented a simplified value creation model with many advantages.



By leveraging its chief assets – its brands, its distribution system, its loyalty program, as well as its expertise in hotel development and management – the Group aims to sustainably improve its financial and non-financial performance.

The strategic development levers of the Accor asset-light model

Thanks to its new business model, Accor has multiple value-creation levers that considerably enhance its agility and potential.

Generating traffic

With the arrival of new digital players, expectations are now turning towards new services and new offers, thereby leading to profound changes in the needs expressed. From functional and practical, expectations have now become emotional and experiential. Although delivering the best quality/price ratio remains essential, it is now essential to develop responses to new needs. Accor has been addressing these issues for several years:

- More choice and offers: augmented hospitality, or how to extend offers for guests to cover both a wider variety of accommodation (new brands and new concepts such as lifestyle, youth hostels and private homes) as well as a new ecosystem of solutions spanning the entire tourism value chain (food and beverage, entertainment and leisure, transportation, ticketing, specialized distribution sites, etc.), built up through acquisitions and partnerships.

- More personalization: both technological by harnessing the power of big data and AI to better grasp and anticipate guests' needs, as well as profoundly human, by transforming our management methods to encourage individual initiative aimed at providing guests with a tailor-made experience throughout their stay (Heartist® program).
- More fluidity: 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 and customer check-in on mobile tools.
- More meaning and unique experiences: iconic partnerships (IMG, AEG, PSG, Accor Arena) for experiences that money can't buy; an ecosystem to facilitate access to local activities, especially those that convey genuine authenticity or even a sense of satisfaction (through a community-oriented or environmental dimension); a redesigned loyalty program to increase the sense of belonging and better reward brand loyalty.

Accelerate growth

The development of the hotel network has a decisive influence on Accor's revenue growth. Two levers can be activated:

- network growth, both organic and through acquisitions;
- growth in the fee/room ratio, by focusing on more profitable segments (luxury, lifestyle, etc.), but also by increasing the profitability of the hotel's square meters through more cash-generating concepts and solutions.

Accor addresses these two levers in the following way:

- By increasing the density of the network and its visibility in key destinations, Accor is ensuring a dynamic pace of organic growth, particularly in emerging countries where growth is stronger;
- Accor is adopting a strategy of covering all segments, particularly the most profitable (luxury, lifestyle, resort, etc.);
- Accor facilitates hotel conversions to accelerate its development;
- Accor controls the acquisition of hotel networks and the conclusion of partnerships to strengthen its regional leaderships and its brand portfolio (FRHI, Mövenpick, Mantra, Atton, SBE, BHG, Ennismore, etc.).

With this strategy, Accor is consolidating its leadership positions in the regions and segments where it is present, accelerating its development in high-growth regions and penetrating markets in a targeted manner through brand- and segment-relevant acquisitions. Development is being stepped up through careful work on the pipeline to increase the number of hotels in the network and their quality, favoring higher rates per room.

To benefit from the best expertise and deploy these lines of business effectively, Accor regularly acquires and forges partnerships with companies whose core businesses are precisely those in which it intends to expand its model.

A rich partnership strategy

Optimize the model

For Accor, continued growth means constant optimization of its cost structure.

To align the structure of Accor SA with that of the Group, Accor has undertaken an in-depth review of its processes to map all its activities and identify any that could be reconsidered with a view to making savings. 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 organizational work streamlines management structures. The Sales, Marketing, Distribution and Loyalty division also agreed to renegotiate its very many service agreements in the IT sphere.

In 2022, the Group announced that it is changing its structure to optimize it and capitalize on the transformation undertaken in recent years. This allows the Group to consolidate its leadership positions, focus its efforts, strengthen its know-how, accelerate its growth and continue to improve its profitability. Since October 1, 2022, Accor has been structured around two dedicated divisions:

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

As such, Accor will leverage 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 its owners and guests even more relevant products and services, and attracting the best talents.

1.3.2 Attract, develop and retain

Accor's business model is unique in the travel industry. Operating 5,445 hotels in more than 110 countries, the Group is the leader everywhere in the world other than 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. The experiences offered to travelers match the vision of augmented hospitality that the Group has been developing, based on a comprehensive ecosystem and one promise: ALL – Accor Live Limitless.

Launched in December 2019, Accor's lifestyle loyalty program, ALL – Accor Live Limitless, is the cornerstone of the Group's approach to winning over customers and building loyalty. Accessible via a single platform, this ecosystem brings together all of the Group's offerings and those of its partners, and seeks to intensify its relationships with its customers and foster their lasting loyalty to the products and services it offers them. 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.

At the same time, the volume of personal and commercial data used by Accor means that it is increasingly required to secure its technological and distribution capacities by establishing partnerships that speed up its technological development and bring competitive advantages. This in turn makes for faster growth in footfall generated for hotel operators attentive to the level of fees invoiced, and faster analysis of commercial and financial data from hotels.

A pillar of the Group's growth, the loyalty of its guests boosts its appeal with hotel owners. It supports the Group's organic development, as well as the appeal of its brands and growth in fees, while enabling it to attract the most value-creating business partners. To increase the Group's appeal to hotel owners, Accor is working on the positioning of each brand and their value proposals, particularly in terms of sustainability. This helps meet owners' aspirations for brands that are engaged and make a societal contribution. Strengthening the brand portfolio in the Lifestyle segment is also a key action in attracting hotel owners who, through strong, trend-setting brands rooted in the local community, address the latest research of travelers of all generations. Through this segment, which has seen the strongest growth in recent years, travelers are looking for new experiences. Lifestyle is a highly attractive concept that embodies the way of being, thinking and living of travelers seeking meaning in their purchases and in their relationship with the world. In recent years, Accor has seized every opportunity to invest in this segment, which is growing rapidly worldwide:

- **The Group's offerings have met with resounding success in the economy segment** thanks to JO&JOE hostels with modular facilities attracting millennials. Accor also launched the greet brand in 2020, a committed unstandardized community, combining environmental concerns with a societal dimension and a quest for authenticity. Today's changes in consumption patterns come with great expectations in terms of brand purpose, sustainable development policy and corporate social responsibility.
- **Accor expanded its presence in the midscale** lifestyle segment with the 2019 launch of the TRIBE brand, targeting travelers seeking quality hotel experiences at affordable prices. TRIBE's offerings are original, exciting and well thought out, with an emphasis on style, with lively establishments attentive to ease of use, esthetics and comfort, allowing guests to live work and play in contemporary surroundings.

- **Similar options are also available in the luxury segment,** where they are synonymous with exclusive experiences and outstanding concepts, with unrivaled quality of service and a new sense of what hotel accommodation can be. The Group expanded its portfolio in 2018 with the acquisition of 21c Museum Hotels and formed a partnership with SBE Entertainment Group.

In 2021, following a stock-for-stock merger, Accor became the majority shareholder of Ennismore, the world's leading and fastest-growing new lifestyle platform.

Finally, Accor also makes attracting, developing and retaining employees a key challenge in its strategy and ambitions.

1.3.3 Promote positive hospitality

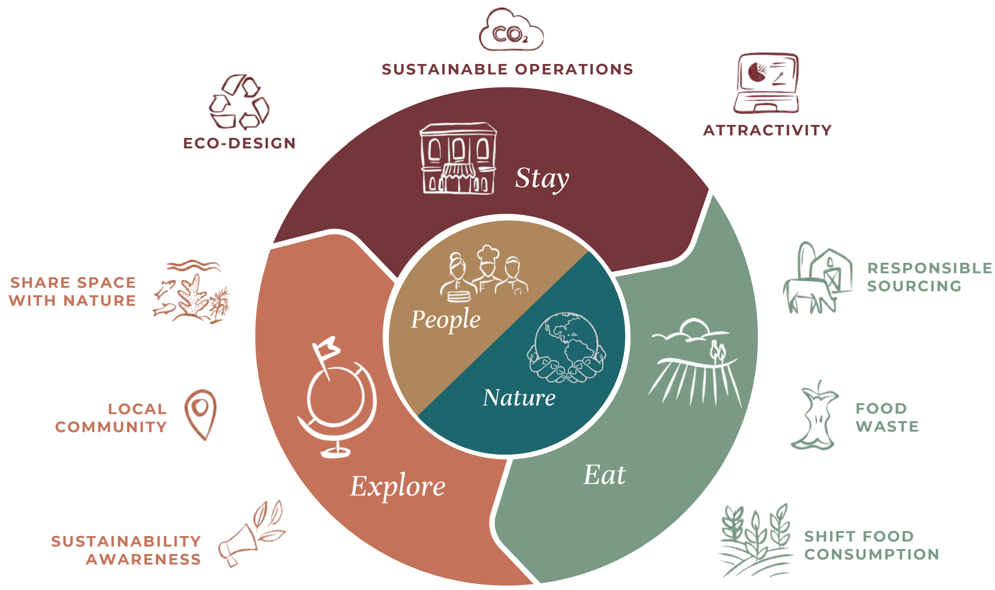
Over 2020 and 2021, Accor treated health emergencies arising from the global pandemic as a priority. The Group nevertheless managed to maintain its sustainability trajectory.

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 promoting social mobility and equal opportunity. This is the purpose of the new sustainability strategy presented in the Statement of non-financial performance on page 94.

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 customer experience.

Accor's new Sustainability Strategic Framework



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

The pandemic also accelerated awareness of business and private customers concerning the impact of carbon emissions, but also of alternatives to travel. It has changed the way we work and travel. Although the desire to travel is still present, the desire to live and work anywhere has also greatly increased. The priorities of a meeting or a business trip are now reassessed in terms of sustainability.

In order to collectively address the environmental challenges facing the sector, Accor joined the *Sustainability Hospitality Alliance*, a consortium of committed hotel companies, in 2021. In 2022, the Group also joined the GSTC (*Global Sustainable Tourism Council*), the leading sustainability organization 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:

- **operating its network of branded hotels within planetary limits.** After announcing commitments to reduce greenhouse gas emissions (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. 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.
- **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 is demonstrating 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

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2.1 Control environment

2.1.1 Risk management governance

Group Risk Committee

In view of the Group's transition to an asset-light model, acquisitions made in recent years and changes in the external risk landscape have resulted in a significant change in the Group's risk profile. In this context, and to ensure that risks that could prevent Accor from reaching its targets are correctly identified, assessed and handled, the Group Risk Committee is tasked with:

- contributing to the identification, evaluation and prioritization of major risks at the Group and Hub levels;
- 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 following functions are represented on the Group Risk Committee: Finance, Legal, Accor Tech, Purchases, Communication, Sustainable Development, Transformation, Distribution & Loyalty, Talent & Culture, Internal Audit, Strategy, Marketing, Development, Internal Control, Hub representatives (in rotation), and Risks.

The Committee is chaired by the Group's Deputy Chief Executive Officer and Chief Financial Officer and meets every quarter.

The composition and organization of the Group Risk Committee will be 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 five people at the Hubs 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 in the Group's various Hubs and functions. It is also responsible for overseeing the proper implementation and consistency of the Group's risk maps (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).

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.

Participation in the Group Accor Audit, Compliance & Risks Committee and the Ethics, Compliance & Sustainable Development Committee

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

- The Audit, Compliance & Risks Committee, whose membership and remit are described in section 2.1.2, oversees the annual mapping of major risks and the deployment of priority risk action plans. The Risk Director attends this Committee on a quarterly basis.
- The Ethics, Compliance & Sustainable Development Committee, whose membership and remit are described in section 3.4.1, oversees the result of mapping related to ethics and compliance issues as well as social, societal and environmental responsibility. The Risk Director attends this Committee on a quarterly basis.

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 Charterprovides a 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). In 2020, the Group upgraded its internal control system with an Internal Control Book specifying the processes of the key controls to be performed.

Overall organization of internal control

Scope of internal control

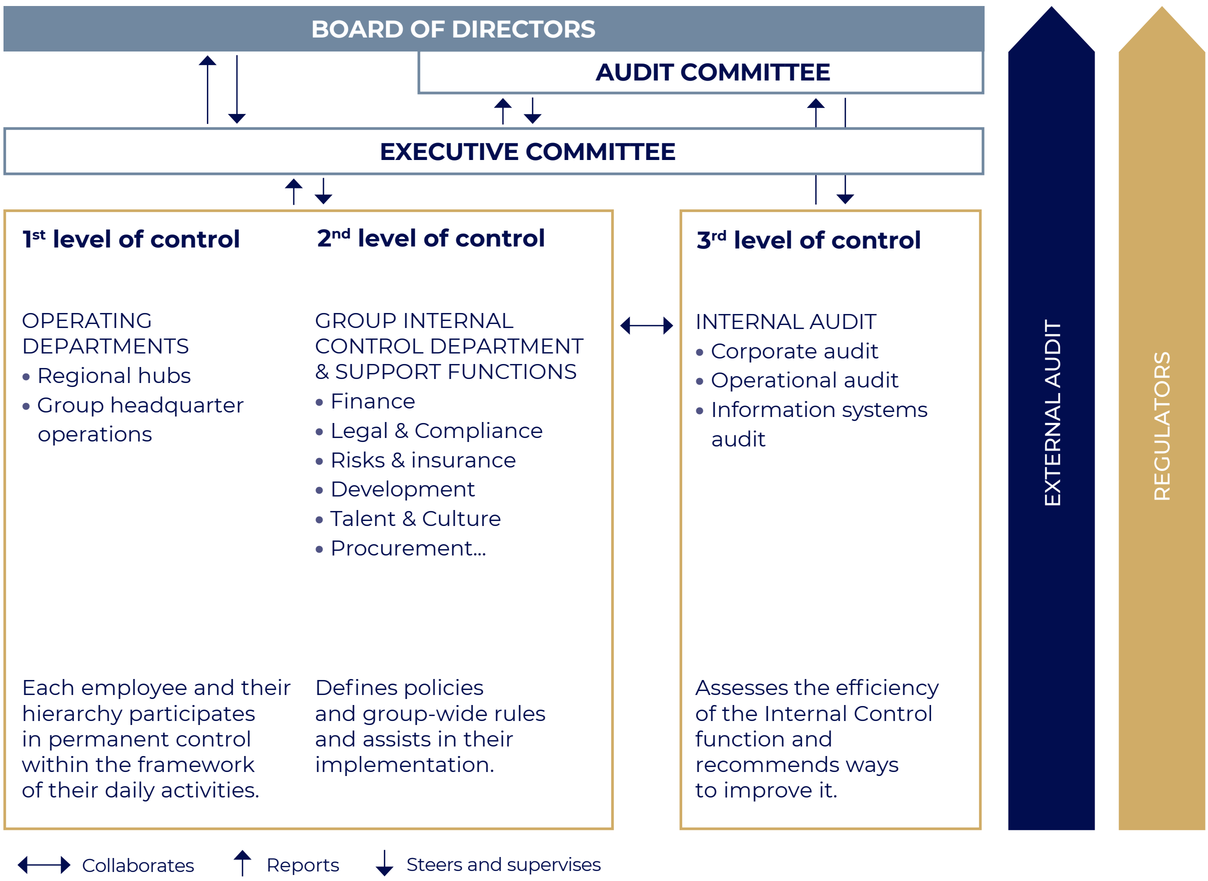
The internal control procedures described below cover the parent company and all of its consolidated subsidiaries.

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.

The internal control system is monitored on 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 Rules of Procedure (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 composed of the Chairman and Chief Executive Officer, the Deputy Chief Executive Officer and Chief Financial Officer, the members of the Executive Committee (the list of which is included in section 4.1.2 of this Universal Registration Document) and the Chief Internal Audit Officer. Representatives of the Group's key functions also attend Internal Audit Committee meetings, including General Control, Taxation, Financing, Risk Management, Legal, Compliance and Procurement. Lastly, the Internal Audit Committee includes the Finance Directors of the Group's various regions and business lines.

The Internal Audit Committee guarantees the independence of the Internal Audit function. 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 Committee

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 4.12.1.

For the purpose of carrying out his duties, the Chairman and Chief Executive Officer is assisted by an Executive Committee, which includes representatives from all the operating departments and support functions. The membership of the Committee appears in section 4.1.2.

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 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.

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 Department

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 Department

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 "use of internal control self-assessments" 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 hubs).

At December 31, 2021, the Group Internal Audit Department had around 40 auditors, around 30 of whom working locally in the regions.

Internal control self-assessments

The country head offices, New Businesses 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. For the first time this year, 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 Department

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:

DEPUTY FINANCE DEPARTMENT/GENERAL CONTROL

Accounting standards and practices responsible for the monitoring and application of regulatory changes, the implementation of new accounting standards and rules, and analysis and application of accounting standards relative to transactions carried out by the Group	**Internal control** responsible for compliance with laws and regulations, the application of instructions and directions given by General Management, the smooth running of internal processes and the reliability of financial information	**Shared Services Center *(Centre de Services Partagés, CSP)*** responsible for coordinating existing CSPs and rolling out new ones	**Consolidation and Integration** responsible for drawing up and reviewing the Group's consolidated financial statements for external publication, as well as the integration of newly acquired companies within the Group's financial processes	**Accounting** responsible for drawing up the parent company financial statements and the billing of fees and services to regional head offices
Financial planning, analysis responsible for auditing Group performance via Reporting, Budget, Forecast and Business Plan processes	**Projects** responsible for coordination of the Finance department's cross-cutting projects	**IT systems** responsible for administration of financial reporting frameworks, updating parameters, management of changes in Finance applications, user support and troubleshooting management	**SMDL** responsible for auditing the performance of the SMDL division via Reporting, Budget, Forecast and Business Plan processes	**IT** responsible for auditing the performance of the IT division via Reporting, Budget, Forecast and Business Plan processes

DEPUTY FINANCE DEPARTMENT FINANCING AND RISKS

Cash flow and financing responsible for the definition and implementation of policy procedures for cash flow and financing	**Risks and insurance** responsible for the protection of the fundamental interests of the Group	**Tax** responsible for the implementation and coordination of various actions to optimize Group taxation, in particular relative to cross-border transactions	**Investments** responsible for strengthening the Group's position as leader via takeovers, acquisitions, creations of joint ventures or disposals of businesses, interests or assets

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.

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 Finance Directors and consolidation teams. In addition, specific instructions on the reporting of 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 with delocalized Internal Audit Departments.

Internal audit

The Group Internal Audit Department carries out its audit assignments based on the following procedure:

Definition of the audit plan

Audit assignments are carried out according to the audit plan reviewed by the Internal Audit Committee and ultimately 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 managed hotels as effectively as possible. These assignments comprise a review of the annual self-assessment campaign, which forms the basis for an opinion issued by Internal Audit.
- **Strategic 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 concern issues relating to the integration of acquired entities, a function or a process, or to one or more pillars of the anti-corruption system.

Operational audit

Operational audits are conducted to assess the reliability and effectiveness of the internal control systems of the owned and leased hotels and the hotels managed by Accor, and to ensure that they comply with Group standards. These assignments notably include an assessment of the effectiveness of the Compliance system, especially in terms of the fight against corruption, as well as checking that internal control self-assessments are regularly performed by the hotels for 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.

The permanent and direct relationship between Group Internal Audit and the delocalized Internal Audit Departments ensures that they comply with the fundamental ethical principles of conduct and independence and respect the standards required of the Internal Audit profession, as well as the methods recommended by the Group. This relationship also guarantees that the delocalized Internal Audit Departments are provided with resources commensurate with the nature and objectives of local assignments.

These departments provide ongoing assistance to finance and operating departments in managing and monitoring internal control issues within 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.
- **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 services 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 action plans

These audits are intended to ensure that the action plans prepared by the audited unit following an audit assignment effectively take up the recommendations made, and that they are implemented in accordance with the schedule defined by the audited unit and approved 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 draft 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 the Group Internal Audit, and a summary of this work is presented to the Internal Audit Committee and the Audit, Compliance & Risks Committee.

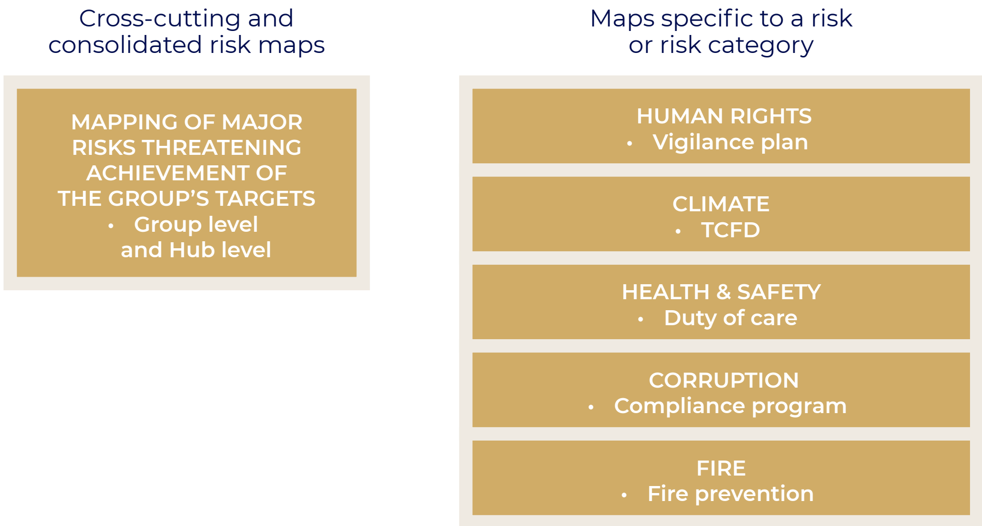
The Audit, Compliance & Risks Committee also receives a quarterly summary of the internal audits carried out during the period, including a status report on the annual audit plan, an assessment of the level of internal control observed during interventions and the gap between the internal auditors' assessments 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 action 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.



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 and approved each year by the Group Risk Committee, the Executive Committee and the Audit, Compliance & Risks Committee. The major risks threatening the implementation of the Group's strategy and the achievement of its objectives are noted there. The raw data comes from individual interviews conducted by the Risk Management Department in the Hubs and the Group's departments, as well as from an analysis of strategic internal and external travel and tourism industry sector documents. Similarly, this analysis is informed by all the different maps developed in the Group's Hubs.

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 local risk maps managed by risk representatives in the Hubs, 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 fire risk map, managed by the Group Risk Management Department.

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 transparency on the financial implications of climate according to the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD). In 2022, this first study was updated and detailed at the hotel level.

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.

The study was based on data from 2019, a full year of reference for Accor's business. 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.

Ethics and sustainable development risk map

Led by the Group Risk Management Department (section 2.1.1) and associated with the Duty of Vigilance to which Accor is subject, this mapping is updated annually and covers risks associated with respect of human rights, health and safety of people, environmental protection and business ethics, for example: human trafficking, children's rights, discrimination and harassment, employee rights, etc. 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.

The lessons learned from the questionnaires that were returned showed that occupational 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.

Health and safety risks are identified based on visits made to some of the Group's hotels and in-depth interviews with members of their management team. Their assessment called both on the expertise of the Social Innovation Department and on internal and external data on workforce and claims.

The 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 in 2023.

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

The 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.

In 2022, the Accor Procurement Department updated its supplier risk map, which had been based on an internal method since 2017. This new map was developed by an external third party and assesses procurement categories against 16 risks divided into five families (environment, human rights, working conditions, health and safety, and ethics). Based on this new methodology, 104 procurement categories were split into three levels of risk (low, high and very high). This led to an increase in the number of procurement categories identified as high or very high risk (80% of listed suppliers versus 62% in 2021).

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

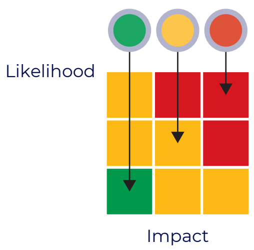
Fire risk map

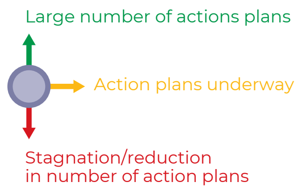
As part of the overall process for preventing hotel risks, the Group has set up a process for analyzing fire risk based on a questionnaire assessing the level of exposure and safety of the hotels it operates under management or franchise contracts. This detailed questionnaire is built on the three major 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	Existing level of control	Intensity of risk mitigation plans
Whatever their nature, risks faced by the Group are assessed on the basis of two factors: their likelihood (probability) and the intensity of their potential financial impact. Assessments are performed on a "net" basis, i.e., taking into account existing risk mitigation measures.	The level of control of each risk is assessed so that the Group can estimate whether additional control measures should be implemented.	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	Criticality level
Climate risk	
Malicious harm to the integrity of digital personal data	
Talent attraction and retention risk	
Deterioration of the economic, geopolitical or health environment	
Unavailability of digital operating data	
Non-compliance with standards, laws and regulations	

SNFP TCFD CLIMATE RISK

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. The outcome of COP 26 in 2021 anticipates pledges of around 1.8 °C and 2.4 °C. Thus, regardless of the level of actual physical temperature rise, the hospitality and tourism sector will evolve in a world 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 developed in 2021 and supplemented in 2022 highlighted the following risks and opportunities 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 could 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 the 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 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.

SNFP TCFD CLIMATE RISK

- **Opportunities**
  - Business travel: despite the future decline in the number of business travelers, the Group's commitments to reduce carbon emissions by 2030 and 2050 could create a strong competitive advantage for Accor over hotels that do not have the low-carbon emission criteria sought by businesses.
  - Leisure travel: Accor's carbon reduction commitments could improve current or future room carbon ratings and could create an appeal and/or preference for Accor brands and thus better retain ALL members and attract new members.
  - Reduced carbon cost: Accor's commitments to carbon reductions could reduce the impact of carbon tax costs and energy costs. This difference could create a positive competitive effect on room rates.

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 contribute to planet 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 environmental targets, with intermediate thresholds at the end of 2025.

A Chief Sustainability Officer was appointed to the Group's Executive Committee during 2021 to create a dynamic internally and in all our Divisions, but also externally by forging alliances with the world's leading hotel companies and in participating in G20 and COP 15 and 17.

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

In order to manage its sustainable transformation, Accor has invested in a reporting solution with the Gaïa tool. Its objective is to facilitate the measurement and monitoring of performances in energy, water and waste. The tool will notably make it possible to more accurately monitor the carbon footprint of hotels worldwide, to optimize costs for owners and to meet stakeholders' expectations.

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 taken stock of 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 HARM TO 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. In addition to the interruption of its operations, the Group's liability may be incurred, which could have a significant effect on its earnings (fines, French Data Protection Authority (CNIL) and additional regulatory bodies, compensation for guests and others, etc.).

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.

SNFP MALICIOUS HARM TO THE INTEGRITY OF DIGITAL PERSONAL DATA

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. Specific mandatory training on ransomware was also rolled out in 2022 at all of the Group's head offices.

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 Internal Audit 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. In 2021, easier teleworking conditions were voted in France, with the possibility of working remotely for up to 12 days a month, and an annual "People Survey" is used to identify possible areas for improvement and remediation plans to be implemented.

Lastly, the Group has set itself ambitious targets for the health and safety of its employees worldwide.

DETERIORATION OF THE ECONOMIC, GEOPOLITICAL OR HEALTH 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 sharp economic slowdown, a geopolitical conflict or an epidemic in these regions could result in significant restrictions on the movement of people, which could have negative consequences on hotel RevPAR and consequently on Group revenue, but could also force the closure of hotels or the abandonment of development plans in the area or areas concerned.

According to the International Monetary Fund, a third of the international economy could contract in the coming months. These forecasts nonetheless remain hypothetical for several reasons. The war in Ukraine is a current 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 euros recurring savings plan.

As of December 31, 2022, Accor has a strong financial position, with net cash and cash equivalent of 1,625 million euros, after the redemption of the two bonds of 60 million euros and 150 million CHF, issued in 2014, and maturing in February and June 2022 respectively.

The Group has also an undrawn credit facility for an amount of 1,200 million euros, maturing June 2024 (for 86 million) and June 2025 (for 1,114 million). The Group has decided not to renew its 560 million euros credit facility maturing in May 2022.

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 insurance program. However, financial losses stemming from the health crisis are excluded from nearly all of the insurance policies held by the Group and its partners.

Protecting guests and employees is a priority for the Group. For this reason, Accor has adopted a Safety & Security strategy based on appropriate organization, monitoring and 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, 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. 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.

UNAVAILABILITY OF DIGITAL OPERATING DATA

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.

Under the auspices of the Risk Management Department, mandatory training on preventing ransomware-related risks was rolled out in 2022 to all Group employees.

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 is planned for 2023 to test the Group's ability to react to an unprecedented major incident in real-time.

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 "Malicious harm to the integrity of digital personal data" risk) 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 2).

Elsewhere, the Group 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.

SNFP NON-COMPLIANCE WITH STANDARDS, LAWS AND REGULATIONS

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-branded hotels in their own compliance. This organization, described in section 3.4.2, calls on a central team and a network of Privacy 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 & Sustainable Development Committee and the Committee of the Board of Directors in charge of compliance matters (see section 3.4.1 "Governance, compliance and societal responsibility integrated into the Board of Directors' committees"). In 2022, the Risk Management and Compliance departments worked together to create a bribery risk map (update of the previous map from 2019) with the aim of adapting the risk mitigation plan.

In 2022, the Group continued to raise awareness among its employees on the fight against corruption through an e-learning module for all employees.

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.

In 2020, the French Anti-Corruption Agency (Agence Française Anticorruption) approved the in-house risk mapping processes and the prevention controls relating to this risk.

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, the ALL Safe cleanliness and prevention label guarantees 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 majority of risks to which Group-banner hotels are exposed are covered by a global insurance program written on an "all risks" basis (subject to named exclusions) covering property, business interruption and liability risks. Pursuant to Group insurance guidelines, whenever possible and in compliance with local regulations, this program rounds out the solutions that Accor offers to franchised and managed hotels, providing the Group with better overall visibility of existing insurance coverage.

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. The wide geographical dispersion of the Group's entities combined with its "asset-light" model mean 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.

The wide geographical dispersion of the Group's entities combined with its "asset-light" model mean 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.

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.

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 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.

Special attention is paid to risks classified as natural events by carrying out an annual risk modelling exercise. This analysis calibrates the levels of coverage required in each country based on exposure to natural disasters. Similarly, specific cover for terrorism risk, which is renewed on an annual basis, is introduced in all countries where local legislation permits.

Other forms of global insurance, such as for construction-related risks and fraud, are also set up centrally to optimize insurance costs and ensure the quality of purchased coverage.

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.

Section 3

Corporate responsibility

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After two years impacted by the health crisis, the Group returned to its pre-Covid-19 business levels. The professionalism, commitment and reactivity of its employees enabled Accor via its operations and at its head office, to deal with health and social emergencies stemming from the crisis while maintaining its sustainable development trajectory. Building on the achievement of the objectives of past plans, the Group succeeded in launching its new sustainable development strategy in 2022 which will guide its actions out to 2030.

In accordance with the Directive of October 22, 2014 relative to the publication of non-financial performance information, this chapter includes the Group's Statement of Non-Financial Performance. This one describes the main risks linked to its business, the policies, the action plans to prevent and mitigate them, the related action plans and the results expressed as key performance indicators. Accor's business model is presented on page 38 of this Universal Registration Document.

3.1 Challenges and strategy

3.1.1 Sustainable development: a new strategy for 2030

Climate change, biodiversity loss and social challenges are shaping the planet's ecosystem and have an impact on company growth. The tourism and travel industry currently represents 9 to 12% of greenhouse gas emissions [(1)]. Pressure and increasingly high standards imposed by stakeholders in the hotel industry: customers, partners, employees, investors, governments, legislators and non-government organizations (NGOs), are now calling for an overhaul of travel. For example, 69% of today's travelers want access to a more sustainable travel offering [(2)].

Companies must play a part in their sector to be the drivers of systemic change. The hospitality sector, and more largely the travel and tourism industry, have a key role to play in this transformation. The strategic choices made by sector professionals have the power to influence all players in the value chain, upstream and downstream: from real estate to agriculture, via restaurants and entertainment, through to the traveler.

To engage in this transformation, Accor must rethink the way it works and its business model because the future of the hospitality industry goes far beyond the four walls of a hotel. It is now part of a global ecosystem which creates new interactions with local communities, generating a positive impact on the local economy, the environment and culture.

From the outset, Accor strives to make the world a more virtuous and welcoming place. The Group was the first major French company to create an Environment Department and has been working for more than 30 years in the promotion of positive hospitality.

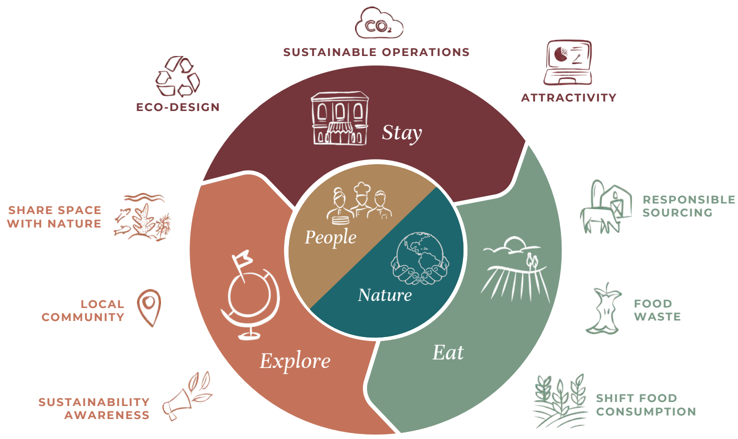
While numerous actions have already been carried out, Accor now wants to move up a gear. Its ambition is to shift to a contributive model by integrating sustainable development at the heart of its business model and value proposition, by offering new ways of traveling, more locally based and more respectful of biodiversity, by playing a role as social elevator and promoting equality of opportunity.

In this respect, the Group has drawn up its new sustainable development strategy out to 2030 which 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 customer.

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

(1) Source: World Travel & Tourism Council (WTTC).
(2) Source: Systemiq analysis "Better travel & tourism, better world", 2022.

The new Accor's Sustainability Strategic Framework



Two fundamentals at its core: *People* and *Nature*

For Accor, these two fundamentals are part and parcel of the tourism industry and essential in carrying out its business. Furthermore, they are intimately linked because ecological challenges cannot be tackled without resolving challenges of social justice. 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. This market represents close to 10% of employment and wealth generated in the world. It plays a role as social elevator for people who often have no training. This is why the transformation of the Accor 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 about 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 absolute 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.

It is by allocating the resources to continue to pursue its ambition that the Group can contribute to a *"Nature Positive"* world.

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 the Group 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 – The group 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 community and raise guest awareness to respect nature.

3.1.2 A strategy which leverages the continuous commitment of the Group to positive hospitality…

Accor's new sustainable development strategy for 2030, more integrated in the Group's business strategy, is firmly founded in the Group's history, committed since 1970 to positive hospitality. It notably capitalizes on the achievements and lessons learnt from the previous *Planet 21* and *Acting Here – Planet 21* (2011-2021) programs.

These successive roadmaps enabled the Group to make significant progress over the past 10 years by mobilizing and catalyzing the energies of teams and hotels around commitments measured and tracked each year, in a constant improvement approach toward more sustainable hospitality.

Their implementation in all hotels has anchored Accor as a pioneer in sustainable development in the hotel sector.

2011-2015: ***Planet 21*** focused on reducing energy consumption.

2016-2021: ***Acting Here – Planet 21*** rolled out a more collaborative system, engaging guests, employees, suppliers and partners. A catalog of 76 initiatives enabled hotels to progress on social, societal and environmental challenges. The program is backed by an internal certification system, including 10 mandatory actions at least to reach the Bronze level, followed by Silver, Gold and Platinum.

The successes of *Planet 21*

- **Agroforestry with the key *Plant for the Planet*** program. This initiative, launched from 2009, encouraged hotel guests to reuse towels during their stay, a behavior which was rewarded by Accor planting trees. 7.5 million trees were planted over the course of the program.
- **Urban vegetable gardens.** This project, launched in 2016, brought together guests and employees in a virtuous approach. More than 1,200 vegetable gardens were created over the course of the project.
- **Fighting against sexual tourism involving children with the *We Act Together for CHildren (WATCH)* program.** Created in 2014 following initial contacts with the *ECPAT* NGO, this historical program within the Group was rolled out by 98% of hotels.
- **More women General Managers.** In certain regions, and this is true of Brazil, more than 56% of hotel General Managers are women. This result is a clear illustration of the continuous efforts made by Accor to foster equality and promote female leadership, which is more than ever a key concern.
- **Healthy and sustainable food.** This program is part of the responsible procurement policy so that restaurants can offer responsible, locally-sourced and seasonal food, which is respectful of animal welfare.

3.1.3 …and strengthened governance

In 2022, Accor expanded its governance to support its strategy, translate its ambitions into concrete results, steer projects and promote a culture of sustainability in its Functional Departments and the key functions of its Hubs.

In May 2021, Brune Poirson, former General Secretary of the Energy Transition, joined Accor as Chief Sustainability Officer. She is a member of the Executive Committee.

Board of Directors

Environmental, social and governance topics are discussed on average once per quarter in Board meetings. The themes discussed are the long-term strategy, the non-financial performance and the risk mitigation.

Appointments, Compensation & CSR Committee

The mandate of the Appointments, Compensation and CSR Committee is to prepare the decisions of the Board of Directors regarding environmental, social and governance topics (for example, the composition of management bodies). It also prepares decisions relative to the compensation of executive officers, long-term discretionary profit sharing policy and its indexation to non-financial performance criteria.

The Executive Committee

Sustainability topics are discussed monthly by the Executive Committee. The themes discussed are the monitoring of non-financial performance, strategic propositions and budgetary arbitrages.

Regional Executive Committees

Regional Sustainable Development Executive Committees have been set up within the Executive Committees of the Hubs where the Group operates. Monitoring roadmaps, action plans and related indicators are among the topics discussed.

Strategic steering committees

Strategic steering committees involving Hub general managers and key Group functions have been rolled out on certain strategic projects such as carbon and single-use plastic.

Sustainable Development Department

In 2022, this Department was structured and expanded with the arrival of employees and new expertise in the areas of non-financial performance, project management and commitment.

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

- reinventing hospitality with the objective of positioning Accor as a company carrying out operations respectfully aware of the limits of our planet;
- 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, at all levels, of environmental and social challenges;
- providing the tools and resources to enable each Department to drive this strategy;
- monitoring sustainable tourism and travel trends to maintain Accor's leadership.

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

Sustainable development strategy is steered by the Chairman and Chief Executive Officer of Accor via notably the integration of ESG criteria in his overall compensation. 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 2022:

- 5%: percentage of managed and franchised hotels having eliminated single-use plastic (apart from disposable water bottles) from the guest experience;
- 5%: percentage of managed and franchised hotels having implemented a tool for measuring carbon emissions;
- 5%: percentage of women on Management Committees worldwide.

For more information see also *chapter 4 – Governance*.

3.1.4 A transformation plan to place sustainable development at the heart of Group practices

2022 saw the launch of Accor new sustainability strategy. To drive this strategy, engage teams and enact change to practices in harmony with this strategy, Accor defined a transformation plan build on three levers for change.

1- Fostering a common culture of sustainability: implementation of the *School For Change* training program launched in June 2022, participation of Executive Committee members in internal events or external round-tables covering sustainable development challenges are flagship examples.

2- A new vision of performance: the challenge is to gradually place non-financial performance at the same level as financial performance and tighten their links, notably by:

- the evolution of governance with the creation of the Performance Team within the Sustainable Development Department;
- the implementation of financing tools indexed to social and environmental objectives;
- 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.

3- Roll-out of five strategic priorities: elimination of single-use plastic from the guest experience, objectives in terms of gender equality, training in sustainable development for all, objective of reducing carbon emissions, optimization of environmental reporting, etc., illustrate the voluntary approach to rolling out this strategy. The challenges and results of these priorities are presented throughout this chapter.

3.1.5 *Five priorities in 2022 to engage the sustainable transformation*

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 2022, are associated with numerical objectives largely communicated within Accor.

2022 priorities to accelerate sustainable transformation

1. Elimination of plastic

Accor has committed to eliminating single-use plastic from the guest experience in Group hotels. Six categories of plastics, representing 46 products to be eliminated or replaced, were identified.

The *No More Single-Use Plastic* action plans were reinforced in 2022. Accor head office teams worked with the Hubs to provide hotels with all of the resources and tools necessary to complete this project: operating directives, identifying and recommending new procurement sources, modalities for steering and auditing the program *(see also section 3.2.1).*

2. Diversity & 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 maintained in 2022 to increase representation of women on Management Committees or in Hotel Management roles *(see also section 3.3.2.1).*

3. Reporting

Aware of the importance of leveraging robust environmental data to steer its sustainable transformation, Accor has invested in a new reporting solution, set to replace its historical Gaïa tool. At end-2022, more than 70% of the hotels have the Gaïa 2.0 tool. The 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 *(see also section 3.3.2.2).*

These three priorities are factored into the calculation of employee annual variable compensation.

4. Sustainable development training

As a Group active in 110 countries, Accor strives to ensure that all of its employees share a common scientific-based language. The environmental training program *School For Change* commits each employee and enables them to acquire solid basic knowledge on the sustainable transition, to be able to integrate this knowledge in their professions on a daily basis. All eligible Accor head office staff, both centrally located and in the Hubs, were invited to complete these obligatory training modules available on the online training platform *(see also section 3.3.2.2).*

5. Carbon footprint

The hotels represent more than 70% of the Group's consumption of energy worldwide, with the fossil fuels and electricity that they consume being responsible for more than 70% of their total CO_2 equivalent emissions. To reduce its carbon footprint on 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).*

This priority is included in the calculation of the variable compensation of the Chairman and Chief Executive Officer.

3.1.6 Significant events in 2022

JANUARY

Adoption of the Ocean framework, launched by *Fondation de la Mer* (Sea Foundation)

Accor and Amundi began a close collaboration with *Fondation de la Mer* via the adoption of the Ocean Framework, aligned with United Nations Sustainable Development Goal 14 (Life below water) to help companies measure and make positive changes to their impacts on marine life.

Accor is the first large-scale company to adopt the framework which identifies 10 different impacts on ocean life, declined in 44 levers of action and indicators.

FONDATION DE LA MER

FEBRUARY

Launch of an online training module to combat gender violence

Raising awareness, prevention, assistance, protection: Accor is acting to ensure that the respect of the dignity and safety of everyone is at the heart of the values of each Heartist®. After its commitment in 2021 to colead the *Coalition against gender-based violence* initiated by *UN Women,* Accor launched an online training module, translated into 13 languages, on combating gender-based violence for all employees. The objective is to enable each and every one to recognize and combat sexism, sexual harassment and domestic violence. In 2022, more than 90% of the Group's head offices eligible Heartists® had completed the training module.

MARCH

Launch of the Pathway to Net Positive Hospitality in collaboration with the Sustainable Hospitality Alliance

Accor and the other 13 members of the *Sustainable Hospitality Alliance* are launching the first stages of the *Pathway to Net Positive Hospitality* initiative. Backed by the *World Travel & Tourism Council (WTTC)*, this initiative offers a practical framework to hotels – chains or independent – to improve their environmental impact and help them along their decarbonation trajectory. The issues addressed include carbon emissions, water consumption, waste management and procurement.

APRIL

Mobilization of six members of the Executive Committee for World Earth Day

For Earth Day, on April 2022, Sébastien Bazin, Chairman and Chief Executive Officer, and several members of the Executive Committee (Finance, Talent & Culture, Marketing, Southern Europe, etc.) were mobilized to share the Group's sustainable vision, as well as the roadmaps and actions implemented as part of the transformation plan.

Close to 2,500 employees took part in the event at Group head office in Paris and online.

MAY

Participation in the International ChangeNow Summit in Paris

A large panel of opinion leaders and innovative changemakers came together on themes such as biodiversity, circular economy and reduction of carbon emissions. Sébastien Bazin, Group Chairman and Chief Executive Officer, and Brune Poirson, contributed their testimonies on responsible hospitality.

The members of the Executive Committee and their teams took part in a learning expedition to discover start-ups and sustainable solutions in the service of industry. greet, a Group brand with its model based on the circular economy, was one of the presenters.

JUNE

Global launch of the online training program *School For Change*

Accor rolled out an ambitious training program, *School For Change*, to raise employees awareness of sustainable development challenges. Group employees carried out a mandatory six-hour training course to better understand the causes and consequences of climate change on biodiversity and populations, and to promote the sharing of solutions for action at their level. By end 2022, the training had been completed by 97% of eligible head office employees, and the initiative was acknowledged at *The Worldwide Hospitality Awards*.

Cocreation of new ranges of accessories with our suppliers, targeting zero plastic

Accor's avant-garde vision has driven the Procurement, Marketing and Sustainable Development Departments to cocreate with suppliers a range of higher quality innovative accessories. As a result, 49 new references were created with alternative materials to plastic and compliant with external certifications (*FSC* and *OK Home compost*, for example). A sober approach is promoted: products are available when requested by guests, and no longer offered systematically. Packaging has also been eliminated or drastically reduced. These ranges are developed for all hotel segments, from economy to luxury. Thanks to the creation of these ranges, the use of more than 16 tonnes of plastic has been avoided. In November, this initiative received the *Best Sustainable Action* prize at the *Worldwide Hospitality Awards*.

OCTOBER

Commitment to sustainable tourism with GSTC

On October 29, Accor joined *GSTC,* the benchmark organization in terms of sustainability in the hotel industry. As a major player in the hospitality sector, the Group has a key role to play in transforming the industry and defining new ambitious standards for sustainable tourism. With this partnership, Accor will be able to make a collective contribution to shaping the hotel industry of tomorrow. Furthermore, Accor places these *GSTC* criteria at the core of its transformation approach, notably by integrating them in the standards of 17 brands in its portfolio.

Launch by Accor and *La Fondation des Femmes* of a dedicated *Abri d'urgence (Emergency shelter)* platform

Today, 4 out of every 10 women victims of violence who request emergency shelter do not have their needs met owing to the saturation of emergency facilities. Faced with this situation, Accor and *La Fondation des Femmes* launched a platform to keep women and children victims of violence safe and provide rapid shelter, within Accor hotels. The quality of the accommodation provided, even for short periods, is a key factor in escaping the circuit of violence and reconstruction. Since March, 148 women and children benefited from this hosting solution, which has been rolled out throughout France.

Signature of the Schneider Electric contract for the launch of Gaïa 2.0

Accor and Schneider Electric signed a key contract as part of the ambition to reduce the Group's carbon emissions: the implementation of a new technology platform facilitating the management of Utilities by the hotels. This agreement is part of the approach adopted by the Design & Technical Services Department to move to an energy management system compliant with ISO 50 001. Notably, this platform will enable Accor and its network to measure and ensure robust steering of energy, carbon and water management. At end-2022, 71% of the Group's hotels, i.e. more than 3,900 hotels, have the new Gaïa 2.0 tool.

NOVEMBER

G20 participation

What future for sustainable tourism? How can tourism be the driver of change? These questions were part of discussions and questions covered at the G20 in Bali. On the agenda, solutions proposed by professionals debating on the subject, including Brune Poirson: creation of common standards for the travel industry; launch of a coalition of players to move the goal posts; elaboration of innovative financing to protect high-risk countries; identification of pilot destinations which could become examples to follow.

Adoption of an energy sobriety plan

78% of Accor's carbon footprint is linked to energy. To reduce this item against a backdrop of surging prices and supply difficulties, Accor has implemented an energy sobriety plan with 4 strong measures: lowering heating and air conditioning in common areas of hotels and hotel rooms; closure of external swimming pools and reduction in opening hours of leisure areas (saunas and hammams); closure of the 50,000 mini-bars in rooms; avoiding wastage in kitchens. These measures were complemented by a training program for hotel employees.

DECEMBER

Support at COP 15 for biodiversity

Protect 30% of the planet, restore 30% of ecosystems, transfer 30 billion dollars per year from Northern countries to Southern countries by 2030. In summary, those were the commitments made by the 195 States in Montreal with this historic agreement on biodiversity. In connection with this announcement, the Group is mobilizing to integrate the planetary boundaries in its operations and activities through a commitment to nature, for the transformation of the agricultural model and to offer a new vision of tourism.

3.1.7 Accor's response to non-financial risks

In 2022, Accor revised its non-financial risk mapping. This task was completed by the Sustainable Development and Risk Departments, with the help of an external firm. The methodology of identification of risks and the governance of risk control are presented in *chapter 2*.

The table below 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 legal perimeter is composed of head offices, new business, owned and leased hotels for which the Group has a majority control (114 hotels at the end of December 2022)**.** On this perimeter, Accor applies its policy and strengthens its controls and reporting.

Table of risks, policies and related key indicators

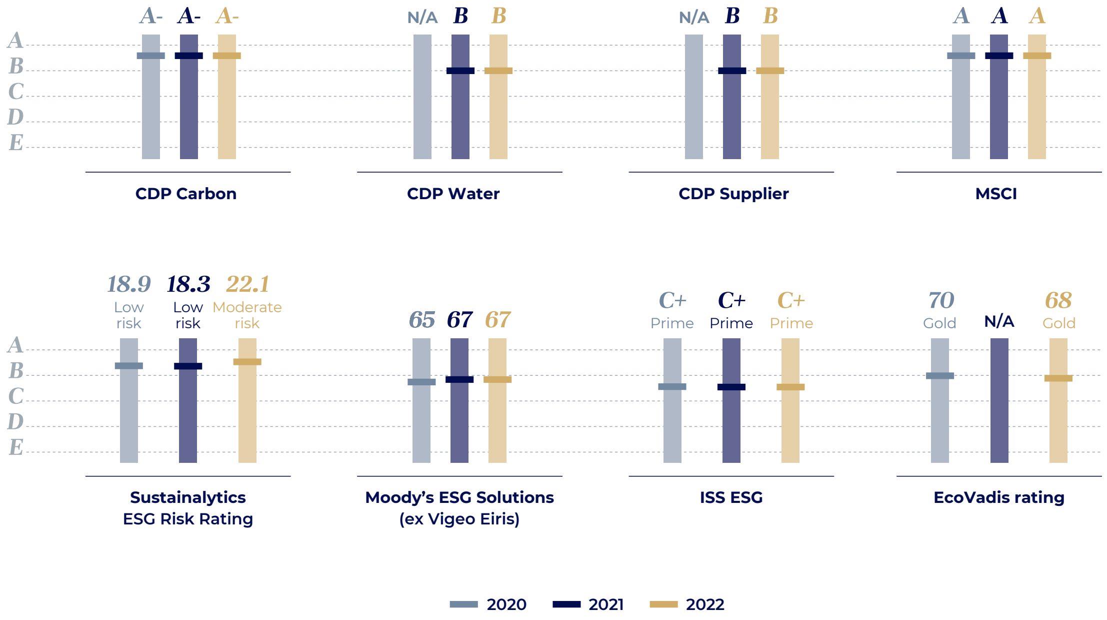
Theme	Risks/Opportunities	Sustainability commitments	Contribution to SDGs
ENVIRONMENTAL RISKS			
Climate	Lack of adaptation of Group activities to climate change (floods, heatwaves) Difficulties reaching Group carbon reduction objectives aligned to 1.5 °C	Carbon emission reduction by 2030 aligned to the 1.5 °C trajectory validated by the Science-Based Targets Initiative Net zero carbon emissions target by 2050 on all scopes 1, 2 and 3	7, 8, 11, 12, 13, 14
		Robust measurement of carbon emissions	
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	Elimination of single-use plastic Waste reduction and increased recycling	3, 6, 8, 11, 12, 14
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, 14, 15
		Reducing food waste	2, 12
SOCIAL RISKS			
Talent attraction and retention	Reduced appeal of the hotel industry and intense intra-sector competition, leading to longer lead-times, higher costs of recruitment and integration as well as the risk of loss of key talent	Upholding the Employer brand promise: "Be Limitless" As much attention given to a candidate Talent decision as to a guest reservation decision.	4, 8, 16
Employee commitment	Deterioration in social climate or working conditions, loss of employee motivation, with possible impact on service quality to guests, with increase in staff turnover, and on financial results	Upholding the Employer brand promise: "Be Limitless" Supporting employees throughout their careers within the Group.	4, 8, 16
Diversity and 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 executive bodies Disability: Charter of the Global Network "Disability in the Workplace" of the ILO and "Valuable 500" Commitment	5, 8, 10, 16
RISKS LINKED TO GOVERNANCE			
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, compliance with the OECD principles, and French and European standards	8, 16
Protection and safety of personal data	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 (Accor)	16
Respect of human rights in the hotels	Lack of respect of human rights within the hotels	Respect and promote fundamental labor rights Prevention and fight against human trafficking including sexual exploitation, particularly of children Combat all forms of harassment and discrimination Guarantee the health and safety of employees and guests Respect the privacy of its employees and guests	5, 8, 16
Control of the supply chain	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.) Responsible procurement (eco-responsible products, elimination of plastics, etc.)	6, 8, 12, 14, 15, 16

Theme	URD Section	Key performance indicators	Objective	2022 Group scope	2022 Legal reporting scope
ENVIRONMENTAL RISKS					
Climate	3.2.1	Emissions of CO_2 in $ktCO_2eq$ compared with the reference year 2019 Scopes 1, 2 & 3	2025 objectives: -25.2% 2030 objectives: -46%	Base 5,149 hotels 2 924 in $ktCO_2eq$ (-15.8 % vs 2019)	71 in $ktCO_2eq$
			2025 objectives: -15% 2030 objectives: -28%	Data published in Q3 2023	Data published in Q3 2023
	3.2.1	Share of hotels with a carbon emission measurement tool	60% as of 12/31/2022	71%	80%
Circular economy	3.2.2	Share of hotels having eliminated all single-use plastic from the guest experience (excluding disposable water bottles and a few exceptions)	80% as of 12/31/2022	84%	74%
Sustainable food	3.2.3.2	Share of hotels having implemented 5 actions or more of the 9 in the Charter for healthy and sustainable food	100% of hotels have implemented more than half of the actions in the Charter for healthy and sustainable food	48%	66%
	3.2.3.1	Share of hotels having declared implementation of an "combat food waste" program action.	100% of hotels implemented a combat food waste program	46%	49%
SOCIAL RISKS					
Talent attraction and retention	3.3.2	Share of resignations in departures (%)	Minimization of resignations in departures	70%	69%
		Number of employees having attended at least one training course during the year (%)	Number of employees having attended at least one training course during the year (%)	NA	86%
Employee commitment	3.3.1 3.3.3	Overall employee commitment score (new 2022 commitment score, based on 3 questions)	Commitment score progress	8.6/10 (ex head offices)	8.6/10
Diversity and Inclusion	3.3.1 3.3.4	Percentage of women on Management Committees worldwide	39% in 2022 45% end 2025	39%	NA
		Share of women General Managers	40% end 2025	31%	41%
GOVERNANCE RISKS					
Business ethics	3.4.1	Number of completions recorded for the anti-corruption online training	Maximum share of employees having completed the anti-corruption online training over a three-year sliding period	25,724	4,015
Protection and safety of personal data	3.4.2	Number of completions recorded for the online GDPR training	Maximum share of employees having completed the online GDPR training over a 3-year sliding period	15,865	828
		Number of completions recorded for the online ransomware training	Maximum share of employees having completed the online ransomware training over a 3-year sliding period	NA	2,577
Respect of human rights in the hotels	3.4.3	Share of hotels having implemented the WATCH program	100% of hotels implement our program to protect children from sexual exploitation (WATCH)	98%	75%
		Annual change in number of alerts to the whistleblowing line (Integrity Line)	Promote whistleblowing, monitor and process alerts efficiently	+49% vs 2021	NA
Control of the supply chain	3.4.4	Share of selected suppliers having signed the Responsible Procurement Charter (launched end-2022 and implemented in 2023)	100% of nominated suppliers had signed the Responsible Procurement Charter at end-2025	Base: 4,387 suppliers 100% signed the previous Procurement Charter 21 0% have signed the Responsible Procurement Charter	

Risks relate to “tax evasion”, “company sporting activities” and “animal welfare” are discussed in a secondary manner in the relevant sections.

3.1.8 *Non-financial performance ratings, recognized performance*

Accor replies to rating questionnaires to assess its economic, social and governance (ESG) performance. Accor is one of the highest performing companies in its sector, and notably in 2022 was ranked:



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

3.2 Protecting nature and preserving resources

Accor is convinced that the hotel industry of tomorrow will be founded 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 Group's actions are build around five themes;

- climate change;
- circular economy and plastic;
- sustainable food and fight against food waste;
- preservation of water resources;
- preservation of biodiversity and ecosystems.

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 warning 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. 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. These objectives are very ambitious, the global risk for Accor relating to encountering difficulties, either external (for example: lack of availability of low carbon energy sources) or internal (for example: delay in rolling out the carbon measurement tool), to comply with its trajectory.

Since 2006, Accor has answered the *CDP (formerly the Carbon Disclosure Project)* questionnaire on climate change. In 2022, the *CDP* recognized the Group as a leader in climate challenges and assigned it an A – score which corresponds to the highest "Leadership" level.

Accor is committed to implementing the recommendations of the *Task Force on Climate-related Financial Disclosures (TCFD)* and continued to pursue these efforts in 2022.

To ensure the greatest transparency in the Group's efforts in terms of managing climate risk and reducing climate impacts, **Accor's 2022 reporting on the pages which follow apply the guidelines of the *TCFD*:**

- **climate governance;**
- **climate strategy;**
- **management of climate risks;**
- **climate metrics and objectives.**

This is complemented by the 2022 presentation of action plans and results.

Climate governance

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

The **Board of Directors**, upon recommendation from the appointments, compensation and CSR committee, adopted three key decisions on climate issues during the past two years:

- **the net-zero at 2050** commitment validated by the SBTi and aligned with the Paris Agreement, driven and signed by Chairman and Chief Executive Officer, Sébastien Bazin;
- the issuance of securities linked to carbon-reduction criteria **(Sustainability-Linked Bond)**;
- inclusion of non-financial performance criteria also covering carbon emission reductions in the calculation of bonuses of managers and employees.

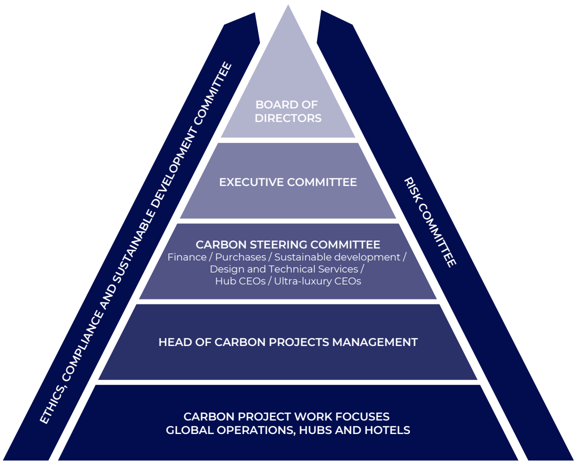
In 2020, the **Carbon Steering Committee** was established by the Accor Chairman and Chief Executive Officer, Sébastien Bazin. The mission of the Carbon Steering Committee is to define climate strategy and the operating implementation projects to control climate risk under the supervision of the Chief Sustainability Officer. It is steered by the carbon project management cell, responsible for mobilizing internal stakeholders in implementing the carbon strategy.

The **Ethics, Compliance and Sustainable Development Committee** is also responsible for strategic monitoring.

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 risk in compliance with the reporting requirements of the TCFD



The **Design & Technical services Team** is responsible for the collection and aggregation of data related to CO_2 equivalent emissions at the Group level, under the supervision of the Sustainable Development Department. Results are shared each year within the organization and publicly.

Group climate 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 program *Planet 21*, 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 owing to the gradual transformation of the Group since 2016 to an asset-light model, which included 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, and to act on all levers at its disposal: brand standards, technical hotel standards, coherence of policies and processes with the Group's decarbonation objectives. Accor is also responsible for providing hoteliers 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.

Its 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 achieve 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;
- **accelerate renewable energy procurement,** offsite and onsite notably wind and solar;
- **balance residual emissions**, via new methods, partnerships and offers, to ensure attainment of planetary carbon neutrality.

Management of climate risks

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.

In 2021, an in-depth and detailed risk mapping linked to climate change was carried out. This risk mapping enabled the identification of physical risks and their probable consequences in a work 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). See also *chapter 2 – Risk factors*.

In 2022, this first study was updated and detailed at hotel level.

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.

Climate metrics and objectives

To steer its carbon trajectory, Accor has set and implemented objectives aligned with science and based on recognized scientific metrics (*SBTi*).

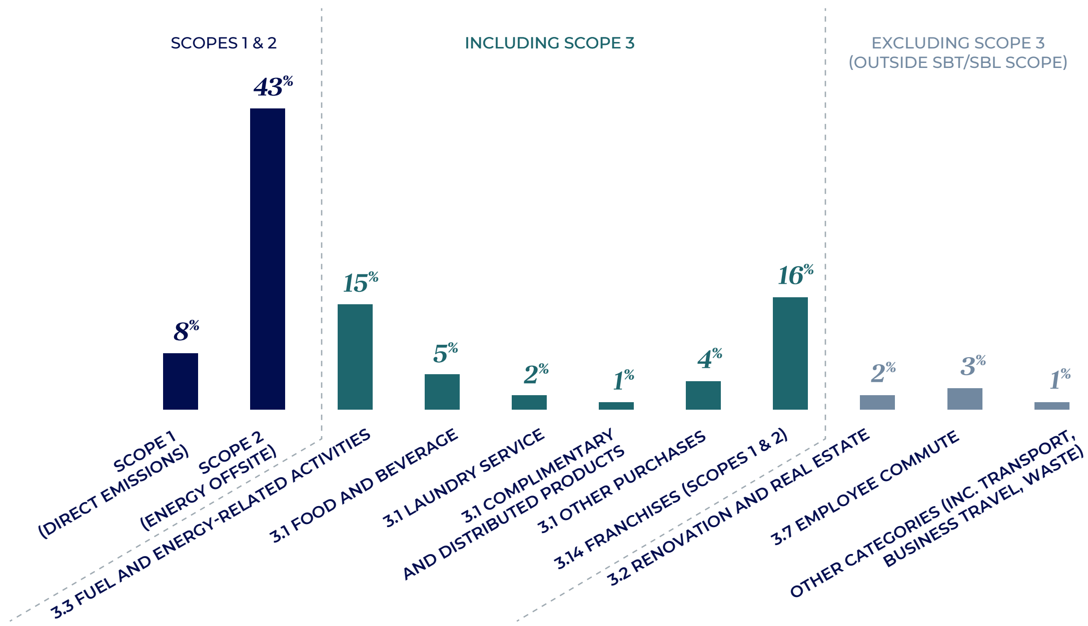
Definition of scopes

Scopes 1, 2 and 3 are included in this study with the following scopes:

- **Scope 1** covers direct greenhouse gas (GHG) emissions from head offices and hotels owned and leased or managed by the Group;
- **Scope 2** covers indirect emissions linked to the production of energy purchased by hotels owned and leased or managed by the Group (electricity purchased, steam, urban heating and air conditioning networks) as well as the indirect emissions of the head offices and new businesses;
- **Scope 3** covers the indirect emissions due to upstream and downstream activities required for the Group's direct activity:
  - upstream activities: purchases of beverages and food, laundry service, real estate and renovation services, of products distributed and welcome products, indirect consumption of fuel and energy, waste generated, business travel and home-work travel for employees,
  - downstream activities: franchised hotels (for their Scopes 1 and 2).

Emissions related to transport of guests are not included in the calculation of the Group's carbon footprint.

Reference year for Accor's carbon footprint: 2019



SBTi commitment +1.5°C

Accor has set out an industry-leading 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 value chain.

Accor's approach is reinforced by its commitments in favor of reduction objectives in the short to medium term.

Carbon objectives

	Scopes 1 & 2	Scope 3	Comment
2019	Emissions reference year		
2025 **Reduction objective 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

The absolute reduction objective of 46% for scopes 1 and 2 implies taking account of growth of the hotel network, reinforcing the ambition of the trajectory. Accor is a front-runner in its sector by integrating an objective in absolute terms.

Regarding the *SBTi* scope 3 reduction objective, emissions linked to renovation and real estate services, business travel and employee home-work travel, and waste generated are excluded from the objective. This objective is still very ambitions, as it covers 87% of total scope 3 emissions.

Accor recognized as a pioneer in ESG financing

The majority of Accor's acquisition of its head office in Issy-les-Moulineaux (France) was financed by a green mortgage loan of €300,000,000. The Sequana tower benefits from a HQE certification level.

The "green loan" was established in compliance with the *Green Loan Principles (GLP)* and was subjected to an external verification by *Sustainalytics*. Published in March 2018 by the *Loan Market Association (LMA)*, these guidelines make note of the emergence of a green trend on the banking credit market and set the rules applicable to green loans to preserve the market's integrity.

In addition, Accor achieved a world first in its sector by signing an agreement with a 15-bank consortium in 2018. This agreement involved the establishment of a revolving credit facility of €1.2 billion to replace the undrawn credit facility obtained in 2014. The novelty aspect includes the incorporation of CSR criteria into the mechanics of this financing. The facility's interest rate is conditional, among other factors, on the ESG (environmental, social and governance) performance of the Group, based on an evaluation completed each year by *Sustainalytics*.

Action plan

Climate action, at the heart of Accor's development strategy, led in 2022, to 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.**

The weight of each of these sources of carbon emissions in the Group's carbon footprint (see reference year 2019 graph – above) contributed to the prioritization of projects.

Raising awareness and training employees, from head offices to the Executive Committee

In 2022, the Group rolled out several strong initiatives to raise awareness and train company employees:

- general managers of the geographic Hubs and their main Executive Officers have been made aware of climate challenges and action levers during dedicated workshops by geographic region;
- the members of the Executive Committee 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;
- the *School For Change* training course was followed by 97% of head office employees. It offers e-learning modules dedicated to climate challenges, biodiversity and natural resources, as well as levers to act to reduce the environmental footprint *(see section 3.3.2.2)*;
- 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 opportunities to members to commit personally or professionally. For example, as part of the launch of Accor's sobriety plan in November 2022, *SEED* trained more than 10 sobriety ambassadors (energy, resources, digital, etc.).

Redefining Accor brand standards to integrate requirements linked to the climate and to prepare the eco-certification of hotels

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*, an association bringing together hotel industry companies to address key sustainability challenges.

In 2022, the Group joined the *Global Sustainable Tourism Council (GSTC)*, the leading organization in terms of sustainability in the hotel industry, and carried out an audit of brand standards applicable to all Accor banner hotels, in line with the sustainability criteria recommended.

A new set of specifications based on the *GSTC* criteria 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 increasingly demanding requirements of BtoB and BtoC customers;
- provide proof of the transformation of the hotels in terms of sustainability.

In 2022, the Group analyzed the main labels on the market to select two key partners of choice: *Green Key* and *Green Globe*. The objective is to roll out the certification program from 2023, by implementing a support plan for the hotels.

Additionally, Accor is continuing its work with online travel agencies, notably *Booking.com* and *HRS*, to define and reinforce the criteria defining the sustainable hotel industry of tomorrow.

Green Globe certification for Mövenpick hotels

The 21 hotels of the Mövenpick Hotels & Resorts brand in Europe obtained the *Green Globe* certification. To obtain this label, the establishments had to meet more than 300 criteria, including 100 obligatory criteria assessing environmental and social practices. The hotel chain notably raised awareness of personnel to sustainable development challenges by launching an e-learning course accounting for a total of 10,000 hours of training.

Investing to measure and fine-tune steering of energy and the carbon footprint

In 2022, the Design & Technical Services Department started to implement an improved energy management system aligned with ISO 50001. The deployment of a reporting tool for energy, carbon and water was initiated in the second half of the year.

At end-2022, 71% of owned and leased hotels, managed and franchised Group hotels (with an objective of 60%), i.e. around 3,900 hotels, have the Gaïa 2.0 reporting tool.

80% of owned and leased hotels hotels included in the legal scope had the tool at end-2022.

Monitoring hotel performance is based on:

- consumption reporting (energy at start-up, then water, waste) using the Gaïa 2.0 tool;
- 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);
- an in-depth analysis of the ratios, taking into consideration occupancy rates for comparability of different years.

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.

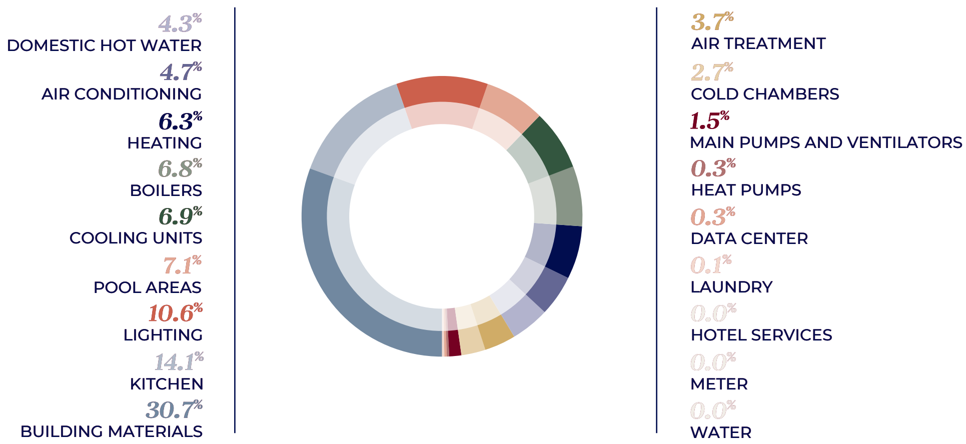
More than 70% of Accor's total current carbon emissions stem from the energy consumed by hotels. Improving energy efficiency is therefore beneficial both for the planet and for the performance of each hotel.

To do so, Accor strives to improve its technical standards, to take advantage of the latest performance and technology tools 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 walls, as well as 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 euros in energy savings by 2030.

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 euros by 2030	900 million to 1.3 billion euros	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

Building a turnkey solution to improve energy efficiency

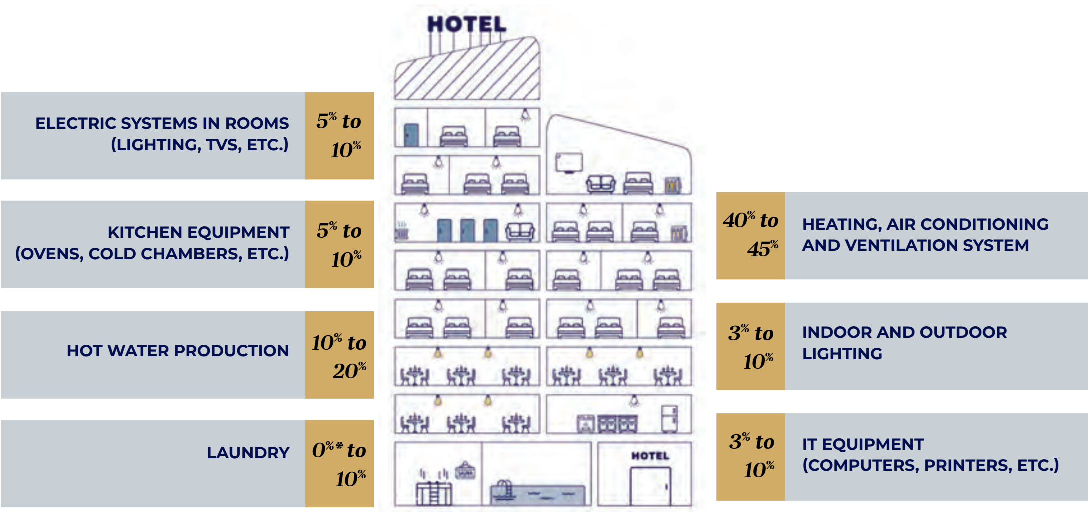
Hotel owners do not always have the necessary capital to finance large-scale energy efficiency projects, Accor is committed to developing a turnkey energy renovation and financing solution for hotels that allows them to avoid direct investment on their own. This solution is part of the energy efficiency program aimed at accelerating self-funded energy efficiency.

To do so, in 2022, Accor signed global strategic partnerships with two 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 the steering of the process (from audits through to implementation), 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-2022, more than 180 hotels throughout the world have been identified to participate in the program, including 89 ongoing projects.

Main sources of energy efficiency in a hotel



**0% is absent from the hotel*

Energy sobriety plan…

In 2022, against an international backdrop suffering from the fragilization of energy supply and increasing impacts of climate change, the acceleration of the energy transition is more than ever a priority. This transition will involve a sustainable transformation in consumer behaviors and lifestyles for everyone. The objective of energy sobriety is to avoid overconsumption of energy by taking account of the environmental impact, but also of real needs.

Enshrined in the energy transition law since 2015, energy sobriety is one of the pillars of the energy transition. The short-term objective is to halt non-essential energy spending and to reduce by 10% energy consumption by 2024 (compared with 2019) through the implementation of selected savings.

Accor has defined its sobriety 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 General Managers in France and more largely in Europe.

In concrete terms, 23 actions were implemented in the hotels, including 9 actions shares by all of the sector and 14 actions specific to the Group. Indeed, Accor wanted to go further in maintaining control over the biggest consumption items (air conditioning and heating, water heating, lighting, cooking and cooling).

…and 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.

A catalog of providers recognized for their expertise was drawn up in 2022 by the Group 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.

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 actions two levers 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 2022, in line with the 2030 carbon trajectory. This objective will be validated in 2023, 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 2022, the Group continued its work on a detailed commitment plan on renewable energy markets which covers 21 countries and which represents 87% of Accor's scopes 1 and 2 emissions.

Owing to the different regulations between different energy markets throughout the world, the Group's approach is focused on using a combination of Power Purchase Agreements (PPAs) and Energy Attribute Certificates (EACs). During the year, the Procurement Department launched a draft study on the possibility of investing in one or more PPAs in the world. It also launched a tender bid for procurement services for Renewable Energy Certificates.

In 2022, electricity contracts by default for Switzerland and the UK were low-carbon electricity contracts. Renewable electricity options were offered in France. The Group's head office sites switched to 100% renewable electricity contracts.

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 (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 onsite when site conditions allow. The survey carried out as part of the energy efficiency programme was also an opportunity to assess the viability of renewable solutions.

Drawing up the roadmap for carbon footprint reduction per Hub

Management and Executive Committees of the eight Accor Hubs participated in more than 50 workshop hours, to define their respective roadmaps to achieving the Group's 2025 and 2030 carbon emission objectives. Notably, they combine improving hotel energy efficiency and procurement of renewable energies.

An exemplary head office showcasing Group commitments

Accor has implemented exemplary initiatives at its head offices in Paris.

This global initiative launched in 2022 meets a three-fold objective:

- integrating sustainability in processes and projects;
- committing suppliers to improving their environmental and social practices;
- making employees key ambassadors of the sustainable transformation.

Several concrete actions materialized from this:

- the strengthening of sustainability criteria in tender offers;
- the signature of a green energy contract;
- an energy sobriety Charter (heating, lighting, water, screens);
- the collection over two weeks of close to one metric ton of computer equipment for reuse or recycling;
- the implementation of a 70% financing system for bicycles as a means of professional travel for employees;
- replacement of coffee machines by a supplier offering *Max Havelaar* labeled biological coffee and elimination of automatic snack vending machines;
- identification of responsible and solidarity suppliers for meal trays or decorative flowers;
- reopening to competition of the provision of restaurant services with increased weight of sustainability criteria (environmental and social), which led, end-2022, to the choice of a new player, with a more local and seasonal offering, integrating measuring and reducing food waste.

Control of scope 3 emissions committing suppliers

Emissions linked to the procurement of products and services account for 21% of Accor's carbon footprint. For some time, the Group has been mobilizing suppliers to reduce their direct emissions. The Accor *Responsible Procurement Charter*, defined in July 2022, includes new requirements compared with the previous Charter, inviting partners to measure their carbon and energy footprint and to make an annual report on these matters.

In 2021, Accor was the first international group to join *CDP supply chain* program (formerly *Carbon Disclosure Project*). *CDP* is a not-for-profit international organization which acts as an online platform to publish company environmental data.

In 2022, the Group maintained its collaboration and extended to 500 the number of suppliers invited to reply to the annual *CDP* survey on climate, by giving the priority to suppliers of products and services with high carbon intensity.

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.

500 SUPPLIERS INVITED BY ACCOR TO RESPOND TO THE CDP WITH A **RESPONSE RATE OF 41%** ***(+2% VS 2021)***

69%	52%	20%	48%	67%
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	of suppliers having answered the questionnaire declared having committed their own suppliers on carbon issues.

Raising guest awareness by enabling them to calculate the carbon footprint of their event

In 2021, Accor provided its sales teams and B2B guests with the *Net Zero Carbon Calculator*, which notably offers:

- advice on reducing the carbon footprint when designing and organizing an event;
- a calculator for the carbon footprint of a stay or a professional event organized in Group hotels;
- the possibility of offsetting residual carbon emissions via projects certified by the *Myclimate* NGO. Guests can choose the region of the world to allocate their credits.

Results

Energy consumption – owned and leased and managed hotels

	2019	2020	2021	2022	2022 Legal scope
Energy consumption in GWh					
Number of assets owned and leased or managed within the scope	2,554	2,468	2,414	2,323	182
Total energy consumption	7,828	5,913	7,438	7,630	314
Total energy consumption at constant scope since 2019	7,885	5,273	6,594	6,528	-
In kWh/room available/day					
Average energy ratio at constant scope since 2019	49.64	38.02	47.55	47.07	-
Percentage of total energy sourced from the electricity network			62%	69%	-
Percentage of total energy from renewable energy sources			0.11%	0.37%	-

Carbon footprint

Accor's reporting is aligned with the *GHG Protocol* reference methodologies and the *Science-Based Targets Initiative (SBTi)* for the calculation and monitoring of its carbon footprint and trajectory.

In line with its regulatory and voluntary commitments in terms of reporting, including the *SBTi*, Accor publishes an annual report in two stages, which gives it the time to consolidate data relative to global purchases necessary for the calculation of scope 3 emissions:

- march 2023 – Accor 2022 *Universal Registration Document* including:
  - 2021 reporting on Scopes 1, 2 and 3 (relevant categories) – full scope;
  - 2022 reporting on Scopes 1 and 2, emissions from owned and leased and managed hotels with validated data;
  - 2022 reporting on Scopes 1 and 2, emissions from owned and leased and managed hotels with extrapolated data;
  - 2022 reporting on Scope 3 emissions from franchised hotels corresponding to their scopes 1 and 2 – validated and extrapolated data.
- in Q3 2023: reports on obligations linked to climate and sustainability of the *CDP*, including reporting on 2022 Scopes 1, 2 and 3 (relevant categories) on full scope.

Scope of measurement of the carbon footprint

Accor's full reporting methodology includes all Accor brand hotels (owned and leased, managed and franchised hotels), Hubs offices, new businesses and newly acquired entities. In line with best industry practices, the emissions of hotels for which data has not yet been validated have been standardized using data validated by the network and activity parameters of hotel activity. The carbon scopes are described in the *Measurement and Climate Objectives* paragraph.

Network hotels considered in the 2022 carbon footprint measurement

With its goal to provide the most accurate and complete figures possible, Accor strives to present greenhouse gas emissions and energy consumption data for as many hotels as possible each year.

The impact of Covid-19 on business forced the temporary closure of many hotels during 2020 and 2021, which had an impact on their ability to provide coherent reporting. This significant reduction in the number of hotels considered also had repercussions on the presentation of energy efficiency ratios.

	2019	2020	2021	**2022**
Total managed and franchised hotels in the reporting scope (1)+(3)	5,041	5,105	5,119	5,149
Total managed hotels in the reporting scope (1)	**2,544**	**2,468**	**2,414**	**2,311**
Total managed hotels in the reporting scope with validated data (2)	1,531	1,455	1,888	1,746
Rate of validation of managed hotel data (2)/(1)	60%	58%	78%	75%
Total franchised hotels in the reporting scope (3)	**-**	**-**	**-**	**2,838**
Total franchised hotels in the reporting scope with validated data. (4)	-	-	-	639
Rate of validation of franchised hotel data (4)/(3)	-	-	-	22%
Number of hotels at a comparable scope to 2019				4,429
Legal scope				182

Accor carbon footprint full scope

In 2022, Scopes 1 and 2 emissions were 16% lower than the 2019 reference year.

In 2021, Scope 3 emissions were 29% lower than the 2019 reference year based on Accor's *SBTi* scope [Procurement, emissions linked to energy consumption (not included in Scopes 1 and 2), franchised hotels].

2022 Scope 3 emissions will be published in Q3 2023.

In 2022, for the scope of validated owned and leased and managed hotels, total GHG Scopes 1 and 2 emissions came to 2,916 ktCO_2eq, breaking down into 88% for Scope 2 (indirect emissions linked to electricity and urban networks) and 12% for Scope 1 (direct emissions linked to fuel). In line with the *GHG Protocol*, Accor reports location-based and market-based emissions.

The table below presents a summary of the Group's carbon footprint. This carbon footprint is detailed in the methodology notes, *section 3.7*.

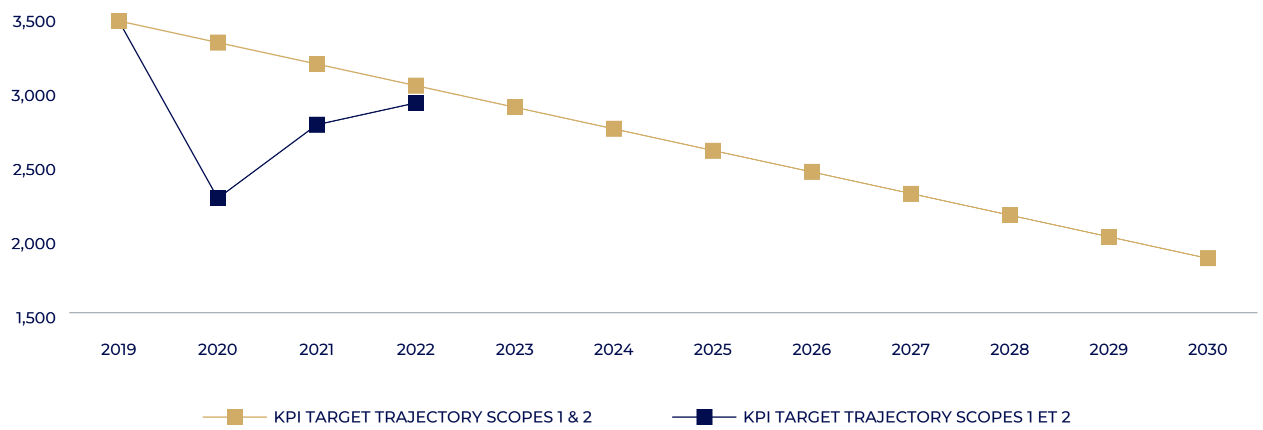
Greenhouse gas emissions *(in $ktCO_2eq$)*	**2019 Reference year**	**2020**	**2021**	**2022**	**2022 Legal scope**
Scope 1 – Direct emissions					
Emissions (A)	468	428	450	344	14
Scope 2 – Indirect emissions					
Location-based emissions (B1)	3,003	1,845	2,333	2,584	57
Market-based emissions (B2)	N/A	N/A	2,320	2,577	57
Total Scopes 1+2 emissions					
Location-based emissions (A + B1)	3,471	2,273	2,783	2,924	71
Market-based emissions (A + B2)	N/A	N/A	2,771	2,916	71
Total Scope 3 emissions					
Emissions (C)	3,761	2,241	2,644	*	*
Total Scopes 1+2+3 emissions					
Location-based emissions (A + B1 + C)	7,232	4,514	5,427	*	*
Market-based emissions (A + B2 + C)	N/A	N/A	5,415	*	*

* *Data published in Q3 2023*

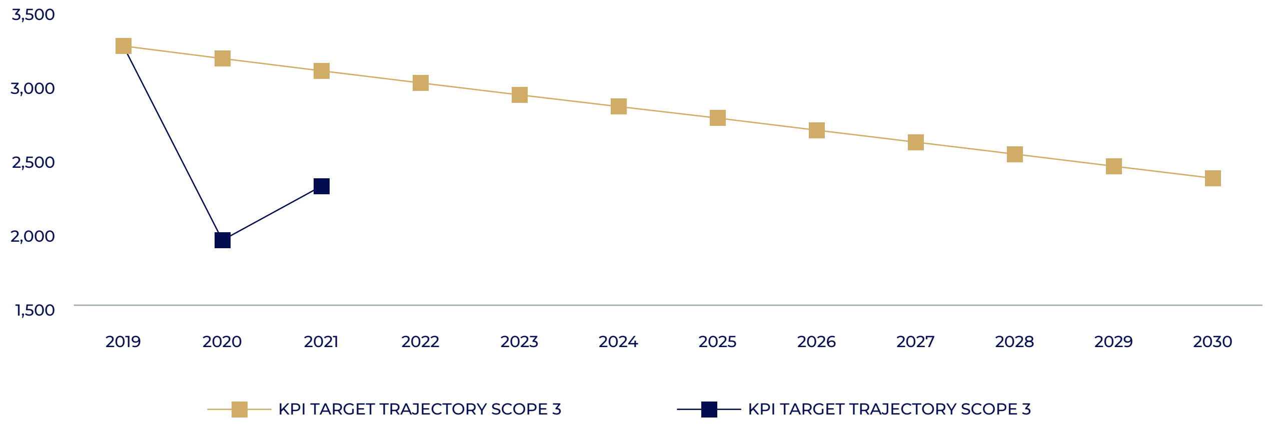
Location-based: calculation with a country-based method, the emission factor used is the average country factor.

Market-based: calculation with a market-based method, the emission factor used is the average factor of the supplier from whom the company buys the electricity.

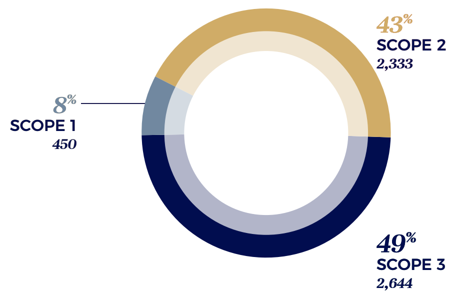
Monitoring the carbon footprint reduction trajectory – scopes 1 and 2 (SBTi scope) *(in $ktCO_2eq$)*



Monitoring the carbon footprint reduction trajectory – Scope 3 (2022 reported data Q3 2023) (SBTi scope)
(in $ktCO_2eq$)



Accor's 2021 carbon footprint *(in $ktCO_2eq$)*



Accor's carbon footprint legal scope

In 2022, Accor's legal scope incudes 112 hotels [(1)], 7 new businesses and 63 Hub offices. Together, these entities generate 71 $ktCO_2eq$ in emissions, which represents 2.4% of Accor's Scopes 1 and 2 emissions.

3.2.2 *Circular economy: reducing and recycling waste and eliminating single-use plastic in hotels*

3.2.2.1 Managing waste

Context

Dumping and landfill waste is regulated in most of the countries where Accor operates. Regulatory requirements are becoming stricter on recycling of primary products, including paper and cardboard, organic food materials, plastics, hazardous waste and electronic waste.

Group activity generates waste:

- linked to the renovation and construction of hotels;
- linked to hotel operations.

Risk 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.

In both cases, Accor promotes a circular economy approach in the management of materials and resources: the challenge is first to reduce usage, and reuse whenever possible, otherwise to recycle. Societal shift to behaviors more respectful of the planet and greater awareness of plastic pollution are the focal points to accelerate this approach.

Waste linked to hotel operations is estimated at an average of around 260,000 tons of waste per year. This corresponds to an average of around 48 tons/hotel/year, reflecting different realities depending on the segment considered: "budget" with around 13 tons/hotel/year, "economy" with around 29 tons/hotel/year, "midscale" with around 54 tons/hotel/year and "luxury and upscale" with 73 tons/hotel/year [(2)].

(1) Scope described in Notes 3.7.
(2) Data extrapolated based on the hotels declaring their waste in the Gaia tool and additional data for Australian hotels provided by the provider of waste treatment services (1,022 hotels).

The main waste generation item for Accor is related to catering: more than 50% of waste is food waste, oils and greases.

The second largest items, representing more than one-third of waste, is waste from operations, mainly packaging (cardboard, glass, plastic).

Other types of waste make up a limited portion of the total (paper: 5%; garden waste: 2%).

Hotels do not product much hazardous waste (batteries, ink cartridges, light bulbs and compact florescent tubes, etc.).

Governance

Waste management within the Group is part of a global resource valorisation approach and circular economy, at all stages of the hotel life cycle: development, operation 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 practice in building design to reduce construction waste. All these standards are monitored by the D&TS project manager on each project;
- the Sustainable Development Department drafts, distributes and coordinates the waste management policy for Hubs, with the support of the D&TS Department. It analyses and monitors the results reported by the hotels in the waste module of Gaïa reporting tool;
- the operational management of waste and recycling is carried out by hotels by the housekeeping, catering, engineering and maintenance teams, within the Gaïa tool;
- procurement managers of the hotel, Hubs and Group levels strive to favour the dematerialisation of goods and services purchased, whenever relevant, as part of a circular economy approach;
- the Ethics, Compliance and Sustainable Development Committee also ensures strategic monitoring. The Risk Department is responsible for identifying, assessing and managing resource-related risks, under the aegis of the Group Risk Committee.

Policies

From 2016, Accor has defined its waste policy, described in a document designed for hotels and restaurants which recalls the challenges and sets three priorities:

- ensure 100% of hazardous waste is treated in appropriate facilities;
- reduce the quantity and volumes of the largest categories: food waste, packaging waste, paper waste;
- sorting and recycling the main waste categories by Group activity: material recovery, reuse, recycling (excluding incineration and waste-to-energy recycling).

The waste management tool has been integrated in the Gaïa reporting tool since 2019 and is accessible to all hotels. This tool enables the definition of a comprehensive mapping of the waste produced within a hotel: reconstitution of sorting and recovery channels, association with service providers responsible for collection and processing, monitoring of waste data and dashboard restitution, to fuel environmental and economic performance at the hotel network and Group level.

Furthermore, technical hotel standards define requirements in terms of waste collection and recycling for hotels during the design and construction phase. These are complemented by the guidelines of the hotel operating waste management plans.

Action plan

In 2022, Accor published new standards for waste recycling and management for new hotels as well as for those which are undergoing renovations or rebranding. This tool offers designers, architects and developers of new Accor brand hotels a four-stage process to work on the whole waste life cycle.

At the same time, a guide of waste management operations has been drawn up for hotels in operation to offer operating advice. An eight-stage process helps hotels build their operating waste management plan using the circular economy approach.

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.

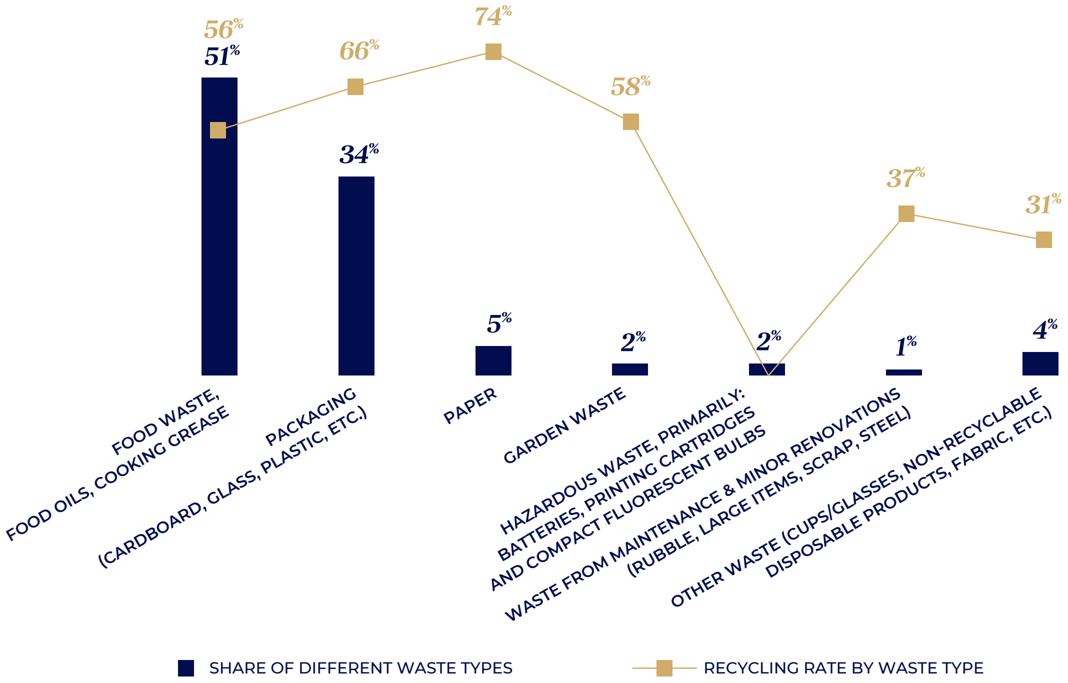
Results

End-2022, 1,002 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.

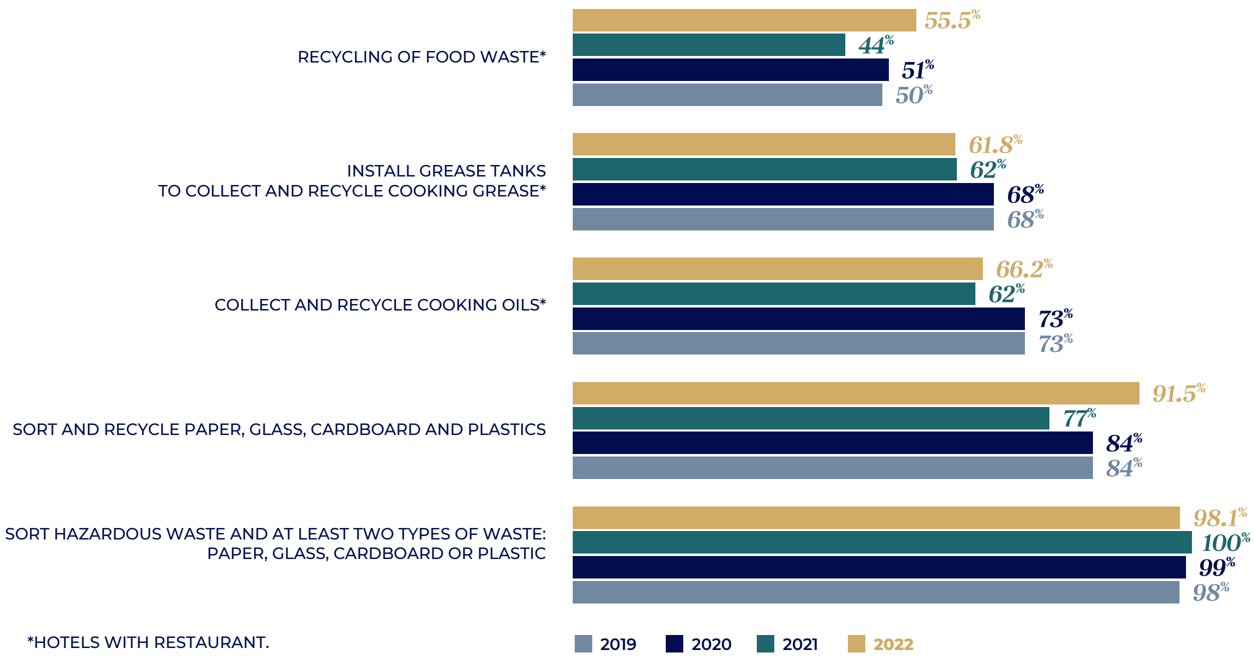
On this basis, the overall waste recovery rate of hotel operations is 62%, up compared with 2021 (at 58%).

The estimated recycling rate is detailed by waste category below:

Breakdown of operating waste products and recovery by category



End-2022 hotel mobilization on waste



Furthermore, more than 73% of hotels also declared donating end-of-life products for reuse or recycling (based on 3,599 hotels reporting this action in the Gaïa tool).

3.2.2.2 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. This ambition goes beyond local legislation. Reducing the environmental impact of the products and equipment used in its hotels is an essential condition for controlling the Group's environmental footprint and addresses our guests' expectations.

To reduce this risk and meet its commitments, the Group has reinforced its governance, 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.

Governance

Governance was largely reinforced in 2022 at all hierarchical levels of the Group. The monitoring of the elimination of plastics is the subject of regular intervention by the Executive Committee. In addition, the objective is integrated in the bonuses of the Chairman and Chief Executive Officer, the members of the Executive Committee and the Top 150 corporate officers (5%), as well as for operating functions (up to 20%).

The Plastic Steering Committee is a body which brings together the managers of the 8 Hubs and the Directors of the Sustainable Development, Procurement and Marketing Departments. Every month, its role is to analyze and monitor action plans at the strategic level. A "Support Committee" was also created to meet the needs of the Hubs and to support the implementation of alternatives. Lastly, at the level of each Hub, bodies involve their own Management Committee to ensure correct roll-out in the hotels.

Policies

Accor committed to eliminating single-use plastic from the guest experience in hotels by end-2022. In 2020, the Group also joined the *UN Global Tourism Plastics Initiative*, founded by the United Nations with the support of the *Ellen MacArthur Foundation*. Governments and companies are committed to achieving various ambitious targets by 2025, striving to eliminate unnecessary plastic items, taking steps to move from single-use models to reusable models, or reusable alternatives, for example.

With these commitments, Accor intends to define a new standard in the hotel business.

Action plan

2022 was a year dedicated to the elimination or replacement with more sustainable alternatives to plastic of 46 single-use plastic products.

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.), as well as plastic items in meeting rooms, restaurants, on buffets or at the reception, etc.

The advanced approach adopted by Accor targets more sobriety in consumption habits. Each product was reviewed based on its usefulness in the guest experience. It was then decided to go further and offer items at the request of guests rather than by default. This led to a shift in perceptions and meant we could offer new more sustainable and higher quality product lines.

The 2022 action plan is built around three focus areas:

- **Elimination of products, or search for alternatives to plastic:** reusable wood-based alternatives are recommended, with environmental label and standards applicable (ex: *FSC – Forest Stewardship Council –* label). An operating guide on single-use plastic is available to teams with an information sheet per product category. This guide is adapted within the Hubs.
- **Roll-out:** this is based on supporting change in the elimination or replacement of plastic in the hotels. The elimination of certain products implies the addition of operating tasks for the teams (for example: breakfasts to be prepared with products in reusable containers). An online training course destined for General Managers was co-built with the Southern Europe Hub. This training course presents the tools available and changes in regulations. It focuses on the behavior to adopt with guests. This e-learning course, available in 5 languages, has been completed by more than 130 people.
- **Monitoring of indicators and onsite audits:** this area focuses on the integration of plastic in the brands standards, how they are audited and monitoring of key indicators. Each month, the Sustainable Development Department produces specific reports from information provided by the hotels in reporting tools. These reports are shared with the Executive Committee. Internal and external audits are also carried out to monitor roll-out to the hotels.

All the necessary support packages were created to enable regions to roll out the action plan on the elimination of single-use plastic.

For the hotels that have not eliminated certain products and which do not have access to alternatives (owing to lack of an available market solution, for example), a very limited number of exceptions were defined during 2022 (for example: milk portions in certain English-speaking countries).

Results

84% of Group hotels in 110 countries eliminated single-use plastic items from the guest experience (except for water bottles and some other exceptions). To comply, a hotel must have eliminated or replaced the 46 plastic products.

Within the legal scope, 74% of the hotels have eliminated single-use plastic items from the guest experience (except for water bottles and some other exceptions).

The strong mobilization of teams at all levels (from support and operating teams to the Executive Committee) enabled the achievement of the objective set for end-2022. This objective was defined at 80% of hotels compliant, to mobilize employees in pursuit of an achievable goal. This choice enabled the application of very rigorous compliance criteria (just one single-use plastic item of the 46 not eliminated leads to the non-compliance of the hotel). Furthermore, it enables the integration of non-compliant hotel cases for external factors beyond the Group's control (hotels in conflict zones, delivery disruptions, closure of hotels linked to the health crisis or renovations, etc.).

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 tons of CO_2 equivalent are avoided in this way.

In certain regions, the elimination of water bottles is effective. In Europe and in North America, 96% of hotels have eliminated single-use plastic bottles in rooms, and 95% in other parts of the hotels (meeting rooms, etc.). This represents 50% of Group hotels. In the other regions, the roll-out is more complex, notably in countries without reliable sources of drinking water. As their elimination could not be achieved everywhere, this has become a priority for 2023.

To engage hotel guests in the transition to zero single-use plastic, communication media have been created, in collaboration with marketing teams and declined by brand in line with their graphics charter. A dedicated hashtag *#NoMorePlasticHere* has enabled brands to communicate the progress made on social networks in the hotels in the form of posters.

3.2.3 Eliminating food waste and promoting healthy and sustainable food

3.2.3.1 Measuring and reducing food waste

Context

Reducing food waste is a global challenge. The United Nations SDG 12 calls on all countries to reduce by 50% food waste by 2030. Accor bases its efforts on this goal and on local legislation in the countries where it operates. Food and beverages in the hotels and restaurants represents 12% of the Group's carbon footprint, 40% of its water footprint and more than 80% of land use.

For Accor, food waste represents around 43% of operating waste and close to 20 tons per year per hotel, on average. Therefore, it is urgent to move beyond the paradigm which considers food wastage to be the norm and to better preserve resources.

Reducing food waste is therefore a priority for the Group. To reduce this risk, 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. Guest are also being made more aware of this challenge.

Accor also ensures compliance with the laws and regulations in force in all of the countries where it operates.

Governance

The challenge of food waste is steered by the Sustainable Development Department, which notably ensures consolidation of results reported by hotels and the Hubs.

Food waste is one of the sustainability topics monitored by the Committees bringing together Food & Beverage teams from the Hubs, supervised by the Group Commercial Department.

Policies

To create a collective dynamic around this challenge, the Group mobilizes its hotels with 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.

End of 2021, the Group has carried out an internal audit of its food waste reduction program. This audit highlighted the following points:

- sometimes difficult access to the Gaïa reporting tool and very cumbersome input of food waste;
- heterogeneity of commitments and practices in hotels, as food waste reduction is not yet a Group standard nor a priority for numerous hotels;
- insufficient representation of data on food waste, weighing not being systematic in hotels or being too irregular;
- lack of collective and sustainable commitment, governance and support on the subject being insufficient.

In 2023, the Group will implement a global action plan but also adapted to the risk profile of its hotels, with a focus on reporting and change management. Reducing food waste is indeed one of the priorities of the Group's new sustainable development strategy.

Action plan

In 2022, the main actions were focused on building solutions to meet issues identified by the internal audit:

- facilitation of access to the Gaïa reporting tool thanks to the creation of a self-inscription form for the hotels;
- identification of food waste weighing solutions adapted to the different hotel segments (depending on their ranges or restaurant activities), as well as optimization of manual measurement methods;
- diffusion of best practices and identification of training courses for chefs to homogenize actions carried out by the hotels.

Smart weighing solutions thanks to new technologies

The Group has recommended to hotels to roll out a smart weighing solution to measure food waste using a digital scales and a connected touchscreen tablet. The tool provides instant feedback to promote immediate changes in behavior by helping kitchen teams to understand the environmental value and impact of the food products. Furthermore, the Group has carried out pilot studies with local solutions in different geographical Hubs, to provide the hotels with a bouquet of solutions adapted to local specificities.

In 2022, 81 hotels were equipped with a smart weighing-scales throughout the world. By the end of 2023, Accor intends to accelerate the deployment of these solutions by recommending them in priority to the 300 hotels most at risk of food waste (as they represent around 50% of the Group's Food & Beverage revenue).

Manual measurement methodology

As a complement to these initiatives, the Group is working on a manual measurement methodology, under review in Europe in order to define the framework (frequency, duration, services concerned etc.).

Furthermore, data on food waste are collected in the Food Waste Management module of the Gaia tool developed internally by Accor. This tool enables hotels to monitor the weighing of food waste and to measure costs.

Diffusion of best practices and training

The Group also leverages the mapping of interesting initiatives (at Hubs or hotels level) to implement and diffuses best practices to drive progress. In 2022, Accor's Sustainable Development Department updated a document called "*Action plans to fight against food waste*". This document, drawn up with expert advice, helps hotels to implement concrete solutions.

The Group is also working on identifying and assessing training formats and players on food waste, notably for chefs.

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. Since 2016, 1,113 hotels saved more than 833,514 meals in 12 countries, including 261,947 in 2022. Each month, 15 new hotels in France sign up to this approach. At present, the partnership between Accor and *Too Good to Go* to fight against food waste led to the avoidance of the equivalent of 2,083 tons of CO_2 emissions.

Results

In 2022, 49% of hotels in the legal scope declared having set up a food waste reduction program and 46% of hotels that reported on this action (4,303 hotels).

The table below summarizes the participation of the hotels to 2 specifics actions to figth food waste

	Resale or donation of food items	Recycling of food waste
Percentage of hotels stating in Gaïa that they have set up the action	52%	55%
Number of hotels reporting in Gaïa	3,645	3,533
Percentage of hotels in the legal scope (114 hotels) stating in Gaïa that they have set up the action	25%	39%

In 2022, the reduction of food waste in hotels with an initial reliable weighing measure and an evolution (398 hotels in 2022) was estimated at -24%. Close to 39% of these hotels reached the objective of a -30% reduction in food waste since their first weighing campaign.

3.2.3.2 Offering guests food that is healthy and sustainable for the planet

Context

The commitment to sustainable food is an essential focus of the Group's sustainable development strategy as this represents 12% of its carbon footprint and also because it 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 authenticity, 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 restaurants with 10,000 restaurants and bars, the Group must set the example in terms of regulatory change 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 carbon capture in land, that is closer to the places of consumption, and less harmful to the environment. As a result, the Group plans to reduce the meat portion of its menus and source more locally and more sustainably.

Policies

For several years now, the Group has been implementing its *Healthy and Sustainable Food Charter* which is based on precise commitments (prioritizing local and seasonal sourcing, favoring sectors which integrate animal welfare criteria, offering organic products or products from eco-certified farms, etc.).

In the restaurants, for example, this means refraining from offering fish species threatened with extinction and using local and seasonal products.

Thanks to this Charter and the initiatives 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 Fairmont Fit program offers organic cuisine and short supply chain. 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 remains focused on the implementation of the *Healthy and Sustainable Food Charter* in the hotels. This Charter originally comprised the elimination of disposable plastics linked to the food offering (water bottles, etc.), an action which mobilized hotel energies in 2022.

Initiatives in favor of animal welfare also continued, within the Group and in certain Hubs.

Commitments to animal welfare: identifying responsible industries 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 was expected to be achieved by end-2021 in areas where the supply chains are developed (Europe, Pacific, North America) and by 2025 on markets where supply chains are still in development (Southern Asia). In France and Australia, Group hotels had already been getting a significant part of their egg supply from cage-free hens.

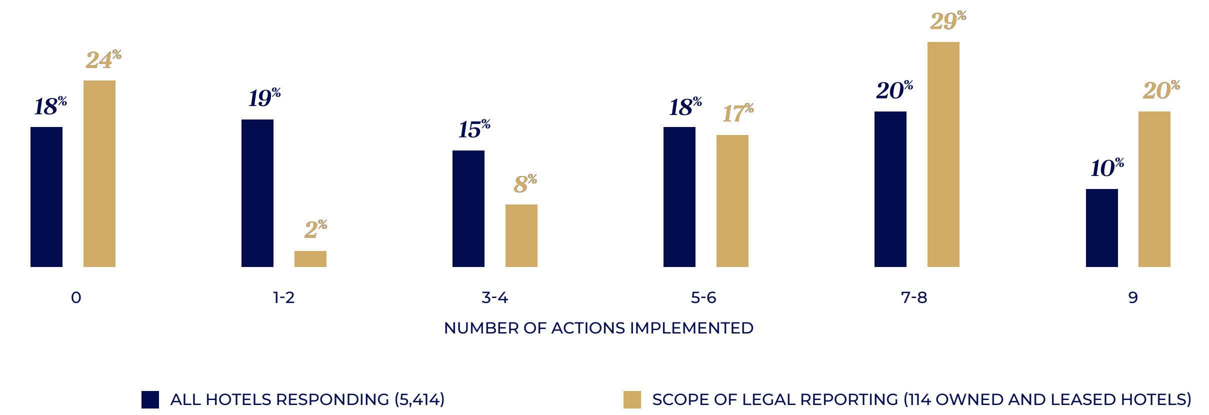
Since mid-2021, the Accor procurement platform in France, Italy, Spain and Portugal offers only eggs (shell and liquid) that are free range, cage-free or organically farmed to hotels in the Accor network. In France in 2022, 88% of shell eggs and 90% of liquid eggs and egg products purchased by the hotels on the platform or directly from nominated suppliers were eggs produced organically, from free-range or cage-free hens. In the United States, this percentage was 77%. Owing to supply chain disruptions in the United States, 100% could not be achieved. In certain regions with less structured supply chains such as Asia, progress is encouraging, but supply difficulties persist in a number of countries.

Results

Accor has set itself the objective that 100% of its hotels (reporting in the Gaïa tool) implement at least half of the 9 initiatives (excluding initiatives relative to the elimination of plastic, treated separately) of the *Healthy and Sustainable Food Charter*.

At end-2022, 48% of hotels had declared that they had implemented more than 5 of the 9 initiatives of the Charter. **Of the hotels within the legal scope, 66% had implemented more than 5 of the 9 initiatives**

Breakdown of hotels based on number of declared initiatives completed



Deployment of the commitments for healthy sustainable food at end-2022	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.	3,609	65%
Expand the offering of organic products and support agroecology	Supply two major organic or certified agroecological products	3,480	67.9%
Favor sectors incorporating animal well-being criteria	Offer eggs (in-shell and liquid forms) from free-range or cage-free hens	3,222	68.3%
Ban endangered species of fish and promote responsible fishing	Ban endangered species of fish	4,454	99.1%
	Supply wild fish or fish raised with responsible practices	3,163	53.7%
Eliminate controversial additives and limit fat and sugar	Eliminate controversial additives in five products and limit fat and sugar	3,005	67.4%
	Eliminate palm oil or use sustainable palm oil	3,064	72.3%
Offer responsible coffee or tea	Offering responsible coffee and tea at breakfast (certified: *Rainforest*, *Bio*, *Fair trade*)	3,296	84%
Meet different food needs	Meet different food needs (vegetarian, etc.)	3,825	69.7%

(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 *Preserve water resources*

Context

The hotel network is the Group's leading direct source of consumption of water. Hotel consumption is linked to the use of water by guests, but above all to the full range of daily operations: room cleaning, restaurants, laundry service, swimming pools, watering green spaces, etc.

This is why Accor has been working for some time with its brand hotels to promote and support the implementation of measures in favor of efficient and sustainable water management. Progress achieved is illustrated in the table below (years 2019-2021 heavily impacted by the Covid-19 crisis are not meaningful).

Period	Water savings achieved *(in liters/guest)*
2006-2010	12%
2011-2015	8.4%
2016-2018	6.1%
2019-2022	**0.9%**

Accor was the first in the hotel industry to carry out detailed life cycle analysis of its hotel operations, including assessments of water demand. These data form a base for the development of water policy and Accor's operating approach, as well as being a resource for commitment of policy decision-makers to ensure that all policy or emerging regulatory conditions are aligned with the reduction of water stress in high-risk regions.

Furthermore, Accor carried out a detailed analysis of its water footprint in 2019, which serves as the reference year. The water footprint measures the net water consumption (i.e. water withdrawals minus water discharges) related to the Group's activities over the entire life cycle of products and services.

Accor's water footprint in 2019, by scope	Water consumption *(in millions of m³)*	Percentage (rounded to the nearest whole number)
Direct water consumption (scope 1)	1,624	2%
Indirect water consumption (scope 2)	29,509	30%
Total Scopes 1 + 2	**31,132**	**32%**
Other water consumption (Scope 3)	**66,603**	**68%**
Procurement	45,185	46%
Capital goods	10,498	11%
Franchised	9,772	10%
Business travel and daily travel	741	1%
Waste	161	0.2%
Upstream transport	245	0.3%
Total Scopes 1 + 2 + 3	**97,736**	**100%**

The Group's water footprint is therefore concentrated in scope 3 (68%), upstream in its value chain, mainly owing to the procurement of food products for the hotel restaurants and bars. Food crop irrigation (rice, tea, almonds, cocoa, fruit and vegetables, etc.) and watering livestock, are the main sources of this water consumption.

Governance

The governance structure relative to water management issues follows the development, operating and renovation cycle of the hotels. 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 for water management. Operating management of water is ensured in the hotels by the engineering and maintenance teams under the supervision of the Hub engineering team. Compliance with sink tap and shower water power are obligatory. The hotels must monitor and ensure compliance via the Gaïa reporting tool.

Themes linked to water are managed within the framework of the same enlarged governance structure as the energy management program.

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

Preservation of water resources is a major concern for Accor.

Monitoring hotel performance in terms of water is based on:

- reporting water consumption using the Gaïa tool;
- knowledge of the hotels (number of rooms, number of restaurant-bar sales outlets, technical equipment, etc.) and of their consumption (monitored since 2005);
- a thorough analysis of the ratios, accounting for weather effects and occupancy rate for comparability over different years;
- benchmarks by brand and region.

Within scope 3, the policy is backed by the Procurement Department. 100% of nominated suppliers have signed the *Responsible Procurement Charter*, which commits them to taking into consideration water stress and promoting agro-ecology in their practices. Monitoring the water footprint of high-risk suppliers occurs via the *EcoVadis* platform.

Lastly, since 2014, Accor has been reviewing the geographical exposure of its hotels to water stress and flood risk. 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.

Action plan

To reduce hotel consumption, Accor is committed to integrating low-power taps and favoring water recycling solutions whenever possible. The roll-out of rain water recovery and water recycling tools is ongoing.

The Group is also initiating tests with suppliers of cleaning products using ozone technology, thereby minimizing the use of aggressive chemical products for laundry and reducing water pollution.

Results

Water reporting scope	2019	2020	2021	2022
Total hotels (owned and leased, managed and franchised hotels) in the reporting scope	4,779	4,927	5,010	5,332
Total managed hotels (owned and leased and managed hotels) in the reporting scope with validated data	2,353	2,353	2,469	2,416
Water consumption *(in millions of m^3)*	**2019**	**2020**	**2021**	**2022**
Total water consumption	30.0	12.7	17.7	27.5
Average water price *(l/room occupied)* **on a comparable scope from 2019.**	**283**	**274**	**281**	**284**

In 2022, the water reporting scope was aligned with the energy reporting scope to cover all owned and leased and managed hotels. Consumption values for 2019 to 2022 have been recalculated on this scope basis. Head offices and New Businesses are excluded from the scope.

Total water consumption declined by 27% between 2019 and 2021 owing to the impact of the Covid-19 crisis, hotel closures and the decline in occupancy rates. The uptrend in the water ratio per guest can be attributed to the significant decline in guest numbers between 2019 and 2021, owing to the health crisis, which led to a reduction in water consumption. Maintaining pipe hygiene standards requires regular circulation of hot water, even when rooms are not occupied.

In terms of hotel mobilization, in 2022, close to 99% of hotels (of the 4,363 hotels reporting), as in previous years, declared in the Gaïa tool that they complied with water power standards for all showers, taps and toilets.

17% of hotels declared reusing grey water and 17% also declared they collected and reused rain water, with numbers remaining stable versus 2019.

3.2.5 Preserving biodiversity and ecosystems

Context

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 2022 numbers from the *WTTC*, close to 50% of travel and tourism is tourism 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 impact on biodiversity. However, they contribute a small portion, around 10%, to the Group's land use. The main portion of land use, around 90%, is situated upstream and downstream in the Accor value chain.

Policies

The main action levers for the Group stem from its responsible procurement policy (notably food procurement) and in the promotion of sustainable and local food in its hotels and restaurants.

More globally, Accor's ambition is to adopt the reference approach to preserving biodiversity, the *Taskforce on Nature-related Financial Disclosures (TNFD)*.

Accor's annual commitment to protecting resources is concretized in its involvement in several collaborative programs:

- Accor has been a member of the *World Travel & Tourism Council (WTTC)* sustainability 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 (Union International pour la Conservation de la Nature – the International Union for the Conservation of Nature)*. The *UICN* is the largest world provider of scientific data on the state of biodiversity and the necessary measures to preserve it. In 2022, the Group contributed to the financing of two specific projects implemented by the *UICN*:

- sustainable management of the Mediterranean Posidonia beaches: the project aims to support coastal managers in the implementation of practices more respectful of nature, via the development of a practical toolkit as well as awareness-raising activities;

- reinforcement of the community commitment in favor of conservation and waste management on the Thai coast: this project aims to reinforce the organization of conservation groups on the Koh Libong and community co-management (management of natural resources, waste management).

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 2022, 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 3.3.4)*;
- 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. The brands commitment to sustainability is rooted in proximity and cultural exchange with local communities.

Its *Bee Sustainable* program in apiculture contributes to the protection of biodiversity around the 20 Fairmont properties in North America and the Caribbean with more than 40 hives and pollinating bee hotels. Programs in favor of reforestation, water preservation, energy saving and reducing food waste are an integral part of the brand's DNA.

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 2022, more than 98% hotels (4,384) declared in the Gaïa tool using eco-certified cleaning products. Close to 48% of the hotels (3,670) use eco-friendly landscape maintenance products or ban chemical treatment.

Group environmental footprint for land use *(2019 data)*	**Surfaces used** *(in thousand m^2)*	**%**
Direct land use (Scope 1)	1,923	0.2%
Indirect land use (Scope 2)	102,193	11%
Total Scopes 1 + 2	**104,116**	**11%**
Other indirect land use (Scope 3)	805,254	89%
Products and services purchased	724,078	80%
Franchised hotels	47,633	5%
Capital goods	29,637	3%
Waste	1,690	0.2%
Upstream transport activities	1,641	0.2%
Employee travel	577	0.1%
Total Scopes 1 + 2 + 3	**909,370**	**100%**

The footprint of the Accor Group is insignificant (0.2%) compared to the agricultural land required to produce foodstuffs served in the bars and restaurants of its hotels (80%). Among the secondary items that consume land: land required for the production of energy or the manufacture of capital goods.

3.2.6 Reinforcing partnerships in the service of the sustainable transition

Accor strives to redefine standards in tourism at the international level. To do so, the Group supports and participates in sector organizations committed to the fight against climate change and the protection of nature.

International cooperation initiatives:

- the ***One Planet Summit*** mobilizes policy makers and economic players to the same ambition, to promote and implement concrete solutions to fight against climate change, protect the oceans and biodiversity and mobilize funding;
- the ***Sustainable Hospitality Alliance*****,** commits the hotel sector to the protection of destinations and communities, today and for future generations. It encourages collaboration between members (major hotel groups and partners in the value chain) on themes of human rights, youth employment, climate and management of water resources, via concrete programs and the availability of tools and resources. Accor has been a member of the organization since September 2021 and contributes actively to initiatives and meetings;
- **collaboration with online agencies** *(HRS/Booking.com)*: many agencies and online specialist hotel reservations services provide labels to guide travelers to the most sustainable hotels. Accor works with online travel agencies to progress environmental data on hotels, based on the ever-changing expectations of guests and companies. Accor also shares environmental data with its hotels to rank them based on their environmental performance.

Tools to promote climate action:

- the ***Cornell Hotel Sustainability Benchmarking Index (CHSB)*** is a global data collection and benchmarking initiative, with data on energy, water, and carbon emissions for the hotel industry. *CHSB* data represent a range of the most comprehensive international data used by companies throughout the world to calculate their emissions linked to travel, based on the database directly or in directly via the well-known *DEFRA* database. Accor became a member of the Technical Advisory Committee in 2022 and contributes to the evolution of the benchmark;
- Accor is a founding member of the ***International Platform for Insetting (IPI)***: an organization established by companies promoting climate action within their global value chains. The *IPI* change model is built around promoting insetting by exchanging know-how, showing how it can effectively help companies achieve their ambitious targets and become catalysts for the successful transition to resilient and regenerative models. In 2022, Accor became Chair and focused on expanding the organization and the *IPI* Academy;
- ***Myclimate***: Accor offers its guests the opportunity to purchase certified carbon credits to offset the emissions linked to their stay, meetings and events.

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.

3.3.1 HR strategy in the service of the Group's transformation

In 2022, the Group's HR strategy focused on four key drivers:

Making the Group more attractive against the backdrop of the talent war

Attracting talent, induction and retention, are major challenges for today's hospitality industry. To attract new talent and ensure they stay, Accor leverages more than ever the Group's culture, the identity of its brands, the multiplication of targets and a faster recruitment process, respectful and inclusive management of employees and career development support for all.

Building the new organization of the Group

The Talent & Culture Department is in charge of Group Human Resources (HR). Since the announcement of the reorganization of Accor in July 2022, they have been mobilized to build a more agile and focused organization, aligned to meet the respective challenges of two new segments: "Premium, Midscale & Economy" and "Luxury & Lifestyle". This new organization is effective in 2023. As an employer, the Group is attentive to ensure that management line and teams can flourish in this new organization and seize the opportunities offered by our ecosystem.

Transforming and digitizing the HR function

2022 was a year of transition for the transformation and digitization of the HR function. The Talent & Culture Department for all regions worked together to create a new human resources information system (SIRH) for head office employees, which will be rolled out during the first half of 2023. Concurrently, the improvement and roll-out of the HR platform for recruitment, internal mobility and pathways within the hotels, is ongoing.

Promoting diversity and inclusion

Diversity and inclusion are Group priorities. Accor recognizes the differences of each of its Heartists®, promotes diversity and equal opportunities and encourages each employee to be themselves, expressing 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 in the service of individual performance for the common good.

HR strategy also strives to bring to life the Group's employer brand: *"Be Limitless: Do what you love. Care for the world around you. Dare to challenge the status quo!"* 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:

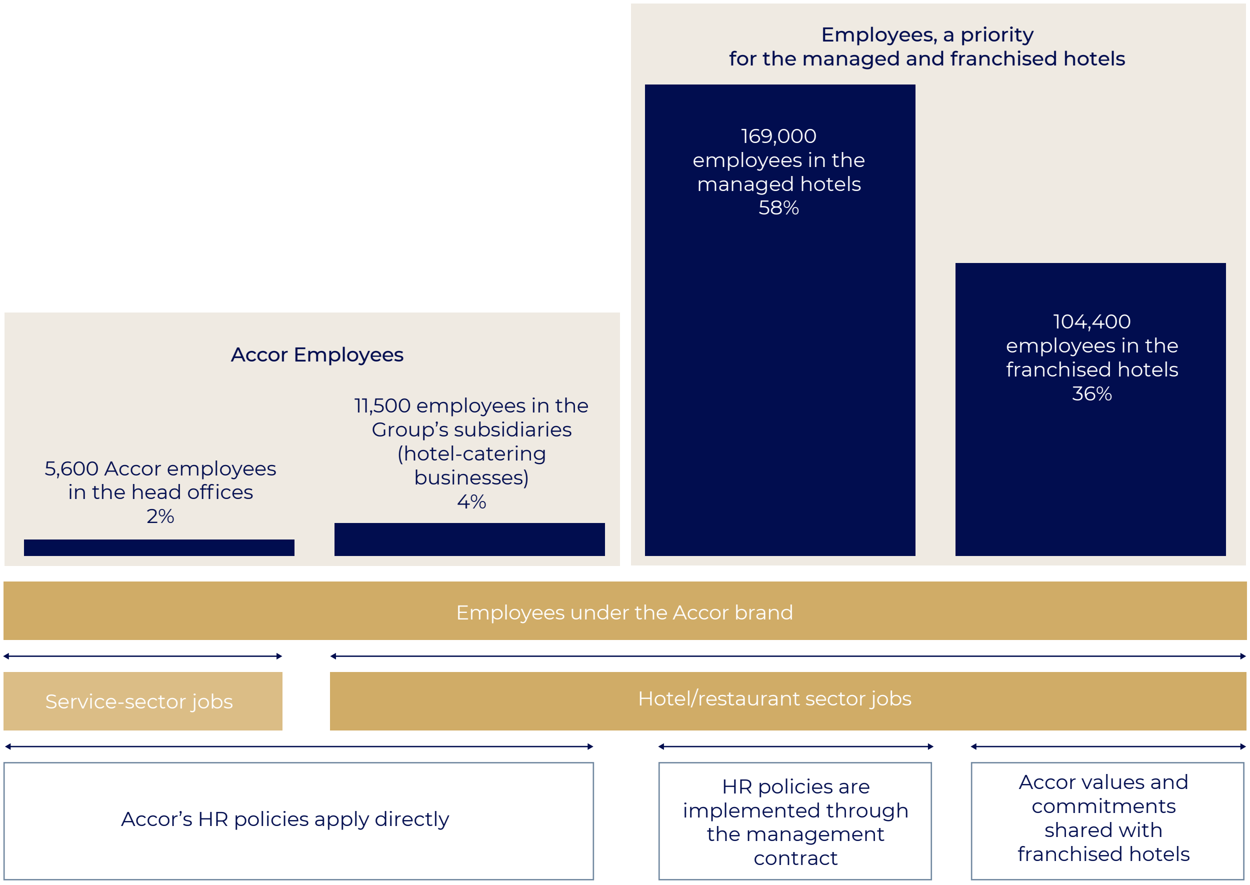
- *Be ALL you are* – develop an inclusive corporate culture;
- *Grow, learn and enjoy* – give access to attractive training and career plans;
- *Work with purpose* – provide the opportunity to engage with the Group and act as a social elevator;
- *Explore limitless possibilities* – offer attractive employee benefits.

Accor's value proposition

TALENT STORY	**Be Limitless**			
VALUE PROPOSITION	Do what you **love**	**Care** for the world	**Dare** to challenge the status quo!	
SUB-PILLARS	*Be ALL you are*	*Grow, learn & enjoy!*	*Work with purpose*	*Explore limitless possibilities*
CULTURE	HEARTIST ACCOR	**WE ARE HEARTISTS®** →	**Our values:** Guest passion; 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 numerous jobs in 110 countries. At end-December 2022, the global workforce made up of Accor employees and employees under the Accor banner was estimated at 290,500.



The different networks of individuals who work directly or indirectly for Accor, and the way the HR policies apply, are as follows:

- 17,100 people employed directly by the Group. Of these people: 5,600 (2%) are based in head offices at Group and country level (tertiary sector businesses); 11,500 (4%) work in the Group's subsidiaries (hotel-restaurant 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;
- 169,000 people (58%) employed by the owners of managed hotels. A management agreement makes it possible to deploy the Group's human resources policies in managed hotels;
- 104,400 people (36%) 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 accross all of 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.

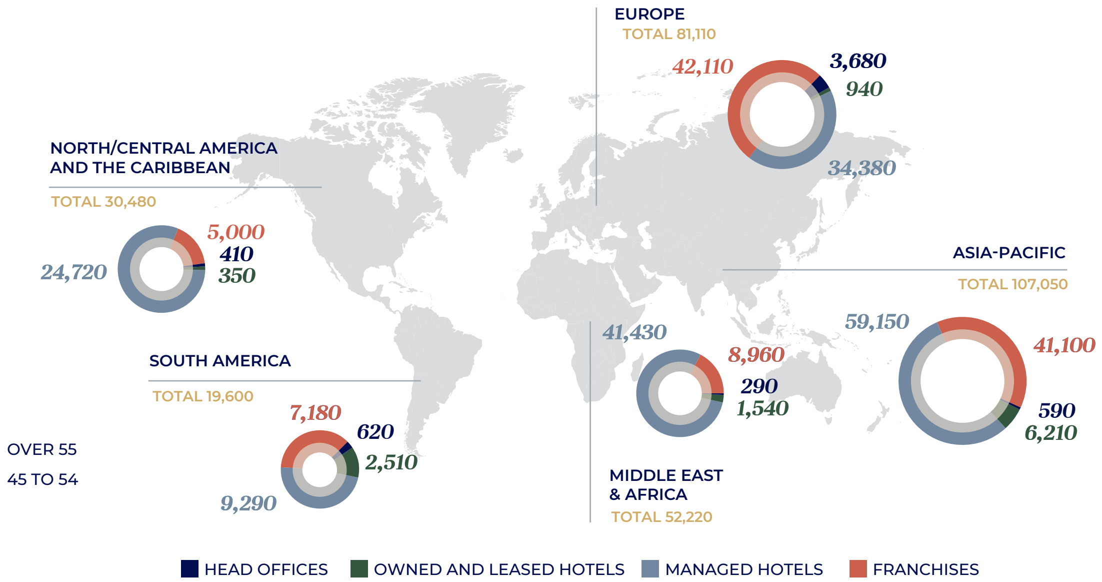
In addition, the Group's activities rely on tier 1 suppliers and subcontractors (for example temporary employees, laundry services, housekeeping and grounds maintenance staff, etc.), as well as the rest of the supply chain (tiers 2, 3, 4, etc.). For tier 1 suppliers, social risk management is supported by Accor's responsible procurement policy 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, etc. In 2021 this was estimated at around 380,000 people. 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

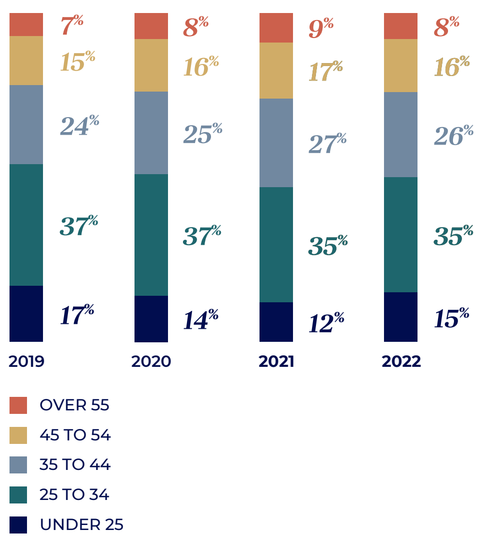
The number of employees working for Accor brands worldwide is estimated at around 290,500 compared with 232,000 in 2021. This increase stems from the reopening of all hotels following the Covid-19 crisis, but also from the expansion of the scope of hotels and entities included in the reporting.



Age pyramid

Accor has a young workforce, with 50% of employees under 35.

Breakdown of Group headcount by age group



Gender diversity

Women represent 42% of employees in the head offices, subsidiaries and managed hotels scope and 31% of hotel General Managers.

Within the legal scope, women represent 57% of the workforce and 41% of hotel General Managers.

New hires and departures

Voluntary departures, a major indicator of employee commitment, are carefully monitored by the Group. To limit this risk, Accor is focusing on developing the skills and employability of its teams through a training program and an internal mobility program. The employer brand is also an asset for recruiting and retaining talent.

In 2022, in its scope excluding franchised hotels, 123,596 people were hired by Accor and 86,797 left the Group. These figures are not specific to Accor but are structural for the hotel sector, particularly with the recovery in activity post Covid-19 and the surge in recruitment to fill all vacant positions.

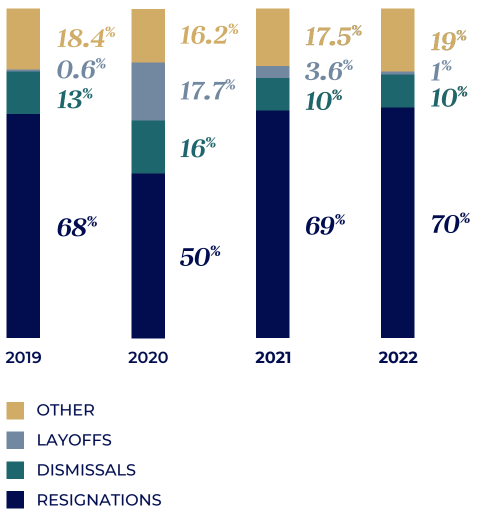
Within the legal scope, the number of new hires was 10,713 and the number of departures 7,778.

	2019	2020	2021	2022
Total turnover rate (head offices, subsidiaries and managed hotels)	34%	38%	33%	40%
Total turnover rate (legal scope)				43%

Separations by reason, worldwide

Departures are largely related to the volatility of talent in the hospitality sector, observed by all operators in the sector worldwide following the Covid-19 pandemic. 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 33% in 2022.

	2019	2020	2021	2022
Resignation rate	27%	22%	30%	33%

In 2022, 60,490 people employed by Accor and under the Accor banner have resigned: these resignations represent 70% of all the Group's departures.

On the legal perimeter, the share of resignations in the total number of departures is 69% (5,358 out of 7,778).

Absenteeism

The change in the average number of days of absence per direct Group employee following a workplace accident is explained by the closures of many hotels during a large part of the year due to the health crisis: since employees were less present in the hotels, there were fewer workplace accidents. 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 absent per employee by cause	2019 *(head offices, owned and leased hotels and managed hotels)*	2020 *(head offices, owned and leased hotels and managed hotels)*	2021 *(head offices, owned and leased hotels and managed hotels)*	**2022** *(legal scope only)*
Medical leave	4	4.5	4.8	4.7
Workplace accidents	0.5	0.3	0.5	0.3
Unauthorized leave	0.5	0.4	0.4	0.2

3.3.2 *Attracting and retaining 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, coliving 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.

The health crisis took a particularly harsh toll on the hotel industry in 2020 and 2021 and has also largely changed the working habits of the entire active population while decreasing the appeal of the hotel industry. To recruit in a market under pressure, in a context of strong intra-sector competition and to face the risk of a shortage of talent making integration times longer and costs more significant, 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 "Be Limitless" employer brand and the Accor Heartist® culture

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, 85% of which consists of common elements across all regions, business lines and brands, with the remaining 15% being brand-specific. This signature program 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.

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. These Ambassadors there promote the Group through panel events and share job opportunities. Student challenges are also organised.

Improving visibility on employment sites and making recruitment more fluid thanks to digital tools.

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.

Online evaluation tools based on the *Accor Leadership Capability Framework* 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.

The key to successful recruitment is also dependent on the responsiveness of the operational process. A new more modern tool now allows hotel managers to more effectively manage CVs and optimize the candidate's career path. This tool was developed, signed off and tested in 2022 across 50 hotels, and then rolled out to head offices at year-end. The global roll-out is planned for 2023 for hotels that wish to sign up for this service.

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 *section 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 or 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 2022, the Group also participated in career fairs in the major global hospitality schools (*EHL Hospitality Business School, Glion, Les Roches, l'Institut Paul Bocuse*, the schools within the Swiss Education Group) in addition to local schools. Business projects from their students were welcomed.

A training and rapid integration program for hotel leadership positions, named *Inspire – Be the future of Hospitality*, has also been redesigned and rolled out to 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!* 2022 brings the *Metaverse* into focus!

Daring and innovating are central to the Group's DNA. Accor is adopting this mindset to work with the new generation to build the future of hospitality design. The *Take Off!* challenge, open to all schools worldwide embodies this notion. Since 2012, this initiative has been encouraging students to innovate on themes that are linked to Accor's strategy and business lines. The 2022 challenge addressed the – *#BELimitless* – employer promise. Students worked on the theme "*What innovative practices can Accor adopt to attract talent in a post-Covid-19 environment?*".

More than 596 students participated in this challenge. The winning team (Singapore) paved the way to the future of hospitality in the metaverse with a solution incorporating gamification and fun into the recruitment process.

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.

Two *Meet Ups* were held around interventions by the Chief Digital Factory Officer and the CEO Southern Europe. They attracted 1,600 students.

Accor Pacific: *Work your Way*

Accor Pacific launched a new program *Work Your Way,* to attract talent and ensure the future of hospitality in this region.

This regional initiative can be seen in a range of programs like *Same Day Hire*, a one day recruitment process, *Benefits Your Way*, personal benefits for employees, *Open Pathways* to travel and work around the Pacific, *Academy Learn Your Way* to support career development and *Work Your Way at Accor*, a flexible work option for all Heartists®.

Southern Europe: Jobs au Talent!® by Accor

Accor Southern Europe launched the *Jobs au Talent!* program. This initiative consists in a one day recruitment process, in the style of job dating, and *Same Day Hire*, based on recruitment without a CV and solely based on the candidate's personality. Visibility on these activities was raised by the local media and social media with targeted audiences. The program was successful in 2022 and will be reinstated in 2023.

3.3.2.2 Developing and retaining talent

Context

In a context of full employment, talent loyalty is a key challenge for the hospitality sector. For Accor, this means ensuring that employee career paths reflect their aspirations and their career development plans at all times.

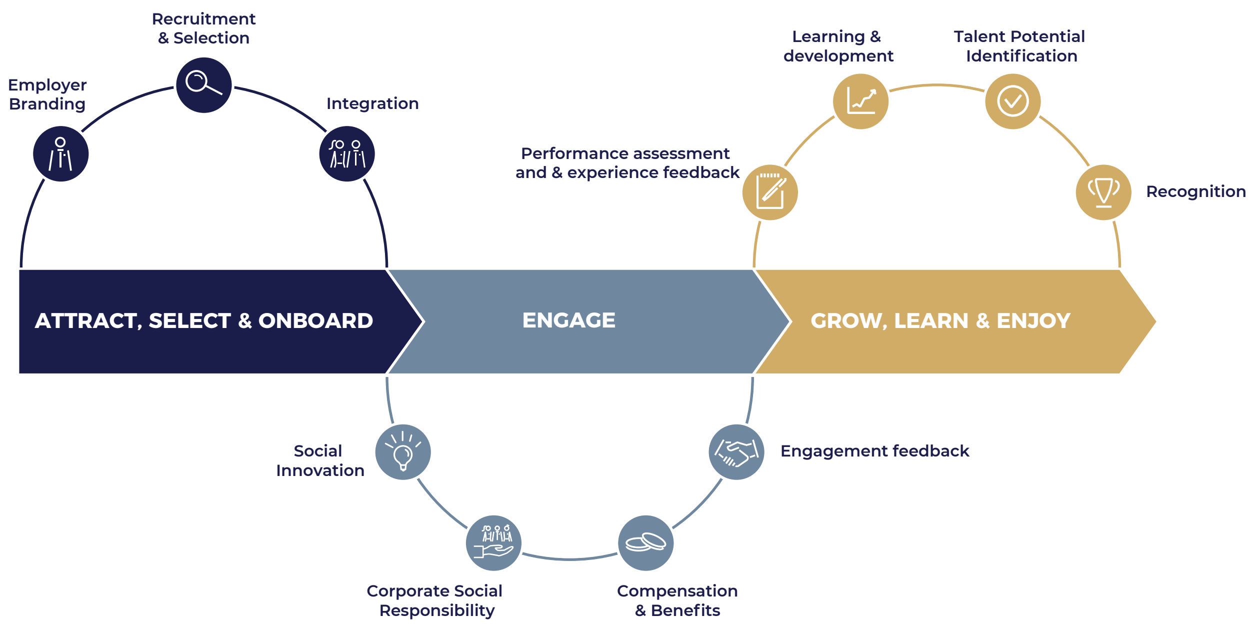
Listening, skills development, career support, and a caring and inclusive work environment are thus central to the HR strategy, with a simple but ambitious objective: that everyone should feel free and responsible in their position in order to be able, collectively and individually, to offer the best 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 career and skills management tool 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. The performance interview provides an assessment of the employee's year and sets objectives for the coming year in relation to their variable compensation. It enables them to discuss their career plans, their training needs and to take on new career opportunities. The *check in* dovetails with this. This conversation between the employee and the manager enables a regular review 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 risk of departure and the ability of an employee to evolve into another position. 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 *Be Limitless* 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 for more than 30 years has been offering training programs in a wide range of areas, from specific sessions for certain professions to brand immersions and leadership training, and in several languages. These courses are designed to help teams develop and acquire new skills throughout their careers at Accor. The eight 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 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.

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. For example, 28% of General Managers, whether owned and leased or managed, are employees with a high school diploma or no higher education.

Action plan

Like every year, Accor conducted an engagement survey among its owned and leased and managed hotels. 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*" (score: 8.7/10).

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 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.

In terms of talent development, via the *Accor Academy*, the Group rolled out new training programs in 2022, including:

- the *Global Leadership Program (GLP)*: aimed at all levels of management, this innovative, experience-based, human-centered blended program was designed by contributors from different regions, with support from partners such as *LinkedIn Learning* and *Gallup*. A complete learning experience, the interactive program is translated into 19 languages and lasts between four and 10 months depending on the profiles involved;
- integration of Luxury: this specific program for the managers of the Group's Luxury brands aims to train talent who have no experience in the luxury hotel industry;
- training on the DNA of brands: as part of the launch of the Orient Express, a training course built around assimilating brand fundamentals was implemented;
- new training modules in business techniques: in 2022 an easy, quick, highly visual e-learning was developed on the basics of the hospitality industry like making a bed or a cocktail. This online training is very beneficial for new employees who have no prior experience in hospitality;
- certification of managers worldwide thanks to the *Gallup* assessment;
- overhaul of the Accor digital training content at Cornell University in New York tailored to hotel or head-office division managers with the exploration of themes like positive psychology and psychological safety, or stress resistance.

Other training initiatives such as *Bloom* (see insert) were initiated in 2022.

Finally, 2022 marked the launch of the *School For Change* program, aimed at raising employee awareness on sustainable development issues (see insert).

Raising employee awareness about sustainable development issues through the *School For Change* program.

Global warming, 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, B2B or B2C 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 the last quarter of 2022, a module on energy efficiency was added. New modules are planned for 2023.

This training is very popular with employees with 97% of eligible Accor employees at head offices taking the course.

Creating a talent pool with *Bloom*

In 2022, Accor launched a program for Department Head positions in hotels. Called *Bloom* in Europe, this 12-18 months training program for managers was hugely successful. The major stages of this journey are the following:

- *Fundamental Learnings* which are mandatory for all "Bloomers" are based on four key themes : Culture, Business, Leadership, 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, the first focused on "Customers/Teams", and the second on "the Hotel's Strategic Plan". Each "Bloomer" must apply 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 advisor within the Group to introduce people and thereby broaden their networks, draw on the knowledge of this experienced advisor and their best practice.

Results

Accor's ability to retain its talent is reflected by the **proportion of resignations in employee departures**. **On the legal scope, the resignations represented 69% of reasons for leaving.**

The **training** effort 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. **On the legal scope, 14,688 people were trained in 2022, i.e. 86% of the population, for 99,595 hours of training completed. 32% of training hours were delivered by Accor managers.**

3.3.3 *Engaging employees*

3.3.3.1 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. Strong employee commitment is an indicator of a healthy climate and attachment 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, for their part, 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 identify priorities that have an impact on the level of engagement and define 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 new connected and autonomous tool. Global and worldwide, this online survey is anonymous and voluntary. Available in 62 languages, it is intended for all employees under the Accor banner with at least three months' seniority in the owned and leased and managed hotels, as well as head offices.

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, General Managers can track team participation.

The overall results for 2022 were positive, with little variation by department, age, seniority, position or management level.

The 2022 survey of owned and leased and managed hotels reached 89% of respondents, a 3% increase over 2021.

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 2022 hotel engagement survey were up:

- 141,369 of our employees (89%) expressed their opinions by completing the hotel engagement survey – including 1,569 General Managers (84%);
- 597,074 comments were received, an average of 3.7 comments per employee;
- the overall engagement score was 8.6/10. This corresponds to 86% of the *Heartist® engagement index* (+6% vs 2021).

Of the 114 hotels in the legal scope (i.e. 4,401 employees), the engagement rate, derived from the 2022 engagement survey, is also 8.6/10.

Note that there was no survey in 2022 of head office employees. The engagement score for this population in 2021 was 55%.

3.3.3.2 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 complex time management. 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, Accor has a decentralized policy that complies with local legislation and obligations. The improvement of working conditions is therefore implemented at the local level and in consultation with the hotel-owner partners, for employees of which they are employers 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, so as 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. This assessment 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.

Local managers are in the front line when it comes to health and safety. They must seek to identify and mitigate risks on a daily basis and implement action plans to ensure safety at work.

In addition to its own teams, Accor ensures that subcontractors receive health and safety training.

For example, in France, trainings on evacuation rules or on the fight against musculoskeletal disorders have been implemented.

Numerous *Gestures and postures* training courses are offered by the *Accor Academy* in Europe, 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.

The Group provides appropriate training and tools to reduce work-related accidents and illnesses. As such, it organizes training on health and well-being, for example: first aid, psychosocial risks, chronic diseases, nutrition, gender-based violence, HIV/AIDS prevention, etc.

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 *Levly®* 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 for direct Group employees (legal scope)

	2022
Number of days of absence due to workplace accidents	4,370
Number of workplace accidents with lost time	616

Lost-time injury rate and severity rate of workplace accidents

	2019	**2020**	**2021**	**2022**
Lost-time injury rate*	1.26	0.22	0.94	1.56
Incident severity rate for workplace accidents*	0.10	0	0.08	0.1

* *Since 2018, the frequency and severity rates include only the head offices. In 2022, the frequency and severity rates covered 90% of head office establishments, i.e. 98% of the workforce, as the data for the other establishments was not considered reliable.*

Preventing stress and psychosocial risks

Various measures are deployed 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 Health Department. In France, medical visits with the Occupational Health Department are proposed after an employee's long period of absence.

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 counseling. Bound by professional secrecy, the experts are mainly psychologists and are available 24/7.

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, Northern and Southern 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, exacerbated in particular by the health crisis. Employees 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.

Management of Covid-19 pandemic risks

The Group is committed to scrupulous compliance with legal and regulatory guidelines in the geographic areas still affected by the Covid-19 pandemic, leaving it up to the affected regions to manage these measures locally.

The hotel teams have deployed the *ALLSAFE* health protocol, intended for employees and guests alike, under the leadership of an *ALLSAFE Officer* appointed and trained in each hotel. To obtain *ALLSAFE* certification, a hotel must comply with a detailed list of 16 international commitments, drawn up jointly with Bureau Veritas, covering more than 100 standards.

In 2022, Accor delivered Covid-19 vaccination campaigns in its head office, in compliance with national health protocol and available vaccine supply.

Development of sports activities

Accor has always encouraged the development of sports activities among its employees.

For example, the parisian head offices have a gym or equipped changing rooms to facilitate sports activities in the workplace.

The Sequana head office itself was the venue for a charity sports challenge to raise funds for an association, with employees invited to climb the 23 floors for a good cause.

A sports association is also present with six sports proposed, which in 2022 gained many members and realized more than 120 training sessions, tournaments and sports meetings. It also participates in many running events.

However, the development of the sports business does not appear to be a material risk for the Group.

3.3.3.3 Recognizing performance: compensation, profit-sharing and employee savings

Context

Recognition of performance through the remuneration system is one of the levers of employee commitment. Accor defines a global remuneration policy for employees of head offices, owned subsidiaries and managed hotels (64% of the Group's total workforce).

Each year, the Group participates to remuneration surveys on the market in general, and the hotel market in particular, with referenced service providers in most of the countries in which it operates. This work enables the Group to establish remuneration grids which are applied by the Talent & Culture managers to define the remuneration of employees.

Policies and action plan

The compension 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.

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 2022, employees received an average gross amount of €1,305 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 2021. In 2022, 3,294 employees benefited from this scheme, worth approximately €263,000, the distribution of which was deferred from 2021 to 2022. The special profit-sharing reserve for fiscal year 2021 amounted to €3,934,000 and benefited 3,143 employees, representing an average gross amount of €1,250 per person.

In 2022, the Group changed its pension scheme to a PERCOL (collective company pension savings plan) in order to allow employees to benefit from the advantages offered by the PACTE Act in terms of rationalizing their retirement savings.

The Group has also reviewed the range of funds it offers, including an FCPE (Fonds commun de placement d'entreprise) invested in securities of companies committed to limiting their impact on climate change.

The *"Épargne Avenir"* plan, introduced on January 1, 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 2022, 2,627 employees invested in a Corporate Savings Plan (PEEG) for savings purposes and 1,977 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 2022, 1,796 invested in the PEEG and the PERCO.

3.3.3.4 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 specifically, at the level of the Group's head office functions, a trade union rights agreement was negotiated and signed in 2022 with the representative trade union organizations. The agreement strengthens the rights of employee representatives and makes it easier to combine a representative mandate with professional life. It also aims to guarantee union representatives equal treatment with other employees in access to promotions and careers.

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 2022, out of a consolidated scope of 86 countries that responded to the questionnaire, 50% have an employee representation body in their hotels that meets regularly.

	2020	2021	**2022**
Percentage of owned and leased and managed hotels covered by a formal collective agreement concerning working conditions	10%	37%	37%

Policies and action plans

The Group is reorganizing and optimizing its asset-light model to remain competitive in a highly competitive environment. This transformation led to an adjustment in resources with employee redundancy plans in the various regions in which the Group operates. The European Works Council was notified and the employee representative bodies consulted. These redundancy plans were the subject of negotiations with the employee representative bodies with a view to maintaining jobs and minimizing the social impact. Voluntary departures have been encouraged wherever possible. Employee outplacement and support mechanisms are offered to maintain their employability and/or allow them to bounce back.

At the French head offices, the employment protection plan announced in 2020 and implemented in 2021 was pursued in 2022. As part of this, 224 of the 231 employees affected joined a support program that in some instances could run up to 2023.

Furthermore, 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 will continue in 2023 and the consultation of employee representative bodies will start in 2023.

Main collective agreements signed in 2022 at the French corporate head office

- personnel Status Rider to be effective January 1, 2023. The Personnel Status Rider incorporates the provisions of the former agreement on calendar year paid leave. In addition, new provisions will come into force, namely:
  - a reduction in the number of days worked for executives to 216 days per year (compared to 218 days in 2022);
  - flexibility in the taking recovery days (known as *RTT* days) for non-managers;
  - additional leave based on seniority within the group;
  - an increase in the number of days of paid leave for family events.
- new profit-sharing agreement, with the inclusion of a new indicator relating to training in the prevention of and fight against gender-based violence;
- agreement on equality between women and men, which includes parental leave;
- agreement on trade union rights, which strengthens the rights of employee representatives and makes it easier to combine a representative mandate with professional life. The agreement aims to guarantee union representatives equal treatment with other employees in access to promotions and careers.

Main collective agreements signed in 2022 for France Operations

- personnel Status Rider to be effective January 1, 2023. The Personnel Status Rider incorporates the provisions of the former agreement on calendar year paid leave. In addition, new provisions will come into force, namely:
  - a reduction in the number of days worked for executives to 216 days per year (compared to 218 days in 2022);
  - flexibility in the taking recovery days (known as *RTT* days) for non-managers;
  - additional leave based on seniority within the group;
  - an increase in the number of days of paid leave for family events;
  - a new profit-sharing agreement.

3.3.4 Promoting diversity and inclusion

Context

Promoting diversity and 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 & Inclusion approach is structured around four key pillars:

- gender diversity and parity;
- integrating people with disabilities;
- wealth 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 choice for employees, especially the younger generation.

The results of the 2022 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)"*.

Diversity: a long-standing commitment at Accor

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 Rights Day* on March 8, *Accor Diversity & Inclusion Week* in June, *Pride Month* in June, *European Week for the Employment of People with Disabilities* in November, International Day of People with Disabilities on December 3, etc.

Governance

The Group has dedicated Diversity & Inclusion governance built around an international community that meets every three months to share best practices and relay its commitments. The Group also ensures that diversity and inclusion are adopted at the highest managerial level, with the support of the Executive Committee and the Ethics, Compliance and Sustainable Development Committee created in 2014.

The Diversity & 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 is formalized in the Group's Diversity Commitment since 2011 and translated into more than a dozen languages.

It is divided into eight commitments which serve as the foundation of Accor's diversity & 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 resource 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 and 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 Committee 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 & Inclusion intranet site;
- the Diversity & Inclusion glossary;
- the Group *Recruitment Charter*;
- the *Disability Guide*;
- the *ILO Business & Disability Charter*;
- the guide for recruiters and managers: *"Recruiting without discrimination"*.

3.3.4.1 Gender diversity and parity

Context

The Group is committed to promote 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 parity are one of the four key pillars of Accor's Diversity & 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*. 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 conducted an annual study of pay gaps since 2017. In 2022, the pay gap for equal positions was 2.1% in 38 countries (therefore not significant as it is below 5%).

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 behavior.

2022 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 parity:

- Women on the Executive Committee: 40% by 2025
- Women on Management Committees: 45% by 2025
- Women General Managers: 40% by 2025

Results

In 2022, the Group had 32% of women on its Executive Committee.

The percentage of women on Management Committees worldwide as of December 31, 2022 reached 39%. This was in line with the target set in the short-term variable compensation plans. This indicator includes Executive Committee members as well as the members of the Management Committees of Executive Committee members.

The percentage of women General Managers is 41% in the legal scope and 31% on the owned and leased and managed hotels perimeter.

Percentage of women employees

	2020	2021	2022
Total women	43%	42%	42%
Women General managers (owned and leased and leased and managed hotels)	29%	30%	31%

3.3.4.2 Violence against women

Context

The Group has made prevention and 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 behavior, and communication campaigns supported by an Accor guide on sexism. Today, 199 organizations and schools 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 coalition*. The aim is to take action against 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*, referring to the following figure: 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. Initially launched at the Group's head office, this mandatory training for employees is one of the objectives for which a portion of the profit-sharing bonus is paid.

More than 90% of Accor head office employees in France had completed the training by December 31, 2022. It will be available from January 2023 for all employees worldwide. The participation rate is measured regularly.

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. The *All Heartist Fund* has financed 4,000 temporary shelters, food baskets and social and psychological support. An internal hotline has been set up to support Accor employees who are victims of domestic violence;
- **United Kingdom:** creation of the *For Women By Women* program in 2021. Accor is a signatory partner of *the Employer's Domestic Abuse Covenant* to support women victims of domestic violence. As part of this partnership, Accor launched the *For Women By Women* mentoring program 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 involvement with *La Fondation des Femmes*, which promotes women's rights and the fight to end violence against women;

- **Accor and *La Fondation des Femmes*** launched in 2022 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 aims at providing 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;
- **Support for *Lila.help***, platform that publishes a worldwide directory of domestic and sexual violence support services.

3.3.4.3 Integrating people with disabilities

Context

The integration of people with disabilities is one of the four pillars of Accor's Diversity & 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 Labor Organization's (ILO) "Business and Disability" Global Network*. The Group is also a member of the global *Valuable 500* initiative, which aims to make the inclusion of people with disabilities an explicit part of the roadmap for multinational companies.

In France, the 6th Group agreement, for the employment, inclusion, integration, retention and advancement in employment of people with disabilities, has been signed for three years (2021 to 2023). 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 *Manifesto for the inclusion of people with disabilities in economic life* and is committed to implementing a proactive policy.

Action plan

The Diversity & 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 business and their assignments with people with disabilities. Initially launched in France, this initiative is becoming 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 17 to December 3, 2022.

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.

Particular attention is paid to the development of digital accessibility for all digital projects, with the help of experts integrated into the teams. The compliance rate is audited and measured.

Accor will finally be an Official Partner of the Paris 2024 Paralympic Games. This global event will be an opportunity to improve the reception of customers with disabilities and to highlight the Group's commitment to inclusive and accessible games.

Accor develops *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.

(1) *Accor France scope.*

The Group is developing or encouraging numerous local initiatives at the hotel or hub levels.

- **in China**, Accor has partnered with schools to offer an internship program for students with disabilities. Novotel Shanghai Atlantis has also reached out to the *Shanghai Pudong Special Education School*. The institution has already welcomed 163 disabled trainees and signed a contract with nine of them after their graduation;
- **in Spain**, hotels took online sign language courses in collaboration with the *Instituto Europeo de Turismo Inclusivo* to facilitate communication with employees and customers with disabilities;
- **in Saudi Arabia**, local teams piloted a training and certification program in partnership with *IBCCES*, to educate teams on interacting with individuals with autism spectrum disorders;
- **in Australia**, Accor properties in New South Wales and Queensland are continuing their disability employment program with the disability employment support services, *atWork Australia* and *Disability Service Australia*, with great success;
- **in Luxembourg**, the Novotel Luxembourg Kirchberg is partnering with *Dans Le Noir?* and together created and launched a *In the Dark* restaurant within the hotel on December 1 – including the recruitment of visually impaired talent.

Several recruitment campaigns have been organized, including:

- talent recruitment at the Novotel Bangkok Suvarnabhumi Airport in partnership with the *National Association of the Hearing Impaired of Thailand*;
- connections between the Accor Careers site and specialized sites, such as *Agefiph* in France. Signing of a partnership with *Linklusion*, a major player in the recruitment of Disabled Independent Workers (DIW);
- organization of the *Hello Handicap* fair dedicated to the Group throughout France. More than 2,000 job offers sent from Accor Career to the *Hello Handicap* website.

Results

The Group's objective in terms of disability is to reach at least 2% of the workforce worldwide by 2023. This rate was 1% in 2021. The 2022 figure will be available during 2023.

The disability rate [1] for Accor France was 4.63% in 2021.

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 plans

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 Aborigines in the *First Nations* employment program. More than 600 people from aboriginal 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 2022, Accor welcomed 410 young people for their 9th-grade internships. Since 2018, the Group has hosted more than 2,000 youths on internships at Group head offices or hotels;
- **in North America**, the Group has a dedicated Diversity, Equity and Inclusion Committee and is accelerating its efforts to achieve 30% BIPOC (Black, Indigenous, and People Of Color) leadership in the region by 2023;
- **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;
- Accor is also a member of the *Refugees Are Talents* collective in France and has established partnerships and initiatives (job datings, conferences, programs) to facilitate and promote the recruitment of refugees in a number of regions, including **Brazil, Australia, Portugal, France and Northern 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 & 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 LGBTI Standards of Conduct for Business* since 2018;

(1) *Scope: Owned and leased and managed establishments.*

- **in South America,** Accor has played a pioneering role. As of 2017, the Group joined the *Fórum de Empresas e Direitos LGBTI+* 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 France**, the Group's head office officially launched an ERG (Employee Resource Group) in June 2022 called *#TOGETHER*: the first LGBTQI+ community and allies within Accor. Under the impetus of *TOGETHER*, a 10-week parental leave is proposed since January 2022 in France to homoparental families;
- **in Pacific**, Accor introduced a new gender identity policy in the workplace in October 2022. 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.

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

In 2022, a number of projects co-constructed with associations and employees throughout France were developed to help people with refugee status. These projects are carried out with several associations:

- *l'Ecole des Cuistots Migrateurs* in Paris, which offers a four-month training course in cooking to newcomers (four promotions of 10 beneficiaries supported);
- *Weavers* in Lyon with the *Tisseurs d'avenir (Future Weavers)* program, a training program promoting professional integration in the hotel and restaurant sector for young people hosted in internships in some 15 hotels (21 people trained);
- *Festin* in Marseille, with the *Refugee Food* program, accelerating the professional integration of newcomers in the restaurant sector (15 people accompanied).

Focus on some of the projects supported by the endowment fund *Accor Heartist Solidarity in 2022*

***Des étoiles et des femmes*: a training in excellence that combines gastronomy and solidarity**

This training program in the catering industry is intended for women from disadvantaged neighborhoods (*Quartiers Prioritaires de la Ville*) in France. In a dozen cities, the Group's chefs receive one of the beneficiaries as an intern in their brigade for a year, in order to share jobs, experience and practical advice. This project, which has been supported by Accor for eight years, creates synergies between gastronomy and the professional integration of women.

Other projects supported in several countries

- **in Madrid**: *Entre Mujeres* and the Accor Spain head office contribute to the improvement of the socio-professional situation of women in difficulty through art therapy and the manufacture of lampshades;
- **in Barcelona**: the association *REIR* and two ibis accompany young people from the child welfare system towards autonomy;
- **in Burma, in Yangon**: *FXB international* and Novotel Yangon Max train young women as weavers, in the hotel business and accompany them towards entrepreneurship;
- **in Thailand and Madagascar**: the *IECD* and the Heartists® train young people from disadvantaged neighborhoods to become bakers.

Results

More than 450 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 a 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 Executive Committee.

In order to manage in a structured and regular manner the requests for assistance received in the form of formalized files, each Hub has a local Steering Committee which is generally composed of the HR Director of the region, the Financial Director and the Legal Director.

Policies

Employees are financially assisted with their hospital expenses and have access to the Covid-19 hospitalization and death benefit. Employees in financial distress (pandemic-related unemployment with a significant drop in income) receive an individual allowance based on their situation.

Individual partners suffering from personal financial difficulties are assisted with a case-by-case grant.

Professionals active on the ground for Covid-19 (medical personnel, paramedics, police, military…) are supported by initiatives of appreciation, gratitude and attention.

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 by adapting to exceptional events.

Students seeking internships have been among the beneficiaries since 2021, with the goal of enabling them to validate their years of Master's, Bachelor's or other degrees. The *All Heartist Fund* has committed to paying 50% of the cost of the course with hotel owners and managers who request it. The system has worked well in North America, Australia and Europe.

In 2022, the *All Heartist Fund* offered assistance to the very vulnerable. It supports NGOs that help these vulnerable communities, whether orphanages that lost funding during the pandemic or NGOs that help women who are victims of domestic violence.

Results

At December 31, 2022:

- €35,400,000 invested to respond to more than 105,000 requests, of which €30,300,000 (85%) was allocated to employees in financial or medical difficulty;
- €1,400,000 invested to fund 460 student interns.

Support for Ukrainian refugees and employees

Following the invasion of Ukraine in February 2022, the *All Heartist Fund* financially supports NGOs helping Ukrainian refugees as well as employees directly impacted by the war via a direct financial endowment. The total amount of aid is €1,110,000 for 2022.

A fundraising campaign for the *UNHCR (United Nations High Commissioner for Refugees)* was also conducted among Group employees via the internal media, at the initiative of the *Accor Heartist Solidarity Fund*. Almost €113,000 in donations were collected and matched by Accor for a total of more than €233,000.

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 plans

A key event every December, *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 networks with the hashtag *#AccorSolidarityWeek*;
- **at the Group's head office**, a two-day event was organized, ounctuated by workshops, with NGOs supported by the *Accor Heartist Solidarity Endowment Fund*. For example:
  - *Re-Belle* proposed a workshop of jams made from unsold fruits;
  - *Kabubu* proposed a migration fresco and organized a soccer match between refugees and Group employees;
  - *Du Pain et des Roses organised* a floral art workshop;
  - a conference presenting Accor's commitment to refugees, alongside NGOs in the field: *UNHCR*, the *Ecole des cuistots migrateurs*, *Weavers*, and the involvement of employees working with these groups.

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 Group General Counsel and Board of Directors' Secretary, who has access to the Group's governance bodies. The compliance program is implemented in conjunction with the Ethics, Compliance and Sustainable Development Committee, under the supervision of the Executive Committee and the Audit, Compliance and Risk Committee of the Board of Directors *(see section 4.4.1)*.

Ethics, Compliance and Sustainable Development 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. It is composed of permanent members who represent the various activities and regions in which the Group operates.

The bureau of the Committee is composed of the Group General Counsel and Board of Directors' Secretary, the Talent & Culture Director and the Chief Sustainability Officer.

The position of Committee chair revolves among the bureau members. The Committee chair for 2022 was Brune Poirson, Chief Sustainability Officer.

The main missions of this Committee are to:

- make recommendations to the Executive Committee 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;
- analyze any shortcomings and recommend specific additional controls if necessary;
- oversee the implementation of the Group's ethics, compliance and sustainable development procedures;
- monitor the management of ethics-related whistleblowing reports and follow up on related action plans, if and where necessary;
- review and follow the ratings obtained from non-financial rating agencies.

This Committee meets on average every three months. In 2022, its work focused in particular on monitoring the vigilance plan, the personal data protection program and the situation in Ukraine.

Network of Compliance Officers

The Compliance Officers and the Compliance team at the Group's head office are responsible for the seamless deployment of the compliance program across the Group. 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.

In July 2022, the Compliance officers participated in the *Compliance Days* organized for two days at the Group's head office.

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 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 Group's brands.

Rolled out in all of the active locations, it is available internally on the various Group Intranets and externally on the Accor website: *https://group.accor.com/en/commitment*.

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.

Update of two business ethics policies

In 2022, two policies were updated:

- the policy concerning the fight against anti-competitive practices;
- the policy on gifts and entertainment in order to clarify it and improve the transparency of practices within the Group.

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 the Accor intranet site and via a link on the Internet 24/7 *(see 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 2022, Accor carried out or continued the actions listed below.

Update to the corruption and influence peddling risk map

The update of this mapping covers the entire scope of the Group. This work involved all of the Group's key functions (questionnaire to 201 employees and individual interviews with members of the Executive Committee). Workshops were also held to refine the net risk assessment. This review enabled the Group to fine-tune the identification of the main risks of corruption and influence peddling that could be encountered in its activities and locations, and to adapt the compliance program accordingly *(see methodology in Risk Factors chapter 2)*. The conclusions have been analyzed differently for the Group and for the operated hotels.

New content on the intranet site dedicated to the compliance program

Content on the intranet section dedicated to *compliance* was enriched and updated with information regarding corruption prevention, access to all policies, links to the whistleblowing line, as well as access to anti-corruption e-learning. A specific tab on "Competition Law" and the policy on anti-competitive practices was created.

Internal communications

Several communications targeted at all employees were published on the Accorlive internal social network in 2022, including:

- Compliance Week (from November 6 to 12, 2022);
- International Anti-Corruption Day (December 9, 2022).

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, 4,015 completions of the "Anti-corruption" online training course have been recorded within the Group's legal scope.**

Changes in the use of the *Accor Integrity Line* alert line is another indicator monitored annually by the Group. **In 2022, the number of alerts received via *Accor Integrity Line* increased by more than 49%** compared to 2021. The increase in the volume of alerts since the implementation of the system reflects increased awareness of the line by employees and stakeholders and the removal of brakes on using it.

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.

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 Chairman and Chief Executive Officer and the Chief Financial Officer.

The Tax Department bases its decisions on a network of qualified employees throughout the world and 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 Fiscal 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;
- audits and analyzes structures relative to 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. Equally, the Group ensures that its transfer pricing policy is regularly updated and reviewed in compliance with regulations in force and operating circumstances.

Tax transparency

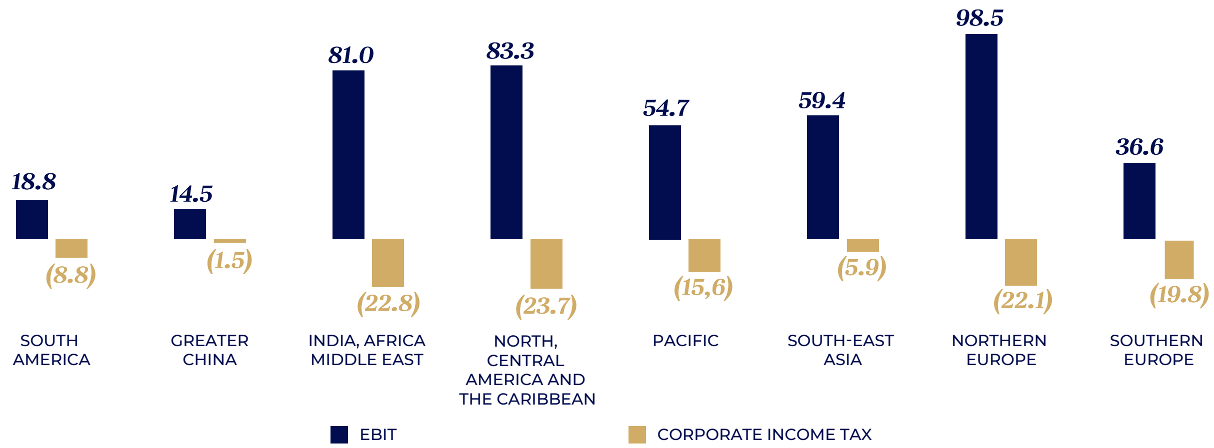
Accor complies with the international tax standards established by the *OECD* and ensures that its intercompany transactions comply with the arm's-length principle.

Furthermore, the Group meets its *Country-by-Country Reporting (CBCR)* 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 *Organisation 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 (including allocations to provisions for depreciation and amortization and net impairments relating to intangible assets, restructuring costs, etc.), Accor recorded a charge of €76,000,000 in taxes, representing an effective tax rate of 17.8%. In 2021, the tax gain totaled €69,000,000, i.e., an effective tax rate of -31.6%.

As well as corporate income tax, Accor pays many other taxes, duties and levies. Most of these taxes, duties and levies are deducted from the profit generated by the Group and in turn 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 and institutions 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. This contribution is intended to contribute to the thinking of public decision-makers.

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 undue preferential political or regulatory treatment;
- to demonstrate integrity and intellectual probity in all its dealings with government agencies and public bodies, regardless of the situation or the interest it is defending.

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 (UMIH-GNC)*, etc.

In addition, in France, under the law of December 9, 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, the Group does not use an external agency in its dealings with governments and public authorities and institutions.

Action plan

In 2022, Accor continued to put in place emergency accommodation mechanisms for vulnerable groups (women who are victims of violence, homeless people) and frontline health workers in light of the Covid-19 pandemic, alongside negotiations with the government and representative bodies to ensure emergency aid for the commercial tourist accommodation sector that has been heavily impacted by the pandemic.

Moreover, the Group wants to play a key role in promoting tourism post-pandemic, as well as in making its businesses more attractive.

Accor is also very involved in the new governance of the tourism sector (especially the *Tourism Sector Committee*, which brings together tourism sector players and the *Minister of Tourism*) as well as the defense of a more inclusive and ecological tourism sector – in particular through the work carried out with professional organizations in terms of sustainable development.

In 2022, for example, Accor worked closely with the public authorities to implement an energy efficiency plan for the sector.

The principal cash contributions paid by Accor to industry organizations or professional federations are presented in the table below. Note that the Group makes no payments to political parties.

Industry organizations or professional federations that receive funding	2020 amounts	2021 amounts	2022 amounts
Union des Métiers et des Industries de l'Hôtellerie – Groupement National des Chaînes Hôtelières (UMIH-GNC)	€351,316	€320,000	€356,495
Alliance France Tourisme (network of companies from the tourism sector united to promote France as an attractive destination)	€20,000	€20,000	€20,000
Association française des entreprises privées (AFEP)	N/A	N/A	€77,000
QADRAN (Franco-Qatari economic circle)	N/A	N/A	€40,000
Conseil français des Investisseurs en Afrique (CIAN)	N/A	N/A	€10,000
Mouvement des entreprises de France (MEDEF)	N/A	N/A	€10,000
Europe			
European Hotel Forum (EHF)	€120,000	€60,000	N/A
World Travel & Tourism Council (WTTC)	€40,000	€40,000	€42,000
World			
Sustainable Hospitality Alliance (SHA)	€39,000	€39,000	€39,000

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. These individuals are increasingly sensitive to the use and security of their personal data and are also more and more inclined to exercise the rights guaranteed to them by current regulations (right to access their data, to have it deleted or modified, or to object to its processing.

The *Ethics and CSR Charter* sets out the Group's commitment to conduct its business while protecting personal data. The Group shall 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 *GDPR (General Data Protection Regulation)*, 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 (transparency, minimization of data, minimization of retention periods, security, integrity and confidentiality, etc.). These principles are set out in the *Accor Customer Data Protection Charter,* available on the Group's website and on the *ALL – Accor Live Limitless* mobile application, as well as on the other Group brand websites. 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*).

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 at the head office and at the managed and owned and leased hotels.

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. For example, during the months of March, April and May 2022, this indicator shows that the customer service teams were able to close and resolve this type of request in less than 3 days on average.

Accor would like to increase the number of employees who have taken the online data protection training course.

Over 2021 and 2022, 828 "*GDPR*" online training course completions were recorded in the Group's legal scope and 15,825 in the global scope.

News

In March 2019, the *CNIL (Commission Nationale Informatique et Liberté)*, 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.

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's teams were mobilized right from the start of this audit 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 of the points raised by the *CNIL* during its on-site visit or its online survey.

To date, the shortcomings identified by the *CNIL* have all been corrected. In the communication published on its website on August 17, 2022 *(https://www.cnil.fr/fr/prospection-commerciale-et-droits-des-personnes-sanction-de-600-000-euros-lencontre-daccor)*, the Commission states: *"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 cyber security.

To ensure the security of its digital assets, the Group regularly conducts intrusion tests and makes employees aware of the need to adopt good habits through recurrent 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 2022, Accor implemented several actions to strengthen cybersecurity.

Ransomware training

This online training was launched in 2022 and is being progressively rolled out to all head office employees. Cyber attacks are a major risk for the company and all employees have a role to play in preserving the company's IT security. The training enabled 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

In 2022, employees were once again made aware of fraudulent emails or text messages, in particular by sharing concrete examples to understand and detect potential phishing.

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.

In 2022, 70 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.

Results

Accor would like to increase the number of employees trained in cyber risks.

Since the launch of the training course in 2022, 2,577 completions of the "*Ransomware*" online training have been recorded in the Group's legal scope (head offices only).

3.4.3 Respect of human rights

Context

The Group's geographic location and business activities naturally expose Accor to risks of human rights violations. To protect 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 Labor 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 defended by the Group and the sanctions incurred, Accor requires each employee and partner to adopt responsible behavior.

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.

Accor also works with more than 4,000 nominated suppliers around the world. To assess these risks in its value chain, the Group relies on compliance assessments and audits. The alert and reporting mechanism also makes it possible to detect and deal with any malfunctions.

Policies

The Sustainable Development and Talent & Culture Departments are responsible for the human rights approach based on the following commitments:

- respect and promote fundamental labor rights;
- not to promote, organize or profit from human trafficking, which includes sexual exploitation;
- combat child sexual exploitation;
- combat all forms of harassment;
- combat discrimination;
- guarantee the health and safety of employees and guests;
- respect 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. Respect for these commitments is included in the monitoring of the *Ethics and CSR Charter*.

The *Ethics and CSR Charter* confirms Accor's commitment to respecting fundamental principles, particularly human rights, health and safety of individuals, and the environment. 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.

The *Responsible Procurement Charter* develops on 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 diversity and inclusion.

Protecting children from abuse

The sexual exploitation of children crosses geographic, social and cultural borders. According to *UNICEF*, this problem affects around 2 million girls and boys under 18 worldwide. Because these practices can take place in Group establishments – located in over 100 countries – it is Accor's moral and legal duty, as one of the world's leading hotel operators, to commit to protecting children from abuse.

As of 2001, in concern for 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* (*We Act Together for CHildren)* program. This program, created by Accor, aims to help countries and hotels organize themselves to detect cases of sexual exploitation involving children and to be able to deal with them in the best possible conditions. It is based on a range of training and educational resources geared toward hotels. It targets different groups including General Managers, team leaders and employees, and it incorporates films, a training module for hotel teams and guideline sheets, available in nine languages. Hotels must complement this employee training with customer awareness of this issue.

Action plan

In 2022, the Group carried out the following actions, detailed in the vigilance plan in *section 3.5 – Vigilance Plan* :

- a human rights questionnaire was sent to hotels;
- the risk map was updated;
- employees at the French head offices were trained in gender-based violence;
- dialogue on the vigilance plan with the trade unions was strengthened through exchanges with the Group's European Works Council.

A new human rights policy developed during 2022 has now been validated by the Chairman and CEO and will be published in the first half of 2023.

Results

In 2022, 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: **75% of the legal scope** and 98% of the global hotel scope.

3.4.4 Responsible supply chain

Context

Accor's activity and performance, both financial and non-financial, are closely linked to its partners': hotels under management agreement 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 220 employees [(1)] spread over nearly 30 procurement offices [(2)] throughout the world. Its main missions consist of:

- control of Accor head office procurement (negotiation of contracts for communication, marketing, IT, technology, etc. and implementation of tools for monitoring and optimizing head office procurement);
- nominating 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)]. Thus:

- **considered as nominated** are purchases made by Accor hotels and/or head offices from suppliers under a nominating agreement with Accor's Procurement Department (~50% of Worlwide Accor hotels spend);
- **considered as non-nominated,** are all purchases made outside the scope of these nominated contracts and suppliers.

The Procurement Department, through its nominated offers, provides owners:

- 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.

Policies

The Procurement Department is building a network of nominated suppliers selected on the basis of demanding criteria. During the life of contracts, it maintains regular control on compliance with these criteria, in particular through an audit plan.

Limiting the risks associated with nominated suppliers is based on:

- for Accor teams: Procurement policies incorporating strict criteria for the selection of suppliers;
- for nominated suppliers: a supplier control plan consisting of a *Responsible Procurement Charter*, a contractual clause and a supplier audit plan.

Procurement policies and control plan for nominated suppliers are adapted to the risk level of the Procurement categories covered by the suppliers.

For non nominated purchases, good practices have been shared with the hotels so that they comply with Group standard. In 2022, for example, the new *Responsible Procurement Charter* was shared with all hotels within the network.

Action plan

Supplier risk mapping

In 2022, the Group commissioned a third party to carry out a mapping of environmental, social and ethical risks to suppliers.

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". This external methodology has replaced a previously internal classification and has led to an increase in the number of procurement categories identified as high or very high risk (80% of nominated suppliers vs. 62% in 2021).

2022 figures (exp. in number of nominated suppliers):

- "low risk" categories: 28% of nominated suppliers;
- "high risk" categories: 35% of nominated suppliers;
- "very high risk" categories: 37% of nominated suppliers.

(1) *Permanent and filled positions as of January 1, 2023.*
(2) *The procurement offices only cover countries where Accor establishments are present.*
(3) *Special point on AccorInvest hotels: these properties are required to use the services of the Procurement Department over any other central nominating service as stipulated in the Procurement Service Agreement signed in 2018 and running through 2026.*

Procurement policy

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 (Sequana and European head offices, at this stage);
- for hotel procurement: a Procurement policy for the Procurement Department's teams for the selection and nomination of suppliers.

In 2022, these Procurement policies were adapted to strengthen controls depending on the level of risks of the categories processed.

Results of nominated supplier control plan

In 2022, the Group launched a new control plan for its nominated suppliers, based on the new risk mapping of the Procurement categories.

This plan includes several levels of control:

- **the commitment of all suppliers nominated by:**
  - **the *Responsible Procurement Charter* signature** (formerly *Procurement 21 Charter*), 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 compliancé with applicable laws and regulations, regardless of their location, volume of business with Accor and category of nominated solutions. This Charter, attached to the nominating contracts, is a contractual obligation. It is regularly updated: in 2022, the Charter was strengthened in terms of ethics, human rights and the environment by including, for example, the subject of supply chain carbon reduction. It is deployed in 2023.
  - **the signature of contractual clauses** in nominating contracts 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 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. These questionnaires have included a carbon module since June 2022.

- **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 conducted an assessment campaign of 500 of its nominated suppliers about their carbon reduction trajectory through its *CDP (formerly Carbon Disclosure Project)* questionnaire.

In addition to this initiative, the Procurement Department has accelerated the supplier data collection in June 2022 by adding to the *EcoVadis* questionnaire a section to cover carbon.

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 nominate the suppliers: the document was made available to all head office employees.

Supplier control plan

Four indicators measure the deployment rate of the nominated suppliers' control plan:

Indicators	Scope of reporting	Results of the 2017-2021 Plan	**Progress on the 2022-2025 New Plan** *(Objective: 100% by 2025)*
Percentage of nominated suppliers having signed the Responsible Procurement Charter	All nominated suppliers	100%	*Procurement 21 Charter*: 100% New Charter approved at the end of 2022, to be rolled out in 2023
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	85%	33%
Percentage of suppliers that have undergone an external audit	"very high risk" nominated suppliers with an EcoVadis score under 43/100	94%	17% completed + 43% in progress
Percentage of action plans followed after identification of major non-compliance	"high risk" and "very high risk" nominated suppliers	100%	100%

For the Ethics and CSR risk management process, the overall rate of completion of the 2022-2025 plan reached at **59%** at the end of 2022.

Indicators	Scope of reporting	Plan 2017-2021	Plan 2022-2025
Percentage of suppliers among which the Ethics and CSR risk management process is deployed*	All nominated suppliers	93%	**59%**

* *Percentage of suppliers abiding by the control plan described in section 3.5 Vigilance Plan – Responsible procurement chain.*

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 (representing at least 10% of the final score)
• 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 dependency rate verification on the publication of company statements of financial position</td></tr>
<tr><td>-</td><td colspan="2">• Action plan in case of default</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 with supplier</td></tr>
<tr><td>-</td><td>• Re-audit in case of major non-compliance</td></tr>
<tr><td>APPROVAL PROCESS</td><td colspan="3">• Denominating considered 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, risk management, human resources, internal audit, sustainable development and security. The 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. This Committee reports to the Ethics, Compliance and Sustainable Development Committee.

3.5.2 Risk mapping

Human rights risks

In 2022, Accor updated its mapping of human rights risks. 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.

Human rights questionnaire sent to hotels

In 2022, the Group included the Accor-branded hotels in the risk assessment process by sending a 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, and child abuse / 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 line;
- identify local best practices that can be reproduced more broadly across the Group.

Accor set up an incentive scheme for each questionnaire completed by the teams. This incentive program was co-organized with *Accor Heartist Solidarity Endowment Fund* and raised funds for the *United Nations High Commissioner for Refugees* to develop initiatives benefiting Ukrainian refugees.

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 still need to be rolled out. The information gathered will be used to better target the action plans by region in 2023.

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 Disclosure (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

In 2022, the Group commissioned a third party to carry out a mapping of environmental, social and ethical risks to 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. This external methodology replaced a previously internal classification and has led to an increase in the number of procurement categories identified as high or very high risk (80% of nominated suppliers vs. 62% in 2021).

3.5.3 Human rights policy

Finally, the Group's geographic location and business activities naturally expose Accor to risks of human rights violations. To protect 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*;
- *International Labor Organization declaration on fundamental principles and rights at work* and fundamental conventions;
- *United Nations Guidelines on Business and Human Rights;*
- *United Nations Convention on Children's Rights.*

In 2022, Accor worked to establish a formal human rights policy. This policy was drawn up in consultation with members of the Vigilance Committee and the Ethics, Compliance and Sustainable Development Committee, as well as labor organizations through discussions with the Group's European Works Council.

The policy will be rolled out in 2023 after it is presented to labor partners at the European Works Council meeting held at the end of the second quarter.

3.5.4 Report on the effective implementation of the Vigilance Plan in 2022

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 Human Resources, Ethics and Sustainable Development policies apply differently to Group employees and to persons employed by managed hotels and franchise 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 franchise 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

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 & Inclusion intranet site;
- the Diversity & 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 & 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 & 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 policy is expressed formally in the *Group Diversity Commitment,* which 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*;
- the Whistleblowing line;
- a numerous sector-wide commitments.

Prevention measures

In 2022, the Group instated various measures, including:

- integration 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 business and their assignments with people with disabilities;
- LGBTQI+ community: 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 to homoparental families in France since last January;
- job placement for young people: in France, Accor participates in the *PaQte* program for the professional integration of young people from priority areas of the city. Since 2018, the Group has hosted more than 2,000 young people on internships at the Group head office and in its 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, it has co-led the *Generation Equality Action Coalition on Gender-Based Violence* formed by *UN Women*.

Prevention measures

In 2022:

- Accor has developed online training on sexism, sexual harassment and domestic violence. This mandatory training for employees at the head office in France is one of the objectives that determine a portion of the profit-sharing bonus to be paid;
- the Group is 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 *Women's Foundation* 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;
- the Group pledge 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 equality and diversity. 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 independence.

Prevention measures

As part of its commitment to equal compensation, the Group has conducted an annual study of pay gaps since 2017. In 2022, the pay gap for equal positions was 2.1% in 38 countries.

In 2021, Accor set ambitious targets, supported by dedicated action plans, to promote diversity and gender parity by 2025:

- women on the Executive Committee: 40%;
- women on Management Committees: 45%;
- women General Managers: 40%.

Results

In 2022, women made up 32% of the Group's Executive Committee.

The percentage of women on Management Committees worldwide as of December 31, 2022 was 39%. This was in line with the target set in the short-term variable compensation plans. This indicator includes Executive Committee members as well as the members of the Management Committees of Executive Committee members. **The percentage of women General Managers is 41% over 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 2001, 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)*. The first training programs for employees were rolled out in 2002 *(see section 3.4.3).*

Governance

The Sustainable Development and Talent & Culture Departments are responsible for the Group's child protection policy.

Policies

The Group policy 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* and the whistleblowing line which is open to all stakeholders.

Prevention measures

The Group set up the *WATCH* program in 2012 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 General Managers and employees. Hotel guests are also educated on how to detect and report at-risk situations. Some hotels also work with local associations to strengthen these actions.

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, retention period, 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

An online training course on personal data protection has been developed by the Group and has been made available to all employees at the head office and at the managed and owned and leased hotels.

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. 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 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 2022, more than 180 hotels throughout the world had been identified to participate in the program. Of these, 89 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 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 strategy. Accor continued its collaboration with *CDP (formerly Carbon Disclosure Project) Supply Chain* programme and extended to 500 the number of suppliers invited to reply to the annual survey on climate, giving priority to suppliers of carbon-intensive products and services.

Waste and packaging

The waste generated in the Group's hotels comes from 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 program.

Policies

In 2016, Accor defined its waste policy, which is described in a document designed for hotels and restaurants which recalls the challenges and sets three priorities:

- ensure 100% of hazardous waste is treated in appropriate facilities;
- reduce the quantity and volume of the largest waste categories: food waste, packaging waste, paper waste;
- sort and recover the main waste generated by Group activities: materials recovery, reuse, and recycling.

Prevention measures

In 2022:

- Accor published new standards for waste management and recycling aimed at new hotels and properties undergoing renovation or brand changes. This methodological guide offers designers, architects and developers of new Accor brand hotels a process to work on the whole waste life cycle;
- a guide to waste management operations was also developed in parallel for operating hotels to share operational directives with them. This process helps the hotels draw up their operational waste management plans whilst applying a circular economy philosophy. An operational waste management manual is appended to this guide;
- the *Waste Management Tool* has been integrated in the Gaïa 2 global reporting tool since 2019.

Plastic

At the start of 2020, Accor made a bold pledge to eliminate single-use plastic from the guest experience in 110 countries. This goal goes beyond local laws, helps the Group manage its environmental challenges and meets stakeholder expectations.

Governance

Governance was largely reinforced in 2022 at all hierarchical levels of the Group. The monitoring of the elimination of plastics is the subject of regular intervention within the Executive Committee. In addition, the objective is integrated in the bonuses of the Chairman and Chief Executive Officer, the members of the Executive Committee and the Top 150 corporate officers (5%), as well as for operating functions (up to 20%).

- the Plastic Steering Committee is the authority regrouping the head of the eight Hubs and the Directors of the Sustainability, Procurement and Marketing Departments. Its role is to analyze monthly results and monitor action plans at a strategic level;
- a "support" committee has also been created to answer Hubs needs and to support them in the implementation of alternatives;
- finally, at each Hub level, committees help to ensure the correct deployment of the system in the hotels.

Policies

Six categories of single-use plastic representing 46 products are to be eliminated or replaced by a more sustainable alternative. 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 alternatives to plastic:** reusable or wood-based alternatives are recommended, with requirements pertaining to environmental certifications and standards (e.g. *FSC – Forest Stewardship Council* – label);
- **roll-out:** 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). An online training course destined for General Managers was co-designed with the Southern Europe Hub. This 30-minute e-learning course, available in five languages, has been completed by more than 130 people;
- **monitoring of indicators and on-site audits:** the integration of plastic in the brands' standards and audits, and monitoring of key indicators.

Food waste

Reducing food waste is a global challenge. Sustainable Development Goal 12 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 Hubs and the Sustainable Development Department, and is overseen by the Commercial 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

The following actions were carried out in 2022:

- facilitation of access to the Gaïa reporting tool thanks to the creation of a self-registration form for the hotels;
- identification of food waste weighing solutions adapted to the different hotel segments (based on their segment or restaurant activities), as well as optimization of manual measurement methods;
- dissemination of best practices and identification of training courses for chefs to standardize the actions carried out by the hotels.

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.

Governance

The deployment of the *Food Charter* commitments is monitored at the regional and hotel level. Sustainable food is one of the sustainability topics monitored by the committee that convenes the Food & Beverage teams from the Hubs and the Sustainable Development Department, and is overseen by the Commercial Department.

Policies

- *Healthy and Sustainable Food Charter* which sets forth nine commitments;
- *Ethics and CSR Charter*;
- Whistleblowing line.

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. In France in 2022, 86% of the shell eggs and 87% of the liquid eggs and egg products offered by the Accor procurement team to the hotels were organic eggs or eggs from free-range or cage-free hens.

Reducing water consumption in hotels

The hotel network is the Group's biggest driver of water use. Accor has a duty to promote and support the implementation of water efficiency measures in hotels operated under its banner. The Group has also identified areas prone to water stress in its host countries to pinpoint the hotels with the greatest exposure to water shortages and deploy appropriate solutions.

Governance

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 for water management. The operational management of water is ensured in the hotels by the engineering and maintenance teams under the supervision of the Hub engineering team.

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

Preservation of water resources is a major concern for Accor.

Hotel water performance is tracked on the basis of water consumption reports submitted through the Gaïa tool, hotel data, in-depth analysis of ratios and benchmarks by brand and by region.

Within scope 3, the policy is backed by the Procurement Department. All 100% nominated suppliers have signed the *Responsible Procurement Charter*, which compels them to take into consideration water stress and to promote agroecology in their practices.

The water footprint of at-risk suppliers is monitored via the *EcoVadis* platform.

Prevention measures

- 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.

Accor's position in certain countries

Integration of the conflict between Russia and Ukraine

At the start of the conflict, the Group operated seven hotels in Ukraine. 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*.

On 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 unfolded.

3.5.4.2 Risk prevention measures for subcontractors and supplier

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. Verifications will be gradually extended to some Tier 2 suppliers, starting in 2023.

Governance

The Accor Procurement Department is made up of approximately 220 employees [(1)] spread over nearly 30 procurement offices [(2)] throughout the world. Its main missions consist of:

- control of Accor head office purchases (negotiation of contracts for communication, marketing, IT, technology, etc. and implementation of tools for monitoring and optimizing head office procurement);
- nominating 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.

(1) *Permanent and filled positions as of January 1, 2023.*
(2) *The procurement offices only cover countries where Accor establishments are present.*

The use of the Procurement Department's services is optional [1]. Accordingly:

- **purchases are classified as nominated** if they are sourced by the Accor head offices and hotels from suppliers that have signed a nominating contract with the Procurement Department.
- **purchases are deemed non-nominated** if they are sourced from outside the scope of these contracts and nominated suppliers.

Policies

Accor's Procurement Department is very committed to the control of its suppliers and relies on:

- for Accor teams: procurement policies including strict criteria for selecting suppliers;
- for nominated suppliers: a control plan.

These policies (Procurement policy and Control plan for nominated suppliers) are adapted according to the level of risk of the procurement categories covered by the suppliers.

Two Procurement policies precisely define 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 Accor Procurement Department and all head office teams (Sequana and European head offices, at this stage);
- for hotel procurement: a procurement policy for the Procurement Department's teams for the supplier selection and nomination.

In 2022, these Procurement Policies were adapted to strengthen controls in line with the level of risks of the categories processed.

Nominated supplier control plan

In 2022, the Group launched a new control plan for its nominated suppliers, based on the new risk mapping of the Procurement categories *(see section 3.5.2 – Mapping of Supplier and Subcontractor Risks)*.

This plan includes several levels of control:

- **commitments from all nominated suppliers formalized by:**
  - **the *Responsible Procurement Charter* signature** (formerly *Procurement 21 Charter*), which spells out the commitments Accor expects from its nominated suppliers in terms of ethics, respect for human rights, protection of workers' rights, respect for the environment and compliance with applicable laws and regulations, regardless of their location, volume of business with Accor or category of nominated solutions. This charter is appended to nominating contracts and is a contractual obligation. It is updated regularly: in 2022, the charter's provisions on ethics, human rights and the environment were strengthened by, for example, the introduction of Supply chain carbon reduction. This new version is in force for 2023.
  - **the signature of contractual clauses** in nominating contracts 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 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. These questionnaires have included a carbon module since June 2022.

- **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 conducted an assessment campaign of 500 of its nominated supplier about their carbon reduction trajectory through its *CDP* (formerly *Carbon Disclosure Project*) questionnaire.

In addition to this initiative, the Procurement Department has accelerated the supplier data collection in June 2022 by adding to the *EcoVadis* questionnaire a section to cover carbon.

At the end of 2022, **584** nominated suppliers had responded to the *CDP* climate questionnaire and/or the *EcoVadis* carbon questionnaire.

(1) *Special point on AccorInvest hotels: these properties are required to use the services of the Procurement Department over any other central nominating service as stipulated in the Procurement Service Agreement signed in 2018 and running through 2026.*

3.5.5 *Control monitoring system*

Monitoring and control procedures covering the Group and managed and franchised hotels

Internal audits

Internal Audit, the organization of which is described in chatper 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 hotel head offices, the new businesses, the owned and leased, and managed hotels 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; the raising of awareness of the Group's ethics and sustainable development commitments among head office employees. In addition, all hotels (owned and leased, managed) 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 2022:

- 89% of head offices have stated that their employees are regularly notified of CSR commitments and the *Ethics and CSR Charter*;
- 92% of General Managers (owned and leased and managed) have stated that they regularly conduct awareness campaigns for employees as regards commitments to the *Ethics and CSR Charter*;
- in 2022, 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: 98% of the global hotel scope and 75% 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. Corrective action plans are implemented in the event of major non-compliance potentially leading to delisting. All of the Ethics and CSR risk management process relative to the supplier relationship is described in *section 3.5.4.3 – Risk prevention and mitigation measures for subcontractors and suppliers*.

3.5.6 *Indicators*

For the Group and managed and franchised hotels

Human rights

Ethics

- Number of completions recorded for 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 meets regularly (out of a consolidated scope of 86 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

- Number of completions recorded for the GDPR 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.

CO_2 eq. emissions

- Scope 1 CO_2 eq. emissions;
- Scope 2 CO_2 eq. emissions;
- Scope 3 CO_2 eq. emissions.

Waste and plastic

- Percentage of waste recycled;
- number of hotels using the *Waste Management Tool* and reporting data;
- percentage of hotels having eliminated 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 5 actions of the 9 actions of the *Healthy and Sustainable Food Charter*.

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:

Indicator	Scope of reporting	Results of the 2017-2021 Plan	Progress on the 2022-2025 New Plan *(Objective: 100% by 2025)*
Percentage of nominated suppliers having signed the *Responsible Procurement Charter*	Number of nominated suppliers	100%	*Procurement 21 Charter*: 100% New charter approved at the end of 2022, to be rolled out in 2023
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 exceeds €30,000	85%	33%
Percentage of nominated suppliers that have undergone an external audit	“very high risk” nominated suppliers with an *EcoVadis* score under 43/100	94%	17% completed + 43% in progress
Percentage of action plans followed after identification of major non-compliance	“high risk” and “very high risk” nominated suppliers	100%	100%

For the Ethics and CSR risk management process, the overall rate of completion of the 2022-2025 plan reached at **59%** at the end of 2022.

Indicators	Scope of reporting	2017-2021 Plan	2022-2025 Plan
Percentage of nominated suppliers for which the Ethics and CSR risk management process is deployed*	All nominated suppliers	93%	**59%**

* *Percentage of suppliers abiding by the control plan described in section “Nominated Supplier Control Plan”.*

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 Departments, or with the Compliance Officers.

To expand access, enhance protection and encourage people to speak up, the Group also set up a worldwide whistleblowing line called *Accor Integrity Line*.

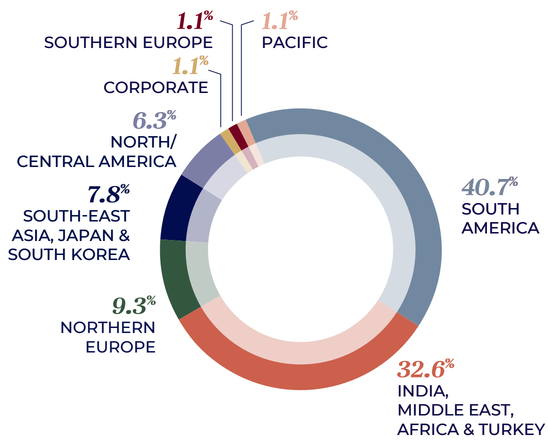
This whistleblowing line can be accessed through the intranet and a link on the internet. It is open to everyone, including Accor employees working at head offices, persons employed by hotels operating under the Accor brand, and all stakeholders and suppliers.

This whistleblowing line is available 24/7 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 *Responsible Procurement Charter* and sales contracts.

The alerts received are processed by dedicated contacts from the Internal Audit, Talent & Culture and Legal & Compliance departments. The alerts are classified into the following categories: health and safety, human rights, environment, compliance and fraud.

In 2022, the number of alerts submitted through the *Accor Integrity Line* increased by more than 49% compared to 2021. As they are processed, the alerts may be reclassified based on actual circumstances.

Accor Integrity Line: breakdown of incidents by region



3.6 European green taxonomy reporting for Accor activities

The Taxonomy Regulation [1] is a key component of the European Commission's action plan aimed at reorienting investments toward a more sustainable economy. It is an important step forward in reaching carbon neutrality by 2050, in line with the EU objectives, because the taxonomy is a system for classifying sustainable economic activities vis-a-vis the environment.

In the following section, we present the shares of our Group's revenue, Capital EXpenditures (CapEx) and Operating EXpenses (OpEx) for the 2022 fiscal year associated with economic activities eligible for, aligned with the Taxonomy, and linked to the first two environmental objectives: **Climate change mitigation and Climate change adaptation**, in accordance with Article 8 of the Taxonomy Regulation.

3.6.1 2022 results

Today, Accor is an asset-light group that operates under its various brands some (5,445) hotels held by property owners in the framework of management and franchise contracts, accounting for (97%) of the Group's network in number of rooms.

Thus, the Group's main business activities fall under the *HotelServices* strategic division, which brings together hotel management and franchise activities and services to owners, such as the services provided by the Marketing, Sales, Distribution and Loyalty teams.

Apart from the activities of the *Accor Academy* (centers that provide training and learning opportunities tor the Group's employees), which is eligible under activity 11.1 (Education) listed in the climate change adaptation objective, the activities of the *HotelServices* Division are not covered in Annexes I and II of the Climate Delegated Act. As a result, the revenue (nearly 75% of the Group's consolidated revenue), CapEx and related OpEx were neither eligible nor aligned in 2022.

(1) *Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.*

The Hotel Assets and Others Division covers activities relating to owned and leased hotel assets and new businesses (digital services, leasing of private luxury residences, digital sales, hotel reservation services and concierge services). These activities were analyzed in relation to economic activities categorized under headings **7.7 Acquisition and ownership of buildings** and **8.2 Data-driven solutions for GHG emission reduction** in Annex 1 of the Climate Delegated Act. As heading 7.7 refers to NACE Division L.68 which excludes hotel operations, the Group determined that its business activities relating to hotel assets are not eligible under the Taxonomy. Revenues from owned and leased hotel accommodation amounting to approximately €356,000,000 in 2022, taking into account this activity as eligible would bring the total eligible part of the 2022 turnover to 8% of the group's consolidated turnover. Furthermore, at present the main objective of its digital services is not to reduce GHG emissions, so these activities were also deemed not eligible.

Accor also reviewed its 2022 capital expenditures (CapEx) and identified certain real estate investments in the 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;
- 7.5. Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings;
- 7.7. Acquisition and ownership of buildings. These are primarily the assets obtained through the acquisition of *Le Lido* and *Paris Society*.

Finally, 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 2022 the Group recording 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 whose aim is to gather the data needed to measure the Group's energy consumption and assess its progress toward the Group's GHG emissions targets *(see section 3.2.1)*;
- TCFD *(Task Force on Climate-related Financial Disclosures);*
- *School for Change (see section 3.2.2.2).*

These projects contribute to performance goals and to the objective to raise employee awareness about climate issues as described in *section 3.2*.

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 (currently only the Climate Delegated Act [(1)]), regardless of whether it meets some or all of the technical review criteria set out in these delegated acts.

An economic activity is said to be "aligned" with the Taxonomy when it complies with the technical review criteria as defined in the Climate 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 of the Group's activities corresponding to the scope of financial consolidation (as presented in note 15.3 of the 2022 consolidated financial statements presented in *chapter 6*), in accordance with the requirements of Article 8 of the Delegated Act [(2)].

Accor is active in three main segments: Management & Franchise, Services to Owners and Hotel Assets & Other, which are presented in note 4.1 Segment reporting of the 2022 consolidated financial statements presented in *chapter 6*.

The Accor Group's activities and investments identified as eligible after analysis are presented in the table below.

(1) Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 by establishing 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.

(2) Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 by specifying the content and presentation of information to be disclosed concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation.

Taxonomy – Activity name	Corresponding Accor activities	Substantial contribution to: Climate change mitigation	Substantial contribution to: Climate change adaptation	Indicators affected*: Revenue	Indicators affected*: CapEx
Activities					
11. Education	*Accor Academy*		X		X
Investments					
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
7.3. Installation, maintenance and repair of energy efficiency equipment	Individual measurements of buildings in France and owned and leased hotels (air conditioning, LED, insulation)	X			X

* *Materiality exemption used for the OpEx indicator.*

General methodological principles

The Revenue and CapEx indicators led to circularization with the Hubs and the parisian head office.

A cross-check by reviewing the two indicators with the Finance Directors and management controllers of the Hubs 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 indicated above, the 2022 eligible revenue comprises only the external revenue from the various *Accor Academy* centers throughout the world (academies that offer training and learning opportunities to the Group's employees). Indeed, education is an eligible activity under the Taxonomy (activity 11 in Annex 2 – 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 Hub.

For the fiscal year ended December 31, 2022, the combined eligible revenue of the eight *Accor Academy* centers amounted to **€5,723,000**, or less than 1% of the Accor Group's 2022 consolidated revenue (see the 2022 consolidated financial statements presented in *chapter 6*).

Because the main goal of the training provided at the *Accor Academy* centers is not to educate participants on climate change adaptation, the activity was not deemed to be aligned in 2022 and no aligned revenue is reported.

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 3.10.5 Detailed presentation of the European Green Taxonomy indicators*.

3.6.4 Capital expenditures (CapEx)

As described above, Accor decided in 2018 to transform its business model into an asset-light model and, as of 2022, it owns just 2% of the 5,445 hotels operated under the Accor banner. As a result, capital and operating expenditures are essentially covered by the partners that own the hotels. Those borne by Accor are structurally reduced.

The Eligible or Aligned CapEx indicator consists of acquisitions of property, plant and equipment and intangible assets (including assets recorded under IFRS 16) that are (i) directly related to assets or processes associated with aligned activities (ii) included in a plan to expand or make an eligible or aligned activity, or (ii) the purchase of the output of eligible or aligned economic activities under the Taxonomy and individual measures enabling the targeted activities to become low-carbon or to achieve greenhouse gas emission reductions. These CapEx are then compared to the total 2022 consolidated capital expenditures.

In 2022, the Group's eligible CapEx consisted of individually eligible Capex including:

- the new lease contracts falling under activity 7.7 recorded at the time of the *Le Lido* and *Paris Society* acquisitions, amounting to €150m, i.e. 34.8% of the Group's 2022 consolidated CapEx. These acquisitions are non-recurring transactions in the 2022 financial year which explain the increase in the CapEx indicator for 2022 compared to the one presented for 2021;
- the individual initiatives carried out at the head office buildings in France corresponding to activities 7.3 to 7.6. and associated with restoration, lighting, soft mobility solutions and electric charging stations, amounting to €118,900 or 7.4% of total investments in these properties;
- CapEx linked to individual measures in owned and leased hotels. The eligible CapEx of these hotels represent €503,400, representing 3% of the consolidated Capex for owned and leased hotels in 2022. The alignment of these individually eligible CapEx has not been considered due to the lack of information available to confirm their compliance with the criteria set out in Annex I of the the Climate Delegated Act.

Investments tied to the Gaïa 2.0 SaaS solution that will be used to measure the Group's emissions and monitor its progress toward carbon neutrality goals could be eligible under activity 8.2, but for accounting reasons, these costs cannot be capitalized and are therefore excluded from the Group's Taxonomy indicators.

Therefore, for the fiscal year ended December 31, 2022, the total amount of eligible CapEx amount to €150.6 million or 35% of the Group's total CapEx. No CapEx is considered as aligned in 2022

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 European Green Taxonomy indicators.*

3.6.5 Operating expenses (OpEx)

The definition of operating expenses under the European Taxonomy is restrictive. The only operating expenses that can be used to calculate the ratio are 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 tangible assets.

The Group'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 business activities, the Group's operating expenses are essentially comprised of personnel expenses for 52% and other operating charges for 27% (see 2022 consolidated financial statements presented in *chapter 6*).

Thus, in 2022 the total amount of OpEx meeting the Taxonomy definition was €41.9 m, i.e., 1% 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 European Green Taxonomy indicators.

3.7 Appendices

3.7.1 Measuring and assessing performance (indicators)

3.7.1.1 Methodological review

This section explains the methodology applied by Accor in its corporate social responsibility reporting process. This process is based on a reporting protocol that provides full detailed specifications on responsibilities, Group definitions, methods for calculating indicators.

Accor legal perimeter is composed of head offices, new business, owned and leased hotels for which the Group has a majority control (114 hotels at the end of December 2022). On this perimeter, Accor applies its policy and strengthens its controls and reporting.

The reporting period is January 1 to December 31 of the fiscal year.

3.7.1.2 Human resources

Group-wide quantitative and qualitative reporting takes place one a year.

Quantitative reporting

Reporting scope and frequency

The scope of employee data reporting is identical to the Group's scope of consolidation as presented in its consolidated financial statements (legal and extended scope).

The Group's 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 under Accor management, except for certain cases in hotels where Accor employees are on assignment;
- employees of the Adagio hotels and head offices;
- employees of new businesses.

Employee data does not include:

- employees of owned, leased or managed hotels closed as of December 31, 2022;
- employees of entities opened after November 30, 2022;
- 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%.

In 2022 the Group was unable to report indicators for 3% of the hotels.

Certain hotels are managed under co-ownership agreements (especially in Australia, Brazil, New Zealand, Russia 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 ***Talent & Culture Reporting 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 of the hotels in its scope of operations;
- Corporate level:
  - coordinate the consolidation of data from across the Group;
  - confirm the completeness of the data;
  - ensure the consistency of reported data and correct any errors after verification with 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 multiplied by 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 evaluation,recruitment and compensation for one or more employees), in relation to their job (independence and levelof 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 the performance within their remit. A director is responsible for setting goals, determining procedures, and coordinating all entities for which they are responsible. General Managers at hotels, for a limited number of hotels, include the Area Manager or DOP positions when they are assigned to a hotel and not to the head offices, especially in South America.

Changes in headcount

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

- when an employee changes from a non-permanent to a permanent contract;
- when a non-permanent contract is renewed without interruption 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). In accordance with the measures taken to deal with the Covid-19 crisis, childcare at home, assistance to vulnerable relatives and unpaid solidarity days are counted in absences for medical reasons in 2022. 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.

Partial unemployment absences in France related to the health crisis, or equivalent in other countries, are not counted in the days of absence in 2022.

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. Thus, the hours worked are calculated as follows: total hours paid – (theoretical leave hours * workforce).

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

The **accident severity rate** is calculated from the number of work-related absences.

In 2022, the frequency and seriousness 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.

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.

The number of **employees trained** at least once is calculated as follows: 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 requested of the members of the international Talent & Culture network involved in quantitative reporting. In 2022, qualitative reporting covered the eight Hubs and 86 countries. It involved self-reporting and was carried out by means of an Excel survey emailed to the Talent & Culture contact people.

3.7.1.3 Gaïa and monitoring of sustainable development actions

Gaïa, an online reporting tool for comprehensive and detailed management

Gaïa is the online application used by the Group to manage sustainable development at all levels (hotels, countries, Group). Each hotel can use it to set targets, self assess, generate an action plan and monitor progress.

Consolidated results can be consulted by country of Hub, which makes it possible to solicit the hotels according to their performance on each action. A waste management and food waste reduction module is integrated into Gaïa and has been available for hotels since early 2019. A library of documents (training, communication materials) on the actions was made available to hotels. Tutorials were developed in 2019 to facilitate the use of the Gaïa tool and help the hotels to implement the roadmap.

Gaïa also facilitates access to the water and energy consumption monitoring tool (*OPEN*).

Reporting scope and frequency

The actions and indicators monitored in the Gaïa reporting tool concern all of the Group's owned and leased, managed and franchised hotels (legal and complementary scope).

Excluded from the scope of reporting are:

- hotels permanently closed at the time of reporting periods;
- hotels under development (not yet open) at the time of the reporting periods;
- the Thalassa sea and spa facilities, whose data is often reported with their host hotels in this case;
- residences with services;
- boat hotels.

Indicators on Gaïa actions are reported continuously throughout the year;

Removing single-use plastic from the guest experience

To be compliant, a hotel must have removed or replaced six categories of single-use plastics representing 46 products.

Since the goal to remove single-use plastics from the guest experience was a strategic priority for 2022, monitoring of the six Gaïa actions concerned was sustained (from fortnightly to weekly at the end of the year) while the definition of performance indicators was demanding. 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" if the product concerned is not offered in the establishment. The hotel is then counted as compliant with the relevant action.

In the rare exceptions granted (e.g. lack of alternative solutions on the market), the hotels concerned are counted as compliant with the action.

The exceptions are as follows:

- products that do not have an alternative on the market: milk caps and garbage bags (for all hotels);
- products subject to country, brand or production line specific delays:
  - cleaning products in Swissôtel hotels in all countries, Mercure in Vietnam, all hotels in Indonesia, Cuba and Myanmar;
  - miscellaneous accessories (such as toothbrushes, razors, sewing kits, etc.) at the following establishments: in Raffles hotels anywhere in the world and all hotels in Indonesia, Cuba, Myanmar, Egypt and Turkey.

Other Gaïa actions

When a hotel does not respond to an action, the hotel is removed from the respondent panel. When a hotel indicates that an action is not applicable to it, the action is considered not validated.

Indicators

Reporting of Gaïa actions is based on a declaration by the hotels. Verifications are nevertheless carried 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 in the case of actions related to the removal of single-use plastics;
- the total number of hotels that responded for the other actions.

Data collection and control

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 or Hub 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.

3.7.1.4 Water, energy and greenhouse gas emissions

Data collection and control

At the start of every month, the hotels enter their water and energy consumption into the online reporting and analysis tool. 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 of reporting

The scope of consolidation 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 (during the reporting year and during the previous 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;
- *Residence at Paris National Assembly* and *Breakfree on Collins*.

Indicators

Energy consumption

Reported energy use is the final energy used over one year by the hotels in the reporting scope expressed in MWh. The quantity taken into account is the total energy used by the hotels from all energy sources (electricity, gas, etc.) for all uses (lodging, 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). The performance indicator is the energy ratio per available room. Energy consumption changes with the number of available rooms because it correlates strongly to the surface area that is air conditioned.

Greenhouse gas emissions (GHG)

The greenhouse gas emissions presented in the report, expressed in tons of CO_2 equivalent, are the direct emissions, known as Scope 1 (which correspond to the fuels, such as gas and fuel oil burned at the hotels) and indirect emissions, known as Scope 2 (due on the one hand to the electricity consumed in the hotels, and on the other to the heat, and air conditioning supplied by urban heating and cooling networks).

The 2022 greenhouse gas emissions were evaluated based on the following emission factors:

- for electricity, source: *IEA 2022* and emissions factors based on the market for connections;
- combustibles, source: *2022 Guideline to DEFRA;*
- for urban networks, source: *US EIA 2022 DEFRA.*

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.

3.7.1.5 Procurement

Scope of reporting

The indicator for the Group's consolidated volume of purchases (€2.6 billion in 2019 in the pre-Covid period) covers all hotel operating structures (under management agreements, franchises and owned and leased) and purchases from nominated suppliers, as well as estimated purchases from non nominated suppliers by the country Procurement Departments in countries where they exist.The other indicators cover purchases from nominated suppliers.

Among the various Accor Procurement Departments, the departments representing the largest volumes of purchases take part in thereporting, 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 2022, contracts between Accor and active suppliers as of December 31, 2022 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.

Indicators

- **signature of the *Procurement 21 Charter*:** percentage of suppliers having signed the *Procurement 21 Charter*, compared to the total number of suppliers. This charter is appended to all nominating contracts;
- **percentage of suppliers having conducted an assessment:** percentage of assessments conducted by suppliers on a CSR assessment platform versus the number of suppliers in the at-risk and high-risk categories;
- **percentage of suppliers that have been subject to an external audit:** percentage of suppliers audited by an independent body compared against the number of suppliers in high-risk categories;
- **action plans:** percentage of action plans monitored in relation to the number of at-risk and high-risk suppliers.

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 *section 3.4.4 Indicators*.

3.7.1.6 CSR materiality matrix

In 2016, Accor updated the assessment of the materiality of its challenges, initially carried out in 2013. Three major studies conducted by the Group had enabled it to quantify some of its challenges: the environmental footprint, the socio-economic footprint and a study on the perception of sustainable development by guests.

This matrix will be updated during 2023.

3.7.2 Indicator 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.

	2021		2022		Change	
Indicators	Legal scope	Legal scope and managed hotels	**Legal scope**	**Legal scope and managed hotels**	Legal scope	Legal scope and managed hotels
Employment commitments						
Number of payroll and non-payroll employees	9,369	158,604	17,117	186,084	7,748	27,480
of which % women	54%	42%	57%	42%	3%	0%
of which % men	46%	58%	43%	58%	-3%	0%
By age						
Under 25	8%	12%	13%	15%	5%	3%
25 to 34	32%	35%	32%	35%	0%	0%
35 to 44	33%	27%	28%	26%	-5%	-1%
45 to 54	19%	18%	17%	16%	-2%	-2%
Over 55	8%	9%	10%	8%	2%	-1%
By seniority						
Less than 6 months	11%	12%	22%	20%	11%	8%
6 months to 2 years	16%	19%	25%	27%	9%	8%
2 to 5 years	30%	29%	19%	19%	-11%	-10%
5 to 10 years	20%	19%	17%	16%	-3%	-3%
10 to 20 years	15%	14%	12%	12%	-3%	-2%
Over 20 years	8%	7%	5%	6%	-3%	-1%
% of disabled employees	0.68%	0.88%	0.70%	0.81%	0.02%	-0.07%

Indicators	2021 Legal scope	2021 Legal scope and managed hotels	2022 Legal scope	2022 Legal scope and managed hotels	Change Legal scope	Change Legal scope and managed hotels
Management						
% of total workforce	19%	14%	14%	13%	-5%	-1%
of which % women managers	54%	42%	54%	41%	0%	-1%
of which % men managers	46%	58%	46%	59%	0%	1%
Managers by age – total						
Under 25	8%	1%	13%	1%	5%	0%
25 to 34	32%	31%	32%	29%	0%	-2%
35 to 44	33%	40%	28%	41%	-5%	1%
45 to 54	19%	21%	17%	21%	-2%	0%
Over 55	8%	7%	10%	8%	2%	1%
Hotel managers by age						
Under 25	13%	1%	18%	1%	5%	0%
25 to 34	36%	31%	32%	29%	-4%	-2%
35 to 44	29%	40%	25%	41%	-4%	1%
45 to 54	15%	21%	14%	21%	-1%	0%
Over 55	8%	7%	10%	8%	2%	1%
of which general managers	100	1,761	280	1,819	180	58
of which % women	35%	30%	41%	31%	6%	1%
of which % men	65%	70%	59%	69%	-6%	-1%
Working conditions						
Average number of days of medical leave per employee over the year	4.6	4.8	4.7	ND	0.1	ND
Average number of days of leave due to workplace accident per employee over the year	0.2	0.5	0.3	ND	0.1	ND
Average number of days of unauthorized leave per employee over the year	0.1	0.4	0.2	ND	0.1	ND
Lost-time injury rate resulting in more than one day of lost time*	0.94	ND	1.56	ND	0.62	ND
Incident severity rate for workplace and commuting accidents*	0.08	ND	0.1	ND	0.02	ND
Number of fatal workplace and commuting accidents	0	6	0	ND	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		
	2020	2021	**2022**	2020	2021	**2022**	2020	2021	**2022**	2020	2021	**2022**	2020	2021	**2022**	2020	2021	**2022**
Legal Perimeter	4,496	3,407	4,614	1,720	1,445	1,820	2,327	1,918	6,798	2,668	2,255	3,126	397	345	757	11,608	9,369	17,117
Upscale luxury hotels	152	131	97	818	576	670	0	0	0	0	0	0	48	40	0	1,018	748	767
Midscale hotels	865	299	622	315	297	549	1,214	1,036	6,213	719	593	858	0	0	345	3,112	2,225	8,588
Economy hotels	238	211	219	297	292	316	14	0	0	1,332	1,105	1,652	0	0	0	1,882	1,608	2,187
International head offices	1,749	1,555	2,509	290	280	285	1,099	882	585	617	557	617	349	305	412	4,105	3,578	4,407
Holding company – payroll employees	1,492	1,211	1,168													1,492	1,211	1,168
Hotels management agreements – non-payroll employees	33,856	29,693	34,374	38,181	34,311	41,429	78,052	60,139	59,149	8,238	6,722	9,294	21,837	18,370	24,722	180,165	149,235	168,967
Upscale luxury hotels	5,350	4,768	4,188	9,436	8,637	8,615	16,095	13,706	13,056	1,386	1,172	1,482	18,964	15,996	20,254	51,231	44,278	47,594
Midscale hotels	19,122	16,644	21,382	25,474	23,274	29,958	56,202	42,361	41,932	4,923	3,705	5,477	2,494	1,744	4,131	108,214	87,728	102,880
Economy hotels	9,384	8,281	8,804	3,271	2,400	2,856	5,755	4,072	4,162	1,930	1,845	2,335	380	631	337	20,720	17,229	18,494
International head offices																		
Total employees	38,352	33,100	38,988	39,902	35,756	43,250	80,379	62,057	65,947	10,906	8,977	12,420	22,235	18,716	25,479	191,773	158,604	186,084
Training Legal scope																		
Total training hours	32,867	48,360	33,142	16,856	19,863	27,932	12,392	8,734	17,109	19,427	27,053	17,624	1,718	1,859	3,788	83,260	105,869	99,595
Number of employees having attended at least one training course	2,967	1,565	3,670	1,660	1,438	1,699	3,062	1,956	7,264	2,061	412	1,344	430	348	711	10,180	5,719	14,688
Changes in headcount Global scope																		
New hires	7,220	15,181	26,147	6,727	15,286	25,748	19,824	23,747	45,165	2,563	5,015	9,305	2,760	7,963	17,231	39,094	67,192	123,596
Departures	14,775	14,614	21,751	15,736	14,491	17,345	37,580	27,419	28,657	7,240	4,166	6,454	10,036	8,144	12,590	85,367	68,834	86,797
of which resignations	5,281	7,316	11,388	6,642	9,873	13,035	26,087	23,214	24,951	1,102	1,612	3,265	3,935	5,600	7,851	43,047	47,615	60,490
of which dismissal and terminations by mutual agreement	1,999	1,606	2,953	1,834	1,463	1,665	2,991	890	761	4,778	1,958	2,108	1,706	760	1,350	13,308	6,677	8,837

	Europe			Africa Middle East			Asia-Pacific			South America			North/Central America & Caribbean			Total		
	2020	2021	**2022**	2020	2021	**2022**	2020	2021	**2022**	2020	2021	**2022**	2020	2021	**2022**	2020	2021	**2022**
of which redundancies																		
Changes in headcount Legal scope	2,058	780	575	4,351	234	140	4,648	1,074	231	718	10	51	3,365	389	17	15,140	2,487	1,014
New hires	562	540	1,935	126	450	729	537	912	5,597	855	1,314	2,206	49	65	246	2,129	3,281	10,713
Departures	1,194	761	1,427	391	364	623	1,264	796	4,083	1,981	902	1,463	135	66	182	4,965	2,889	7,778
of which resignations	414	377	779	196	230	371	480	654	3,410	230	368	667	14	44	132	1,334	1,673	5,359
of which dismissal and terminations by mutual agreement	283	140	281	77	43	160	566	29	154	1,668	467	647	8	4	16	2,602	683	1,258
of which redundancies	213	110	166	83	11	0	130	77	216	19	0	7	92	5	0	537	203	389

3.7.3 *Report of one of the Statutory Auditors, appointed as independent third party, on the verification of the consolidated non-financial statement*

For the year ended December 31, 2022

This is a free English translation 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.

In our capacity as Statutory Auditor of the company ACCOR SA (hereinafter the “Entity”), appointed as independent third party (“third party”) and accredited by the French Accreditation Committee (Cofrac), (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, 2022 (hereinafter the “Information” and the “Statement”, respectively), presented in the group 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 consolidated 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.

Comments

Without modifying our conclusion and in accordance with article A. 225-3 of the French Commercial Code, we have the following comments:

- The work carried out on carbon emissions (scope 1 and scope 2, Kteq.CO2) for “Owned & Leased” hotels detected discrepancies, sometimes, significant. All discrepancies detected during our tests on a selection of 7 hotels have been corrected. However, the additional work carried out did not allow us to conclude on the absence of similar discrepancies for the 74 other hotels included in the scope considered, for which the carbon emissions calculation method is based on the same data collection process than for the hotels tested,
- The information provided under the key performance indicators presented for the risks related to business ethics and protection and security of personal data is not disclosed regarding a quantative objective and therefore does not reflect the performance of the entity with regard to the related policies,
- The monitoring systems for training activity only make it possible to track some 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, only 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 in appendix 3.7.1 “Measuring and evaluating performance”.

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
- implementing 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 prepared by Management board.

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) - Assurance engagements other than audits or reviews of historical financial information.

Independence and quality control

Our independence is defined by the provisions of Article L. 822-11 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 8 people between October 2022 and February 2023 and took a total of 18 weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted 70 interviews with people responsible for preparing the Statement, representing in particular Sustainability, General management, risk management, compliance, human resources, environmental and procurement.

Nature and scope of procedures

We are required to plan and perform 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 as well as information regarding compliance with human rights and anti-corruption and tax avoidance legislation;
- 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, and includes, where applicable, an explanation 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 presents the business model and a description of the main risks associated with of all the consolidated entities' activities, including where relevant and proportionate, the risks associated with its business relationships, its products or services, as well as its 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: protection and security of personal data, supply chain management, 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 entities : ACCOR Headquarter, Southern Europe regional hub, IMEAT regional hub, Pullman Hotel Paris Montparnasse, Pullman hotel Paris La Défense, Ibis hotel Istanbul Zeytiburnu, Novotel hotel Istanbul Zeytiburnu, Novotel hotel Istanbul Bosphorus, Ibis hotel Istanbul Tuzla, Sofitel hotel Cairo Gezirah;
- 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 entities, namely ACCOR Headquarter, Southern Europe regional hub, IMEAT regional hub, Pullman hotel Paris Montparnasse, Pullman hotel Paris La Défense, Ibis hotel Istanbul Zeytiburnu, Novotel hotel Istanbul Zeytiburnu, Novotel hotel Istanbul Bosphorus, Ibis hotel Istanbul Tuzla, Sofitel hotel Cairo Gezirah and covers between 20% and 29% 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, 20 March 2023

One of the Statutory Auditors,

PricewaterhouseCoopers Audit

Cédric HAASER	Aurélie CASTELLINO-CORNETTO
Partner	Sustainable Development Director

Annex: List of information we considered most important

Key performance indicators and other quantitative results:

- Percentage of hotels that reported being equipped with an on-site renewable energy production system;
- Estimated overall rate of operating waste valorization in 2022;
- Percentage of shell eggs and liquid eggs and egg products purchased by hotels on the platform or directly by hotels in France;
- Carbon emission for scopes 1 and 2 in 2022 on the legal scope;
- Percentage of hotels having implemented a carbon measurement tool by the end of 2022 within the legal scope;
- Percentage of hotels having eliminated single-use plastics from the guest experience in 2022 within the legal scope;
- Percentage of hotels having implemented a food waste program in 2022 within the legal scope;
- Percentage of hotels engaged in sustainable food actions in 2022 within the legal scope;
- Employee participation rate in the engagement survey;
- Number of diversity and inclusion initiatives identified and rolled out around the world;
- Percentage of resignations in departures in 2022 within the legal scope;
- Percentage of employees who participated in at least one training session in 2022 on the legal scope;
- Percentage of employees at head offices having completed the “School for change” training in 2022;
- Employee engagement rate in 2022 within the legal scope;
- Percentage of women on management committees worldwide as of December 31, 2022;
- Percentage of female General Managers (GMs) in 2022 in hotels within the legal scope;
- Processing time for requests relating to personal data in March, April and May 2022;
- Percentage of hotels having declared having deployed the Watch program within the legal scope;
- Percentage of referenced suppliers having carried out a valid Ecovadis assessment (less than 3 years) or equivalent;
- Number of completions of the “fight against corruption” online training in 2021 and 2022 on the legal scope;
- Evolution of alerts received via Accor Integrity Line in 2022 (compared to 2021);
- Number of completions of the GDPR online training in 2021 and 2022 on the legal scope;
- Number of ransomware online training completions in 2022 (headquarters only);
- Percentage of referenced suppliers signing the Responsible Procurement Charter.

Qualitative information (actions and results):

- Purchases of carbon credits by customers;
- Survey on the hotels energy efficiency improvement;
- Gaia “Food waste management” module;
- New waste management and recycling standards 2022;
- Action sheets in relation to fight against food waste;
- Hiring days organized in 2022 in France;
- Communication campaign to stand out as an employer;
- Partnerships with schools, establishments and universities;
- “Gestures and postures” trainings offered in Europe;
- Experimentation of hybrid work modes at Sequana;
- Launch of the “emergency shelter” platform with the Women’s Foundation in 2022;
- Launch of “World DuoDays” in 222;
- Update of the corruption risk map;
- Update of the Compliance intranet website;
- Resolution of shortcomings noted by the CNIL;
- PCI-DSS certification of Raffles, Fairmont and Swisshotel hotels in 2022;
- Human rights questionnaire addressed to hotels;
- Control plan for referenced suppliers launched by the group in 2022;
- Responsible purchasing charter appended to all referencing contracts.

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

Breakdown of Group carbon footprint

Greenhouse gas emissions	2019 reference year	2020	2021	2021 legal scope	**2022**	**2022 legal scope**
Scope 1 – Direct emissions						
Emissions (in $ktCO_2eq$) (A)	468	428	450	23	344	14
Scope 2 – Indirect emissions						
Location-based emissions (in $ktCO_2eq$) (B1)	3,003	1,845	2,333	56	2,584	57
Market-based emissions (in $ktCO_2eq$) (B2)	N/A	N/A	2,320	N/A	2,577	57
Total Scopes 1+2 emissions						
Location-based emissions (in $ktCO_2eq$) (A+B1)	**3,471**	**2,273**	**2,783**	**79**	**2,924**	**71**
Location-based emission density (kg.CO_2eq/per available room/per day)	18.6	13.1	17.1	N/A	18.3	N/A
Market-based emissions (in $ktCO_2eq$) (A + B2)	**N/A**	**N/A**	**2,771**	**N/A**	**2,916**	71
Market-based emission density (kg.CO_2eq/per available room/per day)	N/A	N/A	15.5	N/A	18.2	N/A
Scopes 1 & 2 KPI – Trajectory validated by the SBT absolute reduction (in $ktCO_2eq$)	3,471	3,325	3,180	N/A	3,034	N/A
Scopes 1 & 2 emissions vs SBT validated trajectory (%)	N/A	-32%	-13%	N/A	-4%	N/A
Scope 3 – SBT scope emissions						
Franchise emissions (in $ktCO_2eq$) [(1)] (C)	852	705	850	N/A	768	N/A
Franchise emission density (kg.CO_2eq/per available room/per day)	N/A	N/A	N/A	N/A	6.77	N/A
Procurement of goods and services (in $ktCO_2eq$) [(1)] (D)	1,345	475	654	15	#	#
Emissions related to energy consumption (not included in Scope 1 & 2) (in $ktCO_2eq$) [(1)] (E)	1,058	760	802	38	#	#
Total emissions Scope 3 SBT (in $ktCO_2eq$) (C+D+E)	**3,255**	**1,940**	**2,306**	**N/A**	**#**	**#**
Scope 3 – Trajectory validated by the SBT absolute reduction (in $ktCO_2eq$)	3,255	3,170	3,087	N/A	#	#
Scope 3 emissions vs SBT validated trajectory (%)	N/A	-39%	-25%	N/A	#	#
Scope 3 – Other emissions						
Capital goods (in $ktCO_2eq$) (F)	276	109	108	4	#	#
Business travel and work-home commute (in $ktCO_2eq$) (G)	150	156	152	3	#	#
Waste (in $ktCO_2eq$) (H)	56	21	53	2	#	#
Transport upstream (in $ktCO_2eq$) (I)	25	15	25	1	#	#
Total Scope 3 emissions including SBT scope (in $ktCO_2eq$) (C+D+E+F+G+H+I)	**3,761**	**2,241**	**2,644**	**63**	**#**	**#**
Total Scopes 1+2+3 emissions						
Location-based emissions (in $ktCO_2eq$) (A+B1+C+D+E+F+G+H+I)	**7,232**	**4,514**	**5,427**	**142**	**#**	**#**
Market-based emissions (in $ktCO_2eq$) (A+B2+C+D+E+F+G+H+I)	**N/A**	**N/A**	**5,415**	**N/A**	**#**	**#**

(1) Categories of emissions included in the scope of the bond issue backed by Accor's climate objectives (SLB).
 # Data published in Q3 2023.

3.7.5 *Detailed presentation of the European green taxonomy indicators*

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year N

				Substantial contribution criteria						DNSH Criteria										
		Absolute turnover	Proportion of turnover	Climate change mitigation	Climate change adaptation	Water and marine ressources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine ressources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy aligned proportion of turnover Year N	Taxonomy aligned proportion of turnover Year N-1	Category (enabling activity)	Category (transitional activity)
Economic activities	**Code(s)**	*in k€*	*%*	*%*	*%*	*%*	*%*	*%*	*%*	*YES/NO*	*YES/NO*	*YES/NO*	*YES/NO*	*YES/NO*	*YES/NO*	*YES/NO*	*%*	*%*	*H*	*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)		0	0%	0%	0%											N	0%	N/A		
A.2. Activities eligible for the taxonomy but not environmentally sustainable (not aligned with the taxonomy)																				
Activity 11.1 Education	11.1	5,723	0,1%																	
Revenue from activities eligible for the taxonomy but not environmentally sustainable (not aligned with the taxonomy)		5,723	0,1%																	
Total revenue of eligible activities for the taxonomy (A.1 + A.2) (A)		**5,723**	**0,1%**																	
B. ACTIVITIES NOT ELIGIBLE FOR THE TAXONOMY																				
Revenue of activities not eligible for the taxonomy (B)		**4,220,842**	**99,9%**																	
TOTAL (A + B)		**4,226,565**	**100%**																	

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year N

				Substantial contribution criteria						DNSH Criteria										
		Absolute CapEx	**Proportion of CapEx**	**Climate change mitigation**	**Climate change adaptation**	**Water and marine ressources**	**Circular economy**	**Pollution**	**Biodiversity and ecosystems**	**Climate change mitigation**	**Climate change adaptation**	**Water and marine ressources**	**Circular economy**	**Pollution**	**Biodiversity and ecosystems**	**Minimum safeguards**	**Taxonomy aligned proportion of CapEx, Year N**	**Taxonomy aligned proportion of CapEx, Year N-1**	**Category (enabling activity)**	**Category (transitional activity)**
Economic activities	**Code(s)**	*in k€*	*%*	*%*	*%*	*%*	*%*	*%*	*%*	*YES/NO*	*YES/NO*	*YES/NO*	*YES/NO*	*YES/NO*	*YES/NO*	*YES/NO*	*%*	*%*	*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)		0%	0														0%	N/A		
A.2. Activities eligible for the taxonomy but not environmentally sustainable (not aligned with the taxonomy)																				
Activity 7.3 Installation, maintenance and repair of energy efficiency equipment	7.3	622	0,1%																	
Activity 7.7 Acquisition and ownership of buildings	7.7	150,000	34,8%																	
Capex of activities eligible for the taxonomy but not environmentally sustainable (not aligned with the taxonomy)		150,622	34,9%	0	0	0	0	0	0								0%			
Total capex of activities eligible for the taxonomy (A.1 + A.2) (A)		**150,622**	**34,9%**	**0**	**0**	**0**	**0**	**0**	**0**								**0%**	**N/A**		
B. ACTIVITIES NOT ELIGIBLE FOR THE TAXONOMY																				
Capex of activities not eligible for the taxonomy (B)		**280,427**	**65,1%**																	
TOTAL (A + B)		**431,049**	**100%**																	

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year N

				Substantial contribution criteria						DNSH Criteria										
		Absolute OpEx	**Proportion of OpEx**	**Climate change mitigation**	**Climate change adaptation**	**Water and marine ressources**	**Circular economy**	**Pollution**	**Biodiversity and ecosystems**	**Climate change mitigation**	**Climate change adaptation**	**Water and marine ressources**	**Circular economy**	**Pollution**	**Biodiversity and ecosystems**	**Minimum safeguards**	**Taxonomy aligned proportion of OpEx, Year N**	**Taxonomy aligned proportion of OpEx, Year N-1**	**Category (enabling activity)**	**Category (transitional activity)**
Economic activities	**Code(s)**	*in k€*	*%*	*%*	*%*	*%*	*%*	*%*	*%*	*YES/NO*	*YES/NO*	*YES/NO*	*YES/NO*	*YES/NO*	*YES/NO*	*YES/NO*	*%*	*%*	*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)		N/A [1]																-	N/A [1]	
A.2. Activities eligible for the taxonomy but not environmentally sustainable (not aligned with the taxonomy)																				
Opex of activities eligible for the taxonomy but not environmentally sustainable (not aligned with the taxonomy)		N/A [1]																		
Total opex of activities eligible for the taxonomy (A.1 + A.2) (A)		**N/A [1]**																**-**	**N/A [1]**	
B. ACTIVITIES NOT ELIGIBLE FOR THE TAXONOMY																				
Opex of activities not eligible for the taxonomy (B)		**N/A [1]**																		
TOTAL (A + B)		**41,917**	**100%**																	

(1) Application of the materiality exemption.

Section 4

Corporate governance report

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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 22, 2023. It will be presented to shareholders at the next Annual Shareholders' Meeting to be held on May 17, 2023.

4.1 Corporate governance and governance structure

4.1.1 Corporate Governance Code

Accor complies with all of 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.

Furthermore, the Board of Directors' operating procedures are described in its Rules of Procedure, presented in Appendix A to this report on page 261.

In addition, each director is required to comply with the Board of Directors Code of Conduct, set out in Appendix B on page 268

4.1.2 Governance structure

The roles of Chairman of the Board of Directors and Chief Executive Officer have been combined since 2009.

During fiscal 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. It has also decided to create the role of Vice-Chairman of the Board and Senior Independent Director, position currently held by Ms. 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 organization system also favors dynamic dialogue between the Management and the Board of Directors. The Board has 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 60% 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 December 12, 2019, based on the recommendation put forward by the Appointments, Compensation & CSR Committee, the Board of Directors unanimously decided to table a resolution at the 2020 Annual Shareholders' Meeting re-electing the Chairman and Chief Executive Officer for a three-year term. The Board notably pointed to the magnitude of the transformation masterminded by Sébastien Bazin and his commitment to pursuing a business model delivering sustainable growth and shareholder value. The Annual Shareholders' Meeting approved Mr Sébastien Bazin's re-election on June 30, 2020, reflecting shareholders' renewed confidence in the Board of Directors' decision.

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 2022 Annual Shareholders' Meeting renewing the directorship of Mr. Sébastien Bazin for a three-year term. Should the Annual Shareholders' Meeting approve this new term of office, Mr Sébastien Bazin's functions as Chairman and Chief Executive Officer will also be renewed for the same period. Through this renewal, the Board wished in particular to see Sébastien Bazin accompany the Group in the establishment and deployment of the organization implemented as of January 1, 2023.

Mr. Sébastien Bazin's re-election provides further confirmation of the relevance of the combination of the roles of Chairman of the Board of Directors and Chief Executive Officer and the role of Vice-Chairman and Senior Independent Director currently held by Ms. Iris Knobloch, who's term of office is also proposed for renewal at the Annual Shareholders' Meeting in 2023. It is nevertheless specified that, if the General Meeting renews her term of office as a Director, Ms Iris Knobloch will have reached 12 years of office in the year 2025. The Board of Directors has already decided that a new Vice-Chairman and Senior Indeoendent 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 independent director Iris Knobloch 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 2020 Annual Shareholders' Meeting, the Board re-elected Iris Knobloch to her positions as Vice-Chairman and Senior Independent Director on June 30, 2020.

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 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' Rules of Procedure.

Report on the Senior Independent Director's activities

During fiscal 2022, in her role as Senior Independent Director, Ms. Iris Knobloch:

- regularly discussed governance and Board organization 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, including a meeting restricted to non-executive directors;
- participated in meetings of the four Committees of the Board throughout the year.

In particular, this year Ms. Iris Knobloch exchanged with General management on the proposed new organization. In particular, she worked on taking into account the comments of investors and directors in preparing this reorganization and the definition of internal management bodies.

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 Co-Chairmen

In accordance with the Company's Bylaws, Paul Dubrule and Gérard Pélisson, as Accor's Founding Co-Chairmen, could attend Board meetings in a consultative 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 département between 1999 and 2004 and he was Co-Chairman of the Institut Français du Tourisme until 2013 He is the founder of Conseil supérieur de l'œnotourisme (2009) and Association Sud Ile de France Entreprendre (1999), and the creator of 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.

Gérard Pélisson

Following the announcement of the passing of Accor co-founder, Mr Gérard Pélisson, it is with great sadness and emotion that we will all remember a man who shaped the Group we know today. By inspiring a modern approach to French hospitality, together with co-founder Paul Dubrule, he contributed to build an international group that was a pioneer and at the forefront of the industry.

Born on February 9, 1932, in Lyon, France, Gérard Pélisson holds an engineering degree from École Centrale des Arts et Manufactures de Paris and a Master of Science in Industrial Management from the Massachusetts Institute of Technology, United States, for which he wrote a thesis on operations research. In 1967, he and Paul Dubrule co-founded the Novotel hotel chain. After serving as Co-Chairman of the Novotel SIEH Group between 1971 and 1983, he co-founded Accor, acting as its Co-Chairman from 1983 to 1997. Mr. Pélisson also co-founded the World Travel and Tourism Council (WTTC), for which he served as Vice-Chairman, and was President of the École Supérieure de Commerce de Lyon from 1990 to 1996.

As at December 31, 2022, the Group Executive Committee was composed of 19 members representing all the businesses and geographical regions in which the Group operates. The composition of the Executive Committee at that date is detailed in the table below.

Group Executive Committee at December 31, 2022	
Sébastien Bazin	Chairman and Chief Executive Officer
Jean-Jacques Morin	Deputy CEO and Chief Financial Officer
Stephen Alden	CEO Raffles & Orient Express
Maud Bailly	CEO Southern Europe
Gaurav Bhushan	CEO Lifestyle & Entertainment Accor and Co-CEO Ennismore
Floor Bleeker	Chief Technology Officer
Alix Boulnois	CEO Digital Factory
Fabrice Carré	Chief Strategy Officer
Steven Daines	Chief Talent & Culture Officer
Sarah Derry	CEO Pacific
Thomas Dubaere	CEO Latin America
Heather McCrory	CEO North & Central America
Patrick Mendes	Group Chief Commercial Officer in charge of Sales, Marketing, Distribution and Loyalty (SMDL)
Duncan O'Rourke	CEO Northern Europe
Brune Poirson	Chief Sustainability Officer
Agnès Roquefort	Chief Development Officer
Gary Rosen	CEO Greater China
Garth Simmons	CEO South East Asia
Mark Willis	CEO Middle East & Africa

To further strengthen the excellence of the business lines of the group, improve their operational and financial performance, offer their owners and guests even more relevant products and services, and attract the best talents, the Group organization structure was adjusted on January 1, 2023

Under the leadership of Mr Sébastien Bazin, Chairman and Chief Executive Officer, and Mr 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 & MGallery and Ennismore

The Group Management Committee, chaired by Chairman and Chief Executive Officer Sébastien Bazin, ensures the consistency and alignment between the two divisions, in terms both of strategic priorities and performance drivers. The Management Committee also comprises a 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, implemented on January 1, 2023 is detailed in the table below.

Group Management Committee at January 1, 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
Besma Boumaza	Chief Legal and Compliance Officer and Secretary to the Board of Directors
Steven Daines	Chief Talent & Culture Officer
Brune Poirson	Chief Sustainability Officer
Kamal Rhazali	Group General Secretary and Chief Legal Officer, Luxury & Lifestyle
Caroline Tissot	Chief Procurement Officer

Since January 1, 2023, each of the two operational divisions is also overseen by its own Executive Committee. The membership of these Committees is detailed on page 48 of this Universal Registration Document.

4.2 Membership of the Board of Directors at December 31, 2022

4.2.1 Information about directors at December 31, 2022

On December 31, 2022, the Board of Directors had 12 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	32	1,000	05/20/2022	N/A	ASM to approve financial statements for 2024	Appointments, Compensation & CSR Committee; International Strategy Committee
Ugo Arzani	No	M	Italian	48	1,000	05/20/2022	N/A	ASM to approve financial statements for 2024	Audit, Compliance & Risks Committee; Commitments Committee (Chair)
Hélène Auriol Potier	Yes	F	French	60	1,000	05/20/2022	N/A	ASM to approve financial statements for 2024	Audit, Compliance & Risks Committee; Appointments, Compensation & CSR Committee
Sébastien Bazin (1)	No	M	French	61	377 024	01/09/2006	06/30/2020	ASM to approve financial statements for 2022	-
Iliane Dumas (2)	No	F	French	51	N/A	05/02/2014	05/02/2020	05/02/2023	Appointments, Compensation & CSR Committee
Qionger Jiang	Yes	F	French	46	2,000	07/12/2016	05/20/2022	ASM to approve financial statements for 2024	International Strategy Committee
Iris Knobloch (3)	Yes	F	German	60	1,009	04/25/2013	06/30/2020	ASM to approve financial statements for 2022	Audit, Compliance & Risks Committee; Commitments Committee; Appointments, Compensation & CSR Committee; International Strategy Committee
Bruno Pavlovsky	Yes	M	French	60	1,500	06/30/2020	N/A	ASM to approve financial statements for 2022	Audit, Compliance & Risks Committee. Appointments, Compensation & CSR Committee (Chairman)
Nicolas Sarkozy	Yes	M	French	68	1,353	02/21/2017	05/20/2022	ASM to approve financial statements for 2024	Chairman of the International Strategy Committee
Christine Serre (2)	No	F	French	58	N/A	01/27/2021	N/A	01/27/2024	-
Isabelle Simon	Yes	F	French	52	1,000	07/12/2016	05/20/2022	ASM to approve financial statements for 2024	Audit, Compliance & Risks Committee (Chair); Appointments, Compensation & CSR Committee
Sarmad Zok	No	M	Lebanese & British	54	70,000	07/12/2016	05/20/2022	ASM to approve financial statements for 2024	Commitments Committee; Appointments, Compensation & CSR Committee; International Strategy Committee

(1) Chairman and Chief Executive Officer.
(2) Director representing employees.
(3) 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	May 20, 2022: • Sheikh Nawaf Bin Jassim Bin Jabor Al-Thani • Aziz Aluthman Fakhroo • Sophie Gasperment	May 20, 2022: • Asma Abdulrahman Al-Khulaifi • Hélène Auriol Potier • Ugo Arzani	May 20, 2022: • Qionger Jiang • Isabelle Simon • Nicolas Sarkozy • Sarmad Zok
Audit, Compliance & Risks Committee	May 20, 2022: • Aziz Aluthman Fakhroo • Sophie Gasperment	June 23, 2022: • Hélène Auriol Potier • Ugo Arzani	N/A
Appointments, Compensation & CSR Committee	May 20, 2022: • Sophie Gasperment • Aziz Aluthman Fakhroo	June 23, 2022 • Asma Abdulrahman Al-Khulaifi • Hélène Auriol Potier • Bruno Pavlovsky (Chairman)	N/A
Commitments Committee	May 20, 2022: • Aziz Aluthman Fakhroo	June 23, 2022: • Ugo Arzani (Chair)	N/A
International Strategy Committee	May 20, 2022: • Sheikh Nawaf Bin Jassim Bin Jabor Al-Thani	June 23, 2022 • Asma Abdulrahman Al-Khulaifi	N/A

Individual information on directors in office at December 31, 2022

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 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 dialog 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: Member of the Appointments, Compensation & CSR Committee; International Strategy Committee.

Number of Accor shares held: 1,000

Principal position outside Accor: CEO of Kynd LLC (unlisted)

Other positions held at December 31, 2022, with companies controlled (1) by Accor

None

Other positions held at December 31, 2022 with companies not controlled (1) by Accor

In France	Outside France
None	• Director – Kynd LLC (unlisted company) – 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 in 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: Member of the 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, 2022 with companies controlled (1) by Accor

None

Other positions held at December 31, 2022 with companies not controlled (1) by Accor

In France	Outside France
None	• Director – Infarm-Indoor Urban Farming BV (unlisted company) – Germany • Director – Harrods Group International Holdings Ltd (unlisted company) – Qatar • Director – Beauchamp Company No. 2 Ltd (unlisted company) – Qatar • 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

(1) Within the meaning of Article L. 233-16 of the French Commercial Code.

Hélène Auriol Potier

Independent Director

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, notably 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 General Manager for Africa, the Mediterranean and CEE. She then joined the Microsoft Corporation and for ten years has carried out various management functions, notably as Managing Director of Microsoft Singapore, Managing Director of Microsoft Dynamics Europe, and then Managing Director 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 and the United States. Hélène Auriol Potier is a graduate of École nationale supérieure des télécommunications de Paris and the *Executive Program* of the INSEAD business school. She co-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: Member of the Appointments, Compensation & CSR Committee; Audit, Compliance & Risks Committee.

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, 2022, with companies controlled [(1)] by Accor

None

Other positions held at December 31, 2022 with companies not controlled [(1)] 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)
- Member of the Board of Directors and Chairman of ESG Activities – Institut Française des Administrateurs (IFA)

Outside France
- Member of the Supervisory Board and member of the Appointments and Governance Committee – Randstad NV (listed company) – Netherlands

Former positions held in the past five fiscal years

In France
- Director, Chair of the Ethics Committee and Member of the Remuneration Committee – Ipsen (listed company)

Outside France
- Director and member of the Remuneration Committee – Mimecast UK Ltd (listed company) – United Kingdom

(1) 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 CEO of Hottinguer Rivaud Finances, an investment bank, in 1990, then CEO 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 eventually 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 Supervisory Board 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, 2022.

Number of Accor shares held: 377,024

Other positions held at December 31, 2022, with companies controlled (1) by Accor	
In France • Chairman – Orient Express (unlisted company)	**Outside France** • 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, 2022, with companies not controlled (1) by Accor	
In France • Chairman of the Board of Directors – Accor Acquisition Company (SPAC sponsored by Accor), listed company • Chairman – Bazeo Europe SAS • Legal Manager – Bazeo Invest SNC • Legal Manager – SARL Rohan • Legal Manager – SCI Nina • Legal Manager – SCI Haute Roche • Legal Manager – SCI Moulin Tuilerie	**Outside France** • Director – Sisters Soparfi (unlisted company) – Luxembourg • Director – General Electric (listed company) – United States

Former positions held in the past five fiscal years	
In France • Director and Chairman – Adagio SAS (unlisted company) • Chairman of the Board of Directors – Théâtre du Châtelet (unlisted company) • Legal Manager – CC Europe Invest	**Outside France** • Managing Director – Sisters Soparfi – Luxembourg • Director – Banyan Tree Holdings Ltd (Singapore) • Director – H World Group Ltd (ex-Huazhu 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, notably 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. She is also a member of the Appointments, Compensation & CSR Committee and a judge at the Paris Employment Tribunal. 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: May 2, 2023.

Participation in Board Committees: Member of the Appointments, Compensation & CSR Committee.

Number of Accor shares held: N/A

Main position: Senior Head of the Diversity & Inclusion project at the Accor Talent & Culture Department.

Other positions held at December 31, 2022, with companies controlled [(1)] by Accor
None

Other positions held at December 31, 2022, 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 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: Member of the International Strategy 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, 2022, with companies controlled [(2)] by Accor

None

Other positions held at December 31, 2022, with companies not controlled [(2)] by Accor

In France	Outside France
None	• Chief Executive Officer – Shang Xia (unlisted company) – China

Former positions held in the past five fiscal years

In France	Outside France
None	• 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.*

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 Chair of the Board of Directors of Deezer.She is also Vice-Chair of the Board of Directors of the Accor Group, a member of the Board of Directors of Banque Lazard Ltd and Governor of the American Hospital in Paris.

Iris Knobloch was previously Chair and Chief Executive Officer and a member of the Board of Directors of I2PO, an SPAC (*Special Acquisition Purpose 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, 2022.

Participation in Board Committees: Member of the International Strategy Committee; Appointments, Compensation & CSR Committee; Commitments Committee; and Audit, Compliance & Risks Committee.

Number of Accor shares held: 1,009.

Principal position outside Accor: Chair of the Cannes Film Festival

Other positions held at December 31, 2022, with companies controlled [2] by Accor

None

Other positions held at December 31, 2022, with companies not controlled [2] by Accor

In France	Outside France
• Vice-Chairman of the Board of Directors – Deezer (listed company) [3]	• Member of the Board of Directors – Lazard Ltd (unlisted company) – Bermuda

Former positions held in the past five fiscal years

In France	Outside France
• Chairman – 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 – Bermuda

(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) *Chairman of the Board of Directors since January 1, 2023*

Bruno Pavlovsky

Independent Director [1]

BORN
November 8, 1962

NATIONALITY
French

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Bruno Pavlovksy is a graduate of École Supérieure de Commerce de Bordeaux and holds a Master of Business Administration (MBA) from Harvard Business School. He began his career at Deloitte before joining Chanel in 1990, where he currently holds the positions of Chairman of Chanel SAS and Chanel's President of Global Fashion. He is also Chairman of Chanel's Métiers d'Art unit, Chairman of Eres, Chairman of Fédération de la Haute Couture et de la Mode, Chairman of the Comité Colbert's Advocacy and Public Policy Commission, and a director of Fondation de l'Institut Français de la Mode.

Bruno Pavlovsky is a Chevalier de la Légion d'Honneur.

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, 2022.

Participation in Board Committees: Member of the Audit, Compliance & Risks Committee; Appointments, Compensation & CSR Committee.

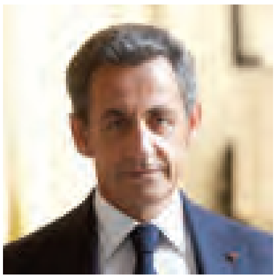
Number of Accor shares held: 1,500.

Principal position outside Accor: Chairman of Chanel SAS and Chanel's President of Global Fashion.

Other positions held at December 31, 2022, with companies controlled [2] by Accor
None

Other positions held at December 31, 2022 within the Chanel group	
In France • Chairman – 19M • Chairman – ATELIER DE MAY • Chairman – A.C.T 3 • Chairman – BARRIE France • Chairman – CHANEL COORDINATION • Chairman – DEFILUXE • Chairman – DESRUES • Chairman – ERES • Chairman – ETABLISSEMENTS BODIN JOYEUX • Chairman – FILATURES DU PARC • Chairman – FYMA PRODUCTION • Chairman – GANT CAUSSE • Chairman – GOOSSENS PARIS • Chairman – HUGOTAG ENNOBLISSEMENT • Chairman – LA FORME • 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 • Chairman – MAISON MICHEL • Chairman – MANUFACTURES DE MODE • Chairman – MEGISSERIE RICHARD • Chairman – MONTEX • Chairman – PALOMA • Chairman – PARAFFECTION • Chairman – PARTROIS • Chairman – READY TO CARE • Legal Manager – SCI JOLIMOY • Legal Manager – SCI ODACE • Legal Manager – SCI ONURB • Legal Manager – SCI PEAU LUXE • Legal Manager – SCI SAROULEAGAIN • Legal Manager – SCI SURDESOI • Chairman – SETTELILLE • Chairman – TANNERIES HAAS • Chairman – ORLEBAR BROWN France • Chairman – L'ATELIER DES MATIERES	**Outside France** • Director – CHANEL Limited – United Kingdom • Director – VASTRAKALA EXPORTS PRIVATE LIMITED – India • Board Chairman – CONCERIA SAMANTA S.p.A. – Italy • Managing Director – CHANEL COORDINATION S.r.l – Italy • Managing Director – ROVEDA S.r.l – Italy • Managing Director – IMMOBILI ROSMINI S.r.l. – Italy • Board Chairman – MANUFACTURES DE MODE ITALIA S.r.l. – Italy • Director – 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 – CELLINI 04 R.E. S.r.l. – Italy • Board Chairman – NILLAB MANIFATTURE ITALIANE S.p.A – Italy • Board Chairman – VIMAR 1991 S.r.l. (formerly BIELLA FILATURA S.r.l.) – Italy • Chairman, Director COLOMER LEATHER GROUP SL – Spain • Board Chairman FCL S.R.L. – Italy • Board Chairman 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
Other positions held at December 31, 2022, with companies not controlled [(1)] by Chanel Limited	
In France • Director – REMY COINTREAU (listed company) • Legal Manager – N&B SOCIETE CIVILE • Legal Manager – SCI N&B TERRASSE • Legal Manager – SCI N&B SAINT GEORGES • Legal Manager – SCI N&B BASSUSSARY • Legal Manager – SCI N&B PENTHIEVRE • Legal Manager – SCI N&B JARDIN PUBLIC • Legal Manager – SCI BRUNIC • Legal Manager – SCI N&B Duphot • Legal Manager – SCI MANASO	**Outside France** None
Former positions held in the past five fiscal years	
In France • Chairman of MANUFACTURE DE CUIR GUSTAVE DEGERMANN • Chairman of LMG • Chairman of IDAFA • Legal Manager of Etablissements Legeron Clerjeau Tissot	**Outside France** • Manager of ERES MODA – Turkey

(1) *Based on the independence criteria set out in the AFEP/MEDEF 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 has written numerous books, including *Libre, Témoignage, La France pour la vie, Tout pour la France, Passion, Le temps des tempêtes,* and *Promenades*. Nicolas Sarkozy is also a consultant with several large-scale international groups (Chairman of the*Advisory Board* of Corsair, Consultant for the Management Committee of Groupe Marietton, Member of the *Advisory Board* of Chargeurs and Axian, and Adviser 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: Member of the 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, 2022, with companies controlled (2) by Accor

None

Other positions held at December 31, 2022, with companies not controlled (2) by Accor

In France	Outside France
• Director – Groupe Lucien Barrière (unlisted company) • Director – Lagardère SA (listed company) • Member of the Supervisory Board of Lov Group Invest (unlisted company) • Managing Director – SELAS C.S.C. (unlisted company)	None

Former positions held in the past five fiscal years

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.*

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, Southern Europe at Accor.

First appointed as a director on: January 27, 2021.

Current term due to expire on: January 27, 2024.

Number of Accor shares held: N/A

Principal position: Business Developer, Hotel Sale Relations, Southern Europe at Accor.

Other positions held at December 31, 2022, with companies controlled [1] by Accor
None

Other positions held at December 31, 2022, 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 Senior Vice-President of Société des Bains de Mer de Monaco, where she headed 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 General Secretary and a member of the Executive Committee of Thales, in charge of the Governance, Ethics and Compliance, CSR, Legal, Audit, Risks and Internal Control and Security functions. Isabelle Simon is a graduate of Sciences Po Paris and HEC, Harvard Law School (LL.M.) and the law faculties of Paris I Panthéon-Sorbonne (DEA advanced diploma in British and North American Business Law) and Jean Monnet (DESS advanced diploma in International Taxation). 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: Member of the Appointments, Compensation & CSR Committee; Audit, Compliance & Risks Committee.

Number of Accor shares held: 1,000.

Principal position outside Accor: Group Secretary & General Counsel, member of the Executive Committee, Thales Group.

Other positions held at December 31, 2022, with companies controlled [2] by Accor

None

Other positions held at December 31, 2022, 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	• President – Gemalto Holding B.V.(unlisted company)

Other positions held at December 31, 2022, 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 • Director – Neopost (today Quadient) (listed company)	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.

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 (KHI) headquartered in Dubai, UAE, and a non-executive director on the boards of Four Seasons Hotels and Resorts, BlackRock Frontiers Investment Trust plc and Kingdom Holding Company. In 2006, Mr. Zok led KHI on its initial public offering on the Dubai International Financial Exchange (the predecessor to NASDAQ Dubai) and the London Stock Exchange. Since a successful take-private he has headed KHI's accomplished hotel investment management team in Dubai 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, Mr. 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: Member of the International Strategy Committee; Appointments, Compensation & CSR Committee; and Commitments Committee.

Number of Accor shares held: 70,000.

Principal positions held outside Accor: CEO of Kingdom Hotel Investments UK Ltd and non-executive director of Kingdom Holding Company.

Other positions held at December 31, 2022, with companies controlled (1) by Accor	
None	

Other positions held at December 31, 2022 with companies controlled (1) by Kingdom Hotel Investments and Kingdom Holding Company	
In France None	**Outside France** • 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 • Manager A (Member of the Board) – Shercock Sarl (unlisted company) – Luxembourg • Manager 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, 2022, with companies not controlled (1) by Kingdom Hotel Investments or Kingdom Holding Company	
In France None	**Outside France** • 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 None	**Outside France** • Chairman of 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 [4.13] 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 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 two legal proceedings,Nicolas Sarkozy was sentenced, first, by judgment of March 1, 2021, to a three-year jail term, two of which were suspended, on charges of corruption and influence peddling, and, second, by judgment of September 30, 2021, to a one-year jail term on charges of illegal campaign financing. Nicolas Sarkozy has appealed these judgments and therefore remains presumed innocent. These first-instance sentences do not affectNicolas 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 selected the Directors and application of this policy for the fiscal year 2022*

The procedure for selecting the Company's directors is described in the table below:

<table>
<tr><th></th><th></th><th></th><th colspan="2">Directors representing employees</th></tr>
<tr><th></th><th>Independent directors</th><th>Directors proposed by shareholders</th><th>1st director representing employees</th><th>2nd director representing employees</th></tr>
<tr><td>Identification of needs</td><td>On an annual basis, definition by the Appointments, Compensation & CSR Committee (the "Committee") 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)
• any other issues that may have been raised in the course of the Board's assessment</td><td></td><td></td><td></td></tr>
<tr><td>Candidate search</td><td>• Preparation of a list of potential candidates, with the help of a recruitment firm as necessary
• Review by the Committee of the candidate packages assembled from the information available
• Short-listing by the Committee of the best candidates for interviews</td><td rowspan="3">Proposal by the shareholders to be represented and the Committee review of this proposal</td><td rowspan="4">Appointment by the majority trade union</td><td rowspan="4">Appointment by the European Works Council</td></tr>
<tr><td>Recruitment</td><td>• Interviews conducted with the short-listed candidates by the Chairman of the Committee, the Vice-Chairman and Senior Independent Director, and, where applicable, certain members of the Committee
• Interviews discussed among all members of the Committee in order to narrow down the list of candidates and make a recommendation to the Board of Directors</td></tr>
<tr><td>Selection</td><td>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</td></tr>
<tr><td>Approval</td><td>Approval of the appointment or ratification of the co-option by the Annual Shareholders' Meeting</td><td>Approval of the appointmen t by the Annual Shareholders' Meeting</td></tr>
</table>

During 2022, the Appointments, Compensation and CSR Committee reviewed the list of directors whose term of office is due to expire in 2023.

On the recommendation of the Appointments, Compensation and CSR 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.

Finally, the Committee recommended the appointment of Ms. Anne-Laure Kiechel as an independent Director, to be proposed to the General Meeting of Shareholders scheduled for May 17, 2023.

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, Compensation & CSR Committee, the Board of Directors has paid close attention to its membership.

The Company is committed to promoting diversity and inclusion and eliminating all forms of discrimination (see section 3.3.5 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, corporate and luxury business management and ESG, to lead Accor's development and strategy.

To this end, a skills matrix has been developed to accurately map each director's areas of expertise.

At end-December 2022:

- seven of the Board members were women, including the two directors representing employees, and the Vice-Chair 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, Compensation & CSR 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 90%;
- the skills of the Board members cover, in addition to the financial and hospitality fields, all the issues facing the Group, notably luxury, ESG and digital.

Skills map of the members of the Board of Directors as of December 31, 2022

Diectors in office	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		✓		✓			✓	
Iris Knobloch		✓	✓	✓				
Bruno Pavlovsky		✓			✓	✓	✓	
Nicolas Sarkozy	✓			✓	✓			
Christine Serre		✓						✓
Isabelle Simon	✓			✓	✓			✓
Sarmad Zok	✓			✓			✓	

(1) Social, environmental, climate and governance

Skills mapping of Board members as of December 31, 2022

5 HOSPITALITY
Experience in the hotel or broader hospitality industry.

8 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.

3 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.

5 ESG (SOCIAL, ENVIRONMNTAL, CLIMATE AND GOVERNANCE)
Experience in the environment, social and governance fields.

6
Nationalities

French
German
British
Lebanese
Qatari
Italian

60%
of directors are independent (1)

OBJECTIVE

50% of directors to be independent, in accordance with the AFEP/MEDEF Code

50%
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*

At December 31, 2022, the Board of Directors had twelve members, including 10 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 during the course of 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;
- 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 material for the Company or its Group, or
  - for which the Company or its Group represents a significant part of the entity's 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, Compensation and CSR Committee.
- not have close family ties with an executive officer;
- not have been a Statutory Auditor of the Company in the last 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 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 shareholder's representative may be qualified as independent, based on a report issued by the Appointments, Compensation & CSR Committee and taking into account the Company's capital structure and any potential conflicts of interest.

Independent director status is reviewed by the Appointments, Compensation & CSR 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 16, 2023, the Appointments, Compensation & CSR Committee discussed 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 2022. 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 2022, Accor did not have any business relationships with the companies in which Hélène Auriol Potier, Qionger Jiang, 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 & General Counsel and a 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 22, 2023, the Board confirmed that Mses. Hélène Auriol Potier, Qionger Jiang, Iris Knobloch, Isabelle Simon and Messrs. 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 an executive 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	√	√	√	√	√	√	√	√
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, Compensation & CSR Committee and taking into account the Company's capital structure and any potential conflicts of interest.

(3) Director representing employees.

4.2.5 Gender diversity policy

Appointing women to key roles in the company is one of the pillars of Accor's Inclusion & Diversity policy. The gender diversity targets and outcomes for the Executive Committee and the Executive Committees of the hubs and in the top 10% of management positions can be found in section 3.3.5 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 of Directors of the Company met eleven times in 2022. The notices of meeting 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 and the attendance rate was 90% (93% in 2021).

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 2022, the Board of Directors' work included:

- examining the situation of the Group's hotels and employees in Ukraine;
- monitoring missions conducted by the ALL Heartist Fund and authorizing a new category of allocation of funds to support Ukrainian refugees;
- deciding not to propose to pay shareholders a dividend for the fiscal year 2021 and for the third consecutive year, in view of the ongoing global health crisis that has had a significant adverse impact on the hotel sector;
- reviewing and approving the Group's reorganization into two distinct business divisions with:
  - on the one hand, the Premium, Midscale & Economy division, notably grouping the ibis, Novotel, Mercure, Swissôtel, Mövenpick and Pullman brands, and relying on four large regions, and
  - on the other hand, the Luxury & Lifestyle division, bringing together the brands of these universes and organized into four collections of brands: Raffles & Orient Express, Fairmont, Sofitel & MGallery and Ennismore;
- authorizing the entry into exclusive negotiations aimed at selling a 10.8% stake in the subsidiary Ennismore to a consortium of investors, after contributing to Ennismore the Group's interests in Rixos and Paris Society;
- monitoring development of the *Special Purpose Acquisition vehicle* Accor Acquisition Company sponsored by Accor;
- authorizing the new partnership between the football club Paris-Saint Germain, following the partnership concluded in 2019 that ended on June 30, 2022;
- authorizing the entry into exclusive negotiations with the Valesco Group for the sale of its head-office building in Paris, the Tour Sequana; and
- approving the 2021 parent company and consolidated financial statements and 2022 interim financial statements.

The Board's work in the governance sphere included:

- proposing the reappointment of Mr. Sébastien Bazin as a director, to be submitted to the 2023 Annual Shareholders' Meeting, and subject to this, the reappointment of his duties as Chairman and Chief Executive Officer;
- reviewing the composition of the Board's committees to take into account the appointment of directors approved by the Shareholders' Meeting on May 20, 2022;
- 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 compensation payable to the executive officer of the company for fiscal 2021; and
- authorizing various regulated conventions.

The Board's work in the CSR sphere included:

- familiarizing itself with and debating the Company's CSR strategy 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, for fiscal year 2023.

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 performs a formal assessment of its operations and that of its Committees on an annual basis. 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 third quarter of 2022, the Board of Directors launched an internal assessment of its operations and those of its Committees. The assessment was conducted based on a questionnaire prepared by the Secretary to the Board of Directors and addressed to all directors. The latter may also request an interview with the Vice-Chair on any subject.

The Board of Directors reviewed the findings of the study, a summary of which is presented below.

The Directors did not raise any particular difficulties in the operation of the Board of Directors, and expressed the wish to adress more strategic issues. The Board of Directors also considered that it is necessary to increase the number of independent Directors and to create a committee dedicated to CSR, separate from the Appointments, Compensation & CSR Committee. Lastly, it asked to meet more often with the Group's senior managers, particularly in connection with the implementation of the new organization.

The last formalized evaluation with the assistance of an external consultant was conducted in the first quarter of 2021.

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 (formerly referred to as fees) 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 a Founding Co-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 Board of Directors' Rules of Procedure (attached 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 and each time the list is amended.

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 (attached 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 22, 2023, the Board of Directors reviewed the related-party agreements approved during 2022 as well as those approved in prior fiscal years that remained in force in 2022 in application of the procedure provided for in Article L. 225-38 et seq. of the French Commercial Code.

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 21, 2022. 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' Rules of Procedure (attached in Appendix A), there are four standing Board Committees:

- the Audit, Compliance & Risks Committee;
- the Commitments Committee;
- the Appointments, Compensation & CSR Committee;
- 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, Compensation & CSR 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 shall 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 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 2022*

Director	Board	Audit, Compliance & Risks Committee	Commitments Committee	Appointments, Compensation & CSR Committee	International Strategy Committee
Asma Abdulrahman Al-Khulaifi	100%	-	-	100%	100%
Sheikh Nawaf Bin Jassim Bin Jabor Al Thani	75%	-	-	-	-
Aziz Aluthman Fakhroo	100%	100%	100%	100%	-
Ugo Arzani	100%	67%	100%	-	-
Hélène Auriol Potier	100%	67%	-	100%	
Sébastien Bazin	92%	-	-	-	-
Iliane Dumas	83%	-	-	80%	-
Sophie Gasperment	100%	100%	-	100%	-
Qionger Jiang	83%	-	-	-	100%
Iris Knobloch	67% [1]	75%	100%	100%	100%
Bruno Pavlovsky	83%	50%	-	80%	-
Nicolas Sarkozy	75%	-	-	-	100%
Christine Serre	100%	-	-	-	
Isabelle Simon	92%	100%	-	80%	-
Sarmad Zok	100%	-	100%	80%	100%

(1) It is specified that the attendance rate of Ms. Iris Knobloch at the meetings of the Board of Directors, over the duration of her term of office (fiscal years 2020, 2021 and 2022) was an average 89% and that Ms. Iris Knobloch attended all Board meetings in 2020 and 2021. This rate for the fiscal year 2022, lower than in previous years, was due to a temporary unavailability during the months of June and July 2022.

4.4 Board Committees

4.4.1 Audit, Compliance & Risks Committee

Information at December 31, 2022

5	80%	4	80%
Number of directors	Percentage of independent directors	Number of meetings in 2022	Average Committee attendance rate in 2022

Composition of the Committee

The Audit, Compliance & Risks Committee comprises five members, four of whom are qualified by the Board as independent:

- Isabelle Simon [(1)], Chair;
- Ugo Arzani;
- Hélène Auriol Potier [(1)];
- Iris Knobloch [(1)], and
- Bruno Pavlovsky [(1)];

all have the necessary technical knowledge to fulfill their duties on the Audit Committee. The Company believes that, based on their training and professional experience [(2)], whether in investment banking and senior or 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 2022

During its meetings in 2022, 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;
- reviewed the process for integrating companies acquired by the Group;
- 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 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, Compensation and CSR Committee

Information at December 31, 2022

7	67%	5	91%
Number of directors	Percentage of independent directors (1)	Number of meetings in 2022	Average Committee attendance rate in 2022

Composition of the Committee

The Appointments, Compensation and CSR Committee comprises seven members, four of whom are qualified by the Board as independent:

- Bruno Pavlovsky (2), Chairman;
- Asma Abdulrahman Al-Khulaifi;
- Iliane Dumas (3);
- Hélène Auriol Potier (2);
- Iris Knobloch (2);
- Isabelle Simon (2); and
- Sarmad Zok.

Thus, in accordance with the recommandations of the AFEP/MEDEF Code:

- a director representing employees attends the Committee's meetings;
- 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, Compensation and CSR Committee are defined in the Board of Directors' Rules of Procedure, which can be found in Appendix A.

Work of the Committee in 2022

During its meetings in 2022, 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 2022 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 CEO;
- reviewed the compensation policy for directors as well as the allocation of their compensation (formerly defined as directors' fees);
- proposed the renewal of Sébastien Bazin as Chairman and CEO at the next Annual Shareholders' Meeting, in order to support the implementation and ensure the deployment of the Group's new organization structure;
- 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 Statement of non-financial performance;
- familiarized itself and debated the CSR strategy and reviewed the Company's CSR initiatives in a special session as well as the points on the agenda of the Committee meetings throughout the year;
- reviewed talent management issues under the framework of the Group's reorganization into two distinct divisions;
- 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.

In December 2022, the Appointments, Compensation and CSR Committee also reviewed the succession plan for the Chairman and Chief Executive Officer.

(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, 2022

3	33%	4	100%
Number of directors	*Percentage of independent directors*	*Number of meetings in 2022*	*Average Committee attendance rate in 2022*

Composition of the Committee

The Commitments Committee comprises three members, one of whom is qualified by the Board as independent:

- Ugo Arzani, Chairman;
- Iris Knobloch [(1)]; and
- 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 2022

In 2022, the Commitments Committee primarily:

- monitored the position of AccorInvest;
- reviewed the Group's interests in outside companies;
- reviewed the Group's various acquisition and disposal projects.

4.4.4 International Strategy Committee

Information at December 31, 2022

5	60%	1	100%
Number of directors	*Percentage of independent directors*	*Number of meetings in 2022*	*Average Committee attendance rate in 2022*

Composition of the Committee

The International Strategy Committee has five members, of whom three are qualified by the Board as independent:

- Nicolas Sarkozy [(1)], Chairman,
- Asma Abdulrahman Al-Khulaifi
- Qionger Jiang [(1)],
- Iris Knobloch [(1)], and
- Sarmad Zok.

Directors who are not members of the Committee may be invited to participate to the work of the Committee by the 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 2022

In 2022, 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 Ukraine in connection with the conflict with Russia.

(1) Independent director.

4.5 Executive officers' compensation

4.5.1 Compensation policy for the Chairman and Chief Executive Officer for fiscal 2023

The compensation policy for the Chairman and Chief Executive Officer is determined by the Board of Directors, acting on the recommendation of the Appointments, Compensation and CSR 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 policy 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, Compensation and CSR 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 executive officers' compensation policy is reviewed annually to ensure compliance with regulatory provisions market practices, and recommendations from the AFEP-MEDEF Corporate Governance Code and the French Financial Markets Authority (AMF) and to account for shareholder feedback, if any. This policy is then subject to the approval of shareholders at the Annual Shareholders' Meeting. If it is not approved, the most recent compensation policy approved by the Annual Shareholders' Meeting remains in effect.

Moreover, the Appointments, Compensation and CSR Committee conducts regular reviews to ensure the compensation policy adopted by the Annual Shareholders' Meeting is properly applied. Consequently, fixed, variable and long-term compensation principles, criteria and targets are analyzed by the Appointments, Compensation and CSR 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, Compensation and CSR 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, Compensation and CSR Committee mainly comprises Independent Directors as well as a Director representing employees. Lastly, in accordance with the provisions of the Board of Directors' Rules of Procedures, the Chairman and Chief Executive Officer shall not participate in the proceedings or voting on any item relating to his compensation package.

The measures implemented by the Company to prevent 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 terminate the Chairman and Chief Executive Officer's term of office at any given time.

Mr. Sébastien Bazin was re-elected as Director and Chairman and Chief Executive Officer on June 30, 2020. The Board of Director's took this opportunity, at its February 19, 2020 meeting, to review and revise his compensation package for the duration of his term.

This term of office will expire at the end of the Annual General Meeting called to approve the financial statements for the fiscal year 2022 and, at that time, the renewal of the term of office of Mr. Sébastien Bazin will be proposed. In this context, the Appointments, Compensation and CSR Committee reviewed his compensation.

On February 22, 2023, the Board of Directors approved the recommendations of the Appointments, Compensation and CSR Committee, and thus decided to propose a revised compensation policy for the Chairman and Chief Executive Officer for the 2023 fiscal year for and from his new term of office. The Committee based its review on studies of the compensation of Executive Directors of CAC 60 companies carried out by specialized external consultants, and examined the compensation structures of the main international hotel peers. It was then decided to maintain unchanged the amount of his annual fixed compensation and to increase, as from the date of the renewal of his term of office, the reference amount of his annual variable compensation, as well as the part of his compensation that is paid to him in performance shares in respect of his long term compensation. The Board wanted to make the compensation of the Chairman and Chief Executive Officer even more variable, particularly in connection with the successful implementation of the new organization (TURBO project). With the increase of the reference amount of annual variable compensation, the Board aimed to condition his compensation even more directly to the Group's economic performance and, through the increase in his long-term compensation paid in performance shares, to align it more closely with the interests of shareholders, the Board having expressed its expectation that the Company's market valuation would return to a level comparable to that before the health crisis.

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.

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 2023, Sébastien Bazin's gross annual fixed compensation is €950,000 (unchanged since January 1, 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. These objectives are detailed 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 fiscal 2023, the annual variable compensation will represent between 0% and 150% of a gross reference amount:

- Until the date of the 2023 Annual Shareholders' Meeting, €1,250,000 i.e. from 0% to 197% of his fixed annual compensation.
- As of the date of the 2023 Annual Shareholders' Meeting, €1,400,000 i.e. from 0% to 221% of his fixed annual compensation.

Therefore, for fiscal 2023, if his variable compensation were to reach 100% of the reference amount, this amount would represent 141% of his annual fixed compensation after application of the prorata temporis, taking into account the change in the gross reference amount decided in the context of the renewal of his mandate.

Once his term of office is renewed, if his variable compensation reaches 100% of the reference amount, this will represent 147% of his annual fixed compensation.

The Board 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 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),

As the implementation of the RESET plan was completed by the end of 2022, the corresponding criterion was removed. Thus, the weight of the quantitative objective "*Free Cash-Flow* (excluding disposals and acquisitions) after change in operating working capital" has been adjusted accordingly from 10% to 25%, returning to the same weighting as before the Covid-related health crisis. This also allows to maintain a significant and constant overall weighting of financial criteria compared to 2022.

- 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).

Meetings on February 22, 2023, and March 20, 2023, the Board of Directors, on a recommendation by the Appointments, Compensation and CSR Committee, decided to maintain the weighting of ESG criteria and to evolve the composition of this objective by new criteria reflecting the Stay, Eat and People pillars of the Group CSR policy.

Stay pillar (5%), two criteria retained:

- Percentage of managed and franchised hotels that have eliminated single-use plastics in the guest experience, including disposable water bottles, by December 31, 2023 (2.5%). The objective of eliminating single-use plastics, already present in the ESG criteria conditioning the 2022 variable compensation, is thus renewed and reinforced. The aim is to eliminate new products, and in particular disposable water bottles, which had not yet been eliminated from the customer experience, while ensuring that the elimination efforts made in 2022 are sustainable.
- Percentage of managed and franchised hotels measuring carbon emissions through a carbon measurement tool (2.5%)

Eat pillar (5 %), one criterion retained:

Percentage of managed and franchised hotels that have measured their food waste by December 31, 2023.

People pillar (5 %), one criterion retained:

Percentage of women on Management Committees worldwide at December 31, 2023.

The level of achievement of these new ESG criteria has been precisely set. The target objectives are as follows:

- For the criterion relating to the removal of the plastic products (including disposable water bottles), the target has been set at 80% of managed and franchised hotels meeting this ambition.
- For the criterion relating to the carbon emissions measurement, the target has been set at 85% of managed and franchised hotels measuring carbon emissions through the tool dedicated.
- For the criterion relating to the food waste, the target goal has been set at 80% of the 300 managed or franchised hotels, whose food service revenue represented at December 31, 2022, more than 50% of the Group's total food service revenue, having defined a baseline value of their food waste.
- For the criterion relating to the percentage of women on Management Committees worldwide, the target objective has been set at 40%.

2. qualitative objective (accounting for 20% of the total):

- Implementation of the new TURBO organization and talent development (20% weighting)

The Board of Directors, upon recommendation of the Appointments, Compensation and CSR Committee, decided to replace the qualitative objective of "Agility of and operational adjustments to the model and talent development" by the criterion of the "Implementation of the new TURBO organization and talent development" for a 20% weighting.

Indeed, after announcing the implementation of a new organization within the Group (TURBO project) as of January 1, 2023 (in particular through the creation of two distinct divisions, namely the "Premium, Midscale & Economy" division and the "Luxury & Lifestyle" division), the Board of Directors aimed to focus on the quality of execution of its implementation and the ability to develop talents to achieve it.

Criteria and weighting of the variable components of the Chairman and Chief Executive Officer's compensation

		% of the Reference Amount (new term of office)		
Quantitative objectives	**Weighting**	**Min**	**Target**	**Max [(1)]**
Actual versus budgeted consolidated EBITDA for 2023	25%	0%	25%	40%
Actual versus budgeted free cash flow (excluding disposals and acquisitions) after change in operating working capital for 2023	25%	0%	25%	40%
Organic growth in the number of rooms (net of transfers to another brand) in line with the 2023 budget	15%	0%	15%	24%
Percentage of managed and franchised hotels having eliminated single-use plastic items from the guest experience (including disposable water bottles) at December 31, 2023	2.5%	0%	2.5%	4%
Percentage of managed and franchised hotels measuring carbon emissions through a carbon measurement tool	2.5%	0%	2.5%	4%
Percentage of managed and franchised hotels that have measured their food waste by December 31, 2023	5%	0%	5%	8%
Percentage of women on Management Committees worldwide	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 (new term of office)		
Qualitative objective	**Weighting**	**Min**	**Target**	**Max (1)**
Implementation of the new TURBO organization and talent development	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 2023 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 2024 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 (which are both internal and external) are determined by the Board of Directors, which then gives the Chairman and Chief Executive Officer the necessary powers to carry out the grants. In accordance with the provisions of the AFEP/MEDEF Code, the plans are mostly issued during the first half of the year.

At its meeting on February 22, 2023, upon recommendations of the Appointments, Compensation and CSR Committee, the Board of Directors decided to increase 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% (versus 250% in 2022) 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 performance shares granted to employees, 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 following performance conditions:

- 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);
- reduction in the carbon footprint (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) (20% weighting).

The Board of Directors, on the recommendation of the Appointments, Compensation and CSR 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 targets for the following conditions have been revised as follows:

The achievement rates set for internal criteria, "EBITDA" and "*Free Cash-Flow* (excluding disposals and acquisitions) after change in operating working capital" have been established precisely, but these quantitative objectives relating to the budget or to the internal ambition (which themselves are not made public) are confidential and it is therefore not possible to disclose this information.

Regarding the "reduction in the carbon footprint" criterion: a first target (10% weighting) is to reduce carbon emissions by 25.2% for Scopes 1 and 2 by end-2025, and a second target (10% weighting) is to reduce carbon emissions by 15% for Scope 3 by end-2025. These objectives were revised and set according to a trajectory in line with the Group's 2030 carbon emissions reduction goal and if reached, enable 100% vesting of the shares related to this condition. However, vesting is triggered when the condition is met at a rate of at least 83.3%, i.e. a reduction of 21% for Scopes 1 and 2 and a reduction of 12.5% for Scope 3 (these achievements levels would allowing only 50% of the shares linked to this condition to be vested).

Concerning the external criterion ("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 Board of Directors wanted to strengthen the challenging nature of this condition, after discussions with some investors. Accordingly, on the recommendation of the Appointments, Compensation and CSR Committee, the Board of Directors has decided to raise the threshold for triggering acquisition from a rate of achievement of the condition of at least 100% (compared with 90% in 2022), allowing 90% of the shares linked to this condition to be vested. The target for acquiring 100% of the shares linked to this condition has been set at 102.5%.

These continued employment and performance conditions are the same as those applicable to all Group grantees.

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 251).

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 Mr. Sébastien Bazin could be paid benefits under the plan is 24 months, and the total amount of benefits is capped at €439,920 (based on the applicable rate for 2022).

(iii) A maximum of 100 hours of **asset management advisory services** per year provided by an external company.

(iv) **Supplementary pension benefits:**

- **A defined contribution plan or mandatory retirement savings plan, *Plan d'Épargne Retraite Obligatoire – PERO*** (formerly "Article 83")

  Mr. Sébastien Bazin, as executive officer of the Company with over one year of service and a gross annual salary of more than four times the annual ceiling used for calculating French social security contributions (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 their membership of the plan. The annual contribution paid by the Company corresponds to 8% of his annual gross compensation paid in the previous year, capped at eight times the PASS.

  However, in the case of Mr. 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**

  Mr. Sébastien Bazin, as executive officer of the Company with over six months of service and annual reference compensation [1] 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.

  Mr. Sébastien Bazin will therefore be entitled to a pension annuity (with the possibility of opting for survivor benefits).

  This plan provides for the gradual vesting of rights, which are calculated for each year of membership 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 pension annuity he will ultimately receive.

  Based on recommendations put forward by the Appointments, Compensation and CSR Committee, the Board of Directors decided to make benefit 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).

(1) *The annual reference compensation corresponds to total gross fixed and variable compensation and the amount of benefits in kind, plus any exceptional bonus paid in cash during the reference fiscal year.*

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 corresponds 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).

Those eligible for this "L. 137-11-2" supplementary defined benefit plan are the executive officer and senior executives in France who have fulfilled the above-referenced seniority and compensation conditions.

However, in the case of Mr. Sébastien Bazin, the Board of Directors may decide to cancel the benefit of this plan.

Mr. Sébastien Bazin may also continue to be covered by the "Article 39" defined benefit retirement plan, which is described in section 4.7 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 Mr. 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 last fiscal year ended prior to the date of termination of his 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 renewed as a director. It would not be payable if Mr Sébastien Bazin resigns or decides not to stand for renewal as a director, if he moves to a new position within the Group, or if he would be able to claim his full-rate retirement pension within a short period of time.

At the time of the renewal of his term of office, in order to bring the performance criteria applicable to the said compensation into line with the business model of the Group, the Board of Directors, on the proposal of the Appointments, Compensation and CSR Committee, decided to align them with those of the annual variable compensation of the Chairman and Chief Executive Officer and to modify them 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%, no compensation is due.

Directors' fees

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-term 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 remuneration 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, Compensation and CSR 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

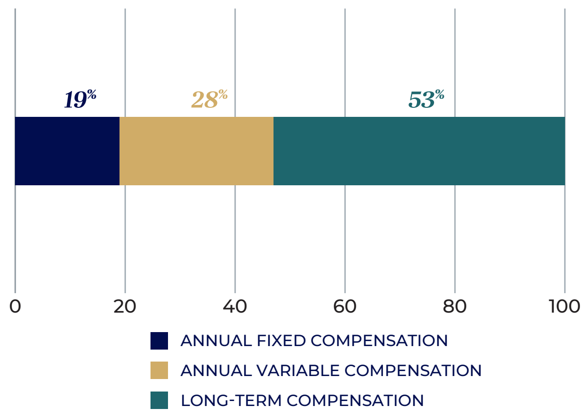
Components	Criteria and objectives	Amount/Weighting (new term of office)
Annual fixed compensation	Determined by the Board of Directors based on the recommendation of the Appointments, Compensation and CSR Committee, taking into account: • his experience; • his responsibilities; • market practices.	€950,000 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:** actual versus budgeted consolidated EBITDA for 2023 and actual versus budgeted free cash flow (excluding disposals and acquisitions) after change in operating working capital for 2023; • **non-financial objectives:** organic growth in the number of rooms (net of transfers to another brand) *vs.* 2023 budget; Percentage of managed and franchised hotels that have eliminated single-use plastics in the guest experience, including disposable water bottles, as of December 31, 2023; Percentage of managed and franchised hotels measuring carbon emissions through a carbon measurement tool; Percentage of managed and franchised hotels that have measured their food waste as of December 31, 2023; Percentage of women on Management Committees worldwide.	Each quantitative objective 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): • implementation of the new TURBO organization and talent development	This qualitative objective 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 2023 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 2023 financial statements.

This policy takes into account the various comments expressed by investors during the vote at the 2022 Shareholders' Meeting.

Overall structure of the Chairman and Chief Executive Officer's compensation package for 2023 (new term of office)



4.5.2 Compensation policy for Company directors for fiscal 2023

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.

The compensation policy for directors is determined by the Board of Directors, acting on the recommendation of the Appointments, Compensation and CSR 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 (formerly defined as directors' fees) at a gross amount of €1,320,000 until the Annual Shareholders' Meeting decides otherwise.

Directors' compensation is allocated by the Board among its members according to 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 their 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, Compensation and CSR 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 fiscal year for which it is due.

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, Compensation and CSR 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 2023 Annual Shareholders' Meeting.

4.5.3 Compensation of the Chairman and Chief Executive Officer for fiscal 2022

The compensation paid or awarded to the Chairman and Chief Executive Officer for fiscal 2022 complies with the compensation policy approved by the Annual Shareholders' Meeting of May 20, 2022 in application of Article L. 22-10-8 of the French Commercial Code and detailed in section 4.5.1 of the 2021 Universal Registration Document.

In fiscal 2022, no derogation to the approved compensation policy was made.

An overview of the fixed, variable and exceptional components of the total compensation and benefits of any kind paid in fiscal 2022 or awarded in respect of that fiscal year to the Chairman and Chief Executive Officer, which will be submitted to the 2023 Annual Shareholders' Meeting for approval in application of Article L. 22-10-34 of the French Commercial Code, is presented in the specific table set out in section 4.7 of this Universal Registration Document.

The Chairman and Chief Executive Officer did not receive any compensation from any company included in the scope of consolidation in fiscal 2022.

The Shareholders' Meeting of May 20, 2022 approved the 2022 compensation policy with an approval rate of 95.5%.

Fixed and variable compensation

Sébastien Bazin's gross annual **fixed compensation** for fiscal 2022 amounted to €950,000.

Sébastien Bazin's annual **variable compensation** would represent between 0% and 150% of a reference amount of €1,250,000 (unchanged since he was first appointed Chairman and Chief Executive Officer in 2013), corresponding to between 0% and 197% of his annual fixed compensation, based on the achievement of the following objectives:

- **quantitative objectives (accounting for 80% of the total):**
- financial criteria (50% weighting):
  - consolidated EBITDA in line with the 2022 budget (25% weighting);
  - free cash flow (excluding disposals and acquisitions) after change in operating working capital in line with the 2022 budget (10% weighting);
  - RESET savings in line with the 2022 budget (15% weighting);
- non-financial criteria (30% weighting):
  - organic growth in the number of rooms (net of transfers to another brand) in line with the 2022 budget (15% weighting);
  - environmental, social and governance (ESG) criteria (15% weighting):
    - percentage of managed and franchised hotels having eliminated single-use plastics from the guest experience (except disposable water bottles) at December 31, 2022 (5% weighting);
    - percentage of women on Management Committees worldwide at December 31, 2022 (5% weighting);
    - percentage of managed and franchised hotels having implemented a tool for measuring carbon emissions at end-2022 (5% weighting).
- **qualitative objectives (accounting for 20% of the total):**
  - agility and operational adaptation of the business model and talent development (20% weighting).

Each quantitative objective, depending on the achievement rate, triggers the payment of between 0% and 160% of the share of variable compensation it represents, and each qualitative objective between 0% and 120%.

The variable compensation is capped at 150% of the reference amount of €1,250,000. If his variable compensation reaches 100% of the reference amount, this will represent 132% of his annual fixed compensation as approved by the Annual Shareholders' Meeting of May 20, 2022.

Following an assessment of the degree to which Sébastien Bazin's objectives had been achieved, at its meeting on February 22, 2023 the Board set his variable compensation for fiscal 2022 at **€1,559,129**, breaking down as:

- **€1,271,629 euros for quantitative objectives**, which, overall, were 127.2% reached. The quantitative objectives relating to the budget or to the internal ambition (which themselves are not made public) are confidential and it is therefore not possible to disclose the achievement rates. However, it is noted that the objectives relating to EBITDA and free cash flow objectives (excluding disposals and acquisitions) after the change in operating working capital were exceeded, allowing a maximum payment rate of 160% for these criteria. The RESET savings criterion was achieved and the payment rate for this criterion was 100%. The ESG criteria were also met or exceeded, with an average achievement rate of 107.6%, leading to an average payment rate of 114.7%. In contrast, the objective relating to organic growth in the number of rooms (net of transfers to another banner) was only achieved at 96%, leading to a payment rate of 90% for this criterion.
- **€287,500 for qualitative objectives**, which, overall, were 115% reached.

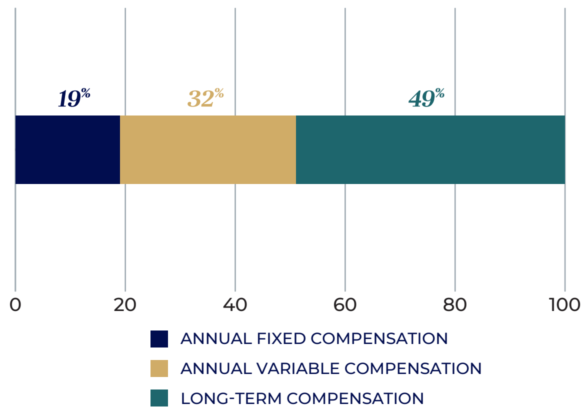
The Board underlined the excellent performance of Sébastien Bazin in terms of the speed of the business recovery and execution of the operational implementation of the new model. It emphasized the great agility that the Group has shown in this post-health crisis period under the impetus of Sébastien Bazin. However, the Committee emphasized that there was still room for improvement in the development of talent, particularly female talent within top management (in the context of the new organization).

Consequently, Sébastien Bazin's variable compensation represents 124.7% of the annual reference amount and 164.1% of his fixed compensation for 2022.

In addition, the Chairman and CEO was granted **performance shares**, the details of which are presented in section 4.6 of this Universal Registration Document.

No mechanism for restitution of any variable compensation was implemented during the fiscal year.

Overall structure of the compensation received by the Chairman and Chief Executive Officer for 2022



Termination benefits

Compensation payable to Sébastien Bazin in the event of loss of office as Chairman and Chief Executive Officer

During fiscal year 2022, Sébastien Bazin was entitled to a compensation in the event of termination of his office, as defined in section 4.5.1 "Compensation policy for the Chairman and Chief Executive Officer for fiscal year 2022", in the paragraph "Other benefits and advantages attached to the office of Chairman and Chief Executive Officer" of the 2021 Universal Registration Document. This compensation was not implemented during fiscal year 2022.

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 – PERO (formerly the "Article 83" plan), implemented within the framework of 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 re-insured to an accredited organization, to which the relevant contributions are paid.

Concerning the **defined contribution plan or mandatory retirement savings plan, *Plan d'Epargne Retraite Obligatoire – PERO*** (formerly "Article 83"):

Those eligible for the defined contribution plan are the Company's executive officer as well as the Group's senior executives with over one year of service and a gross annual salary of more than four times the annual ceiling used for calculating French social security contributions (the "PASS"), i.e. €164,544 in 2022. Members are entitled to a pension annuity (with the possibility of survivor benefits), which is determined based on the contributions paid by the Company for each year of their membership of the plan. The annual contribution paid by the Company for each plan member corresponds to 8% of the member's annual gross compensation received for the year concerned, capped at eight times the PASS. The maximum contribution paid for 2022 therefore amounted to €26,327. In accordance with the French Social Security Code, if Sébastien Bazin leaves the Group before the date of retirement, he will retain the rights accrued under the plan.

The employer's contribution paid by the Company for fiscal 2022 for the Chairman and Chief Executive Officer corresponded to a gross amount of €26,327.

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).

Concerning the **"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 seniority and annual reference compensation of more than eight times the PASS, i.e. €329,088 in 2022. Members are entitled to a pension annuity (with the possibility of opting for survivor benefits).

Rights vest gradually for each member and are calculated for each year of plan membership. 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 pension annuity he will ultimately be received.

Based on recommendations put forward by the Appointments, Compensation and CSR 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 2022, 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 achievement rate of these conditions, observed and confirmed by the Board of Directors at its meeting on February 22, 2023, enabled the vesting of 100% of rights for 2022.

The rights acquired by Sebastien Bazin for 2022 correspond to a pension annuity of €37,525, i.e. 1.55% of the annual reference compensation for 2022.

Furthermore, Mr. Sébastien Bazin may continue to be covered by the previous **"Article 39" defined benefit plan**, which is described in section 4.7 of this Universal Registration Document. This plan has been frozen and no new conditional benefit entitlements have been allocated for periods of employment after December 31, 2019.

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 duration during which Mr. Sébastien Bazin could received benefits pursuant to the unemployment insurance is 24 months, and the total amount of benefits is capped at €439,920 (based on the applicable rate for 2022).

4.5.4 Summary of compensation

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 fiscal 2021 and 2022:

Table 1: 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 2021** *(in €)*	**Fiscal 2022** *(in €)*
Compensation awarded for fiscal year (details Table 2)	2,407,557	2,566,478
	including variable compensation of €1,420,208	including variable compensation of €1,559,129
Value of multi-year variable compensation awarded during the fiscal year	NA	NA
Value of stock options granted during the fiscal year	NA	NA
Value of performance shares granted during the fiscal year (see Table 11 for details) (1)	2,374,972	2,374,978
Value of other long-term compensation plans	NA	NA
Total	**4,782,529**	**4,941,456**

(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.

Table 2: Summary of compensation paid to the Executive Officer (Table 2 – AFEP/MEDEF Code)

	Fiscal 2021		**Fiscal 2022**	
Sébastien Bazin Chairman and Chief Executive Officer since August 27, 2013	Amounts awarded for 2021 *(in €)*	Amounts paid in 2021 *(in €)*	**Amounts awarded for 2022** *(in €)*	**Amounts paid in 2022** *(in €)*
Fixed compensation (1)	950,000	950,000	950,000	950,000
Annual variable compensation (2)	1,420,208	625,000	1,559,129	1,420,208
Multi-year variable compensation	NA	NA	NA	NA
Exceptional bonus	NA	NA	NA	NA
Compensation as member of the Board of Directors (3)	N/A	N/A	N/A	N/A
Benefits in kind (4)	37,349	37,349	57,349	57,349
Total	**2,407,557**	**1,612,349**	**2,566,478**	**2,427,557**

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 ex post approval of the "say on pay" at 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 4.7.

(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 233, and (iii) asset management advisory services provided by an external company.

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.

The employees taken into account for the calculation of these ratios correspond to the employees of the listed company, Accor SA, as well as to the employees of an expanded scope consisting of the economic and employee unit (Accor SA, Soluxury HMC, Academie Accor, GIE AH Fleet Services), the other headquarters in France and the subsidiary hotels in France, in each case with two fiscal years of continuous presence. This extended scope covered a total of 82% of the headcount in France in 2022.

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).

Table 3: Ratios under Article L. 22-10-9 I.6° and 7° of the French Commercial Code in accordance with the guidelines in the AFEP/MEDEF Code

	Fiscal 2018	Fiscal 2019 (1)	Fiscal 2020 (2)	Fiscal 2021 (2)	**Fiscal 2022**
Change *(in %)* in the total compensation paid or awarded for the fiscal year to the Chairman and Chief Executive Officer – Sebastien Bazin		25%	-8%	-7%	20%
Information relative to the scope of consolidation of ACCOR SA					
Change *(in %)* in average Employees' compensation		16%	0%	-11%	17%
Ratio relative to average Employees' compensation	41	44	40	42	43
Change in ratio *(in %)* versus previous fiscal year (3)		8%	-9%	4%	3%
Ratio relative to median Employees' compensation	56	67	61	61	60
Change in ratio *(in %)* versus previous fiscal year (3)		18%	-9%	0%	-1%
Additional information on the enlarged scope (headquarters + French hotel subsidiaries)					
Change *(in %)* in average Employees' compensation		10%	-3%	-7%	20%
Ratio relative to average Employees' compensation	48	55	52	52	52
Change in ratio *(in %)* versus previous fiscal year (3)		14%	-6%	0%	0%
Company performance					
Reported EBITDA *(€ in million)*	712	825	-391	22	675
Change *(in %)* versus previous fiscal year		16%	-147%	106%	2,968%

(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.

Table 4: Summary of commitments made to executive officers (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 to be called to approve the financial statements for the fiscal year ended December 31, 2022	No	Yes	Yes	No	No

(1) See pages 233 and 234 for details of the supplementary pension plans of which the Chairman and Chief Executive Officer is a member.
(2) See page 234 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 2022 by the Group's French and non-French companies to members of the Executive Committee as at December 31, 2022 – other than the Chairman and Chief Executive Officer, whose compensation is described above – amounted to €14.2 million, including aggregate gross variable compensation of €5.4 million.

Directors' fees

The Board of Directors, in accordance with the compensation policy approved at the Annual Shareholders' Meeting of May 20, 2022 and presented in section 4.5.2 of the 2021 Universal Registration Document, allocated a total gross amount for fiscal 2022 of €1,267,500 (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 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 2022, 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 2023 Annual Shareholders' Meeting as part of the report on the compensation of all executive officers in respect of fiscal 2022.

Table 5: Compensation received by non-executive directors (Table 3 – AFEP/MEDEF Code)

	Due for the fiscal year						Paid during the fiscal year			
	2021			**2022**			2021		**2022**	
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-Khulaif i[1]	N/A	N/A	N/A	69 597	21,549	48,048	N/A	N/A	N/A	N/A
Sheikh Nawaf Bin Jassim Bin Jabor Al-Thani [2]	66,672	22,680	43,992	15,829	5,152	10,677	17,220	37,396	22,680	43,992
Aziz Aluthman Fakhroo [3]	173,940	51,067	122,873	84,568	24,656	59 912	38,235	96,670	51,067	122,873
Ugo Arzani [4]	N/A	N/A	N/A	69 773	21,725	48,048	N/A	N/A	N/A	N/A
Hélène Auriol Potier [5]	N/A	N/A	N/A	77 001	22,428	54,573	N/A	N/A	N/A	N/A
Iliane Dumas [6]	98,284	26,228	72,055	87,689	25,998	61,692	19,847	49,178	26,228	72,055
Sophie Gasperment [7]	140,053	47,519	92,534	60,776	20,439	40,337	35,608	73,388	47,519	92,534
Chantale Hoogstoel [6][8]	N/A	N/A	N/A	N/A	N/A	N/A	17,220	57,515	N/A	N/A
Qionger Jiang	53,019	22,680	30,339	64,600	22,483	42,116	32,981	58,664	22,680	30,339
Iris Knobloch	233,800	101,067	132,733	213 898	100,598	113 299	88,235	97,473	101,067	132,733
Bruno Pavlovsky	117,272	36,874	80,398	117 609	42,867	74,742	14,216	27,610	36,874	80,398
Nicolas Sarkozy	69,976	29,777	40,199	68,069	29,512	38,557	22,474	38,607	29,777	40,199
Christine Serre [6][9]	52,090	14,167	37,924	58 164	15,455	42,710	N/A	N/A	14,167	37,924
Isabelle Simon	137,777	47,519	90,258	138,435	47,084	91,351	35,608	71,374	47,519	90,258
Sarmad Zok	148,884	40,422	108,462	141,491	40,055	101,435	30,355	84,825	40,422	108,462
Total, fixed + variable	**1,291,767**			**1,267,500**				**1,044,699**		**1,291,767**

(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 until the end of the term as director in fiscal 2021.
(9) Directors' fees paid for the term as director that began in fiscal 2021.

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 2022

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.

Table 6: Stock options granted during the fiscal year to each current executive officer (Table 4 – AFEP/MEDEF code)

None.

Table 7: Stock options exercised in the fiscal year by each current executive officer (Table 5 – AFEP/MEDEF code)

None.

Table 8: Historical information concerning stock options granted to employees and/or executive officers (Table 8 – AFEP/MEDEF Code)

None.

Table 9: 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.

Table 10: Lock-up conditions on shares arising from the exercise of options granted to executive officers and members of the Executive Committee

None.

Share equivalents – Stock options granted to employees and executive officers

At December 31, 2022, there were no longer any outstanding stock options.

4.6.2 *Performance shares*

Performance share plans issued in 2022

Under the terms of the authorization given in the thirty-first resolution of the April 30, 2019 Annual Shareholders' Meeting, then that of May 20, 2022, starting from this date in respect of its seventeenth resolution, 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.

In this respect, two performance share plans have been set up:

- a first plan set up on April 7, 2022 concerned 1,459 beneficiaries in some 40 countries worldwide, including the Chairman and Chief Executive Officer (the number of performance shares granted to the Chairman and Chief Executive Officer is set out in Table 11 on page 246). The applicable performance conditions are based on the following:
  - 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);
  - reduction in the carbon footprint (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) (20% weighting).
- a second plan set up on October 26, 2022 concerned 34 beneficiaries. The performance conditions applicable to this plan are identical to those described above for the plan set up on April 7, 2022.

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 "reduction in the carbon footprint" condition, the target objectives enabling 100% vesting of the shares related to this condition have been set at 21% for Scopes 1 & 2 and 12.5% for Scope 3, corresponding to a trajectory in line with the Group's 2030 goal to reduce its carbon footprint. However, vesting is triggered when the condition is met at a rate of at least 80% (allowing only 50% vesting of the shares linked to this condition to be vested).

Concerning the external performance condition ("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 shares will vest if the achievement rate is at least 90% (allowing only 50% vesting of the shares linked to this condition to be vested). The target for acquiring 100% of the shares linked to this condition has been set at 102.5%.

Given the confidential nature of the other quantitative objectives relating to the budget or to the internal ambition (which themselves are not made public), it is not possible to disclose the achievement rates.

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 initially 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 April 7, 2025, for the plan set up on April 7, 2022, and from the grant date to October 26, 2025, for the plan set up on October 26, 2022 (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, or the Chairman and Chief Executive Officer acting upon delegation of the Board (when the involved grantee is not an executive officer) decide otherwise.

Table 11: Performance shares granted to the executive officer in fiscal 2022 (Table 6 – AFEP/MEDEF Code)

In fiscal 2022, Sébastien Bazin was granted 95,465 performance shares in accordance with the 2022 compensation policy approved by the Company's shareholders. The grant corresponds to 250% of the gross annual fixed compensation of the Chairman and Chief Executive Officer as approved by the Annual Shareholders' Meeting of May 20, 2022.

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	04/07/2022 performance share plan	95,465	2,374,978 [(1)]	04/07/2025	04/07/2025	• 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 2022, 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, 2022 should they fully vest.

Table 12: Performance shares granted to the Chairman and Chief Executive Officer for which the lock-up period expired in fiscal 2022 (Table 7 – AFEP/MEDEF Code)

Grantee	Grant date	Number of vested shares no longer subject to lock-up	Performance conditions
Sébastien Bazin	05/31/2019 performance share plan	81,290	• Actual versus budgeted Group EBITDA [(1)], • Actual versus budgeted Group free cash flow [(1)], • Accor's Total Shareholder Return (TSR) versus the change of the Stoxx Europe 600 Travel & Leisure Gross Return index [(1)].

(1) To account for the health and economic crisis, in accordance with the decisions adopted by the Board of Directors on May 14, 2020, the EBITDA and free cash flow conditions were replaced, for 2020, with a single performance condition related to actual versus budgeted savings and for 2020 and 2021, the Stoxx Europe 600 Travel & Leisure Gross Return index of the Total Shareholder Return (TSR) condition was replaced by a composite index comprising peer European and international hotel groups (Melia, NH Hoteles, Whitbread, Hilton, Hyatt, Marriott, IHG).

Table 13: Performance shares granted in fiscal 2022 to the top 10 employee grantees other than the executive officer

	Number of shares
Performance shares granted in 2022 to the 10 employee grantees other than executive officers who received the largest number of shares	191,000

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 22, 2023) for outstanding performance share plans.

Table 14: Performance condition achievement rates in 2022 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)
05/28/2020 10/21/2020	Achievement rate for Group EBITDA versus the 2021 and 2022 budgets [1]	33.33%	Average achievement rate for Group EBITDA at end-2021 and end-2022 equal to the average of Group budgeted EBITDA rates for 2021 and 2022	235.4%	50%	
	Achievement rate for Group free cash flow (excluding disposals and acquisitions), after change in operating working capital versus the 2021 and 2022 budgets [1]	13.33%	Average achievement rate for Group free cash flow (excluding disposals and acquisitions), after change in operating working capital at end-2021 and end-2022 equal to the average of Group budgeted free cash flow (excluding disposals and acquisitions), after change in operating working capital for 2021 and 2022	520.2%	20%	
	Achievement of actual versus 2020 budgeted savings[1]	23.33%	Achievement rate of savings at end-2020 equal to the savings target defined versus the initial EBITDA budget	160.4%	25.7%	
	Accor TSR versus the change in a benchmark index of European and international hotel groups peers [2]	30.0%	Accor TSR equal to the objective set relative to change in a benchmark index comprising European and international hotel groups peers from January 1, 2020 to December 31, 2022	-29.8%	0%	
Total		**100%**			**95.7%**	**95.7%**

(1) To account for the health and economic crisis, in accordance with the decisions adopted by the Board of Directors on May 14, 2020, these conditions have been replaced, for 2020, with a single performance condition related to actual versus budgeted savings (80% weighting).

(2) Pursuant to the decisions adopted by the Board of Directors on March 5, 2021, Gross Returns of the Stoxx Europe 600 Travel and Leisure index was replaced by the benchmark index of European and international hotel peers (Melia, NH Hoteles, Whitbread, Hilton, Hyatt, Mariott, IHG) for the three years of the plan (2020, 2021 and 2022).

Table 15: Historical information concerning stock options granted to employees and/or executive officers.

Performance share plans	05/31/2019 Plan	10/25/2019 Plan	05/28/2020 Plan
Grant date	05/31/2019	10/25/2019	05/28/2020
Date of Board of Directors' decision	02/20/2019	02/20/2019	05/14/2020
Date of Shareholders' Meeting approval	04/30/2019	04/30/2019	04/30/2019
Total number of grantees	1,459	39	1,506
Total number of shares granted	**1,275,675**	**37,120**	**1,796,551**
Of which to executive officers	81,290	–	108,512
Of which to the top 10 employee grantees [1]	182,000	20,800	267,725
Vesting date	05/31/2022	10/25/2022	05/28/2023
End of lock-up period	05/31/2022	10/25/2022	05/28/2023
Total vested shares at 12/31/2022	**1,143,106**	**34,920**	**6,300**
Number of shares canceled [2]	**132,569**	**2,200**	**217,011**
Performance shares outstanding at 12/31/2022	**-**	**-**	**1,573,240**
Performance condition(s)	Actual versus budgeted EBITDA [3], Actual versus budgeted Free Cash Flow excluding disposals and acquisitions, including change in working capital [3], Accor's Total Shareholder Return (TSR) versus the change of the Stoxx Europe 600 Travel & Leisure Gross Return index [4].	Actual versus budgeted EBITDA [3], Actual versus budgeted Free Cash Flow excluding disposals and acquisitions, including change in working capital [3], Accor's Total Shareholder Return (TSR) versus the change of the Stoxx Europe 600 Travel & Leisure Gross Return index [4].	Actual versus 2020 budgeted savings for 2020, Actual versus budgeted EBITDA, in 2021 and 2022, Actual versus budgeted Free Cash Flow excluding acquisitions and disposals, after change in operating working capital, in 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, IHG) from 01/01/2020 to 12/31/2022.

(1) Excluding executive officers.
(2) Shares canceled due to grantees leaving the Group or performance conditions not being met.
(3) To account for the health and economic crisis, in accordance with the decisions adopted by the Board of Directors on May 14, 2020, these conditions have been replaced, for 2020, with a single performance condition related to actual versus budgeted savings (80% weighting).
(4) Pursuant to the decisions adopted by the Board of Directors on March 5, 2021, Gross Returns of the Stoxx Europe 600 Travel and Leisure index was replaced by the benchmark index of Europen and international hotel peers (Melia, NH Hoteles, Whitbread, Hilton, Hyatt, Mariott, IHG) for 2020 and 2021.

10/21/2020 Plan	06/23/2021 Plan	10/29/2021 Plan	04/07/2022 Plan	10/26/2022 Plan
10/21/2020	06/23/2021	10/29/2021	04/07/2022	10/26/2022
05/14/2020	02/23/2021 and 03/05/2021	02/23/2021 and 03/05/2021	02/23/2022 and 03/16/2022	02/23/2022 and 03/16/2022
04/30/2019	04/30/2019	04/30/2019	04/30/2019	05/20/2022
28	1,398	46	1,459	34
38,390	**1,353,236**	**50,205**	**1,437,634**	**35,500**
–	79,034	–	95,465	–
26,000	207,000	32,725	191,000	26,000
10/21/2023	06/23/2024	10/29/2024	04/07/2025	10/26/2025
10/21/2023	06/23/2024	10/29/2024	04/07/2025	10/26/2025
-	**-**	**-**	**-**	**-**
1,654	**29,841**	**-**	**47,007**	**1,000**
36,736	**1,323,395**	**50,205**	**1,390,627**	**34,500**
Actual versus 2020 budgeted savings for 2020, Actual versus budgeted EBITDA, in 2021 and 2022, Actual versus budgeted Free Cash Flow excluding acquisitions and disposals, after change in operating working capital, in 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, IHG) from 01/01/2020 to 12/31/2022.	Actual versus budgeted EBITDA, Actual versus Free Cash Flow excluding acquisitions and disposals, including change in operating working capital, 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).	Actual versus budgeted EBITDA, Actual versus Free Cash Flow excluding acquisitions and disposals, including change in operating working capital, 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).	Actual versus budgeted EBITDA, Actual versus Free Cash Flow excluding acquisitions and disposals, including 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, IHG).	Actual versus budgeted EBITDA, Actual versus Free Cash Flow excluding acquisitions and disposals, including 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, IHG).

Historical information concerning performance shares 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 12/31/2022	**-**
Number of shares canceled (1)	**13,375**
Free shares remaining on 12/31/2022	**323 035**
Performance condition(s)	Without performance conditions

(1) Shares canceled following departure from the Group.

Lock-up conditions

In accordance with the French Commercial Code and the AFEP/MEDEF Code, when executive officers or other Executive Committee members acquire shares under performance share plans issued since May 14, 2007, a certain proportion of these shares, as set by the Board of Directors, may not be sold until the grantee either leaves the Group or ceases to hold the position of executive officer or Executive Committee member, as applicable. The same obligation applies to the Group Executive Committee 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.

Table 16: Lock-up conditions for vested shares held by executive officers and other members of the Executive Committee

Grant date	Lock-up conditions applicable to executive officers	Lock-up conditions applicable to other Executive Committee members
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; (ii) and 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 Executive Committee: • at the end of the lock-up period, grantees who were Executive Committee 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 2022 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; (ii) and 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 Executive Committee: • at the end of the vesting period, grantees who were Executive Committee 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.

Share equivalents – Performance shares granted to employees and executive officers

At December 31, 2022, a total of 4,408,703 performance share rights were outstanding.

If all of these rights had vested at December 31, 2022, this would have led to the issuance of 4,408,703 shares, representing 1.676% of the Company's capital at that date, of which 0.106% 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, and members of the Executive Committee 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 €3.9 million gross for 2021.

Amounts allocated to the special profit-sharing reserve in previous years were:

- 2020 special profit-sharing reserve paid in 2022: around €263,000;
- 2019 special profit-sharing reserve paid in 2020: around €1.2 million;
- 2018 special profit-sharing reserve paid in 2019: around €863,000.

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 2022, 27.7% of 2021 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 2022, 20.8% of the total profit-share was allocated to the Group Collective Retirement Savings Plan (PERCOL) and 51.5% to the Corporate Savings Plan (PEEG), in view of a default investment rate of 29.8%.

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 training in the prevention of and fight against gender-based violence.

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 executive officers involving Accor SA shares

Schedule of transactions involving shares of the Company carried out during the 2022 fiscal year, within the meaning of Article L. 621-18-2 of the French Monetary and Financial Code ("Code monétaire et financier")

Person concerned	Transaction date	Type of transaction	Number of shares
Asma Abdulrahman Al-Khulaifi	June 20, 2022	Acquisition of shares	1,000
Ugo Arzani	June 13, 2022	Acquisition of shares	1,000
Sébastien Bazin	June 1, 2022	Vesting of performance shares	81,290
Sarmad Zok	September 27, 2022	Acquisition of shares	23,500
Sarmad Zok	November 4, 2022	Sale of treasury shares	23,500

4.7 2022 Say on pay for the Chairman and Chief Executive Officer

Compensation paid in or awarded in respect of fiscal 2022	Amounts (or accounting value) submitted to the vote	Description
Annual fixed compensation	€950,000	Mr. Sébastien Bazin's annual fixed compensation for 2022 was decided by the Board of Directors upon recommendation of the Appointments, Compensation and CSR Committee. It complies with the 2022 compensation policy approved by the Annual Shareholders' Meeting of May 20, 2022, as presented in section 4.5.1 of the 2021 Universal Registration Document. It was paid in monthly installments during fiscal 2022.
Annual variable compensation	€1,559,129	In accordance with the 2022 compensation policy approved by the Annual Shareholders' Meeting of May 20, 2022, Mr. Sébastien Bazin's variable compensation could represent between 0% and 150% of an annual reference amount of €1,250 000, i.e. the equivalent of between 0% and 197% of his annual fixed compensation, depending on the achievement rate for the performance objectives set by the Board of Directors presented below: • **quantitative objectives (accounting for 80% of the total)**: • consolidated EBITDA in line with the 2022 budget (25% weighting), • free cash flow (excluding disposals and acquisitions) after change in operating working capital in line with the 2022 budget (10% weighting), • RESET savings in line with the 2022 budget (15% weighting), • organic growth in the number of rooms (net of transfers to another brand) in line with the 2022 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 (except disposable water bottles) at December 31, 2022 (5% weighting), • percentage of women on Management Committees worldwide at December 31, 2022 (5% weighting), • percentage of managed and franchised hotels having implemented a tool for measuring carbon emissions at end-2022 (5% weighting); • **qualitative objectives (accounting for 20% of the total):** • agility and operational adaptation of the business model 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%. Following an assessment of the degree to which Sébastien Bazin's objectives had been achieved, at its meeting on February 22, 2023 the Board set his variable compensation for fiscal 2022 at **€1,559,129**, breaking down as: • **€1,271,629 euros for quantitative objectives**, which, overall, were 127.2% reached. The quantitative objectives relating to the budget or to the internal ambition (which themselves are not made public) are confidential and it is therefore not possible to disclose the achievement rates. However, it is noted that the objectives relating to EBITDA and free cash flow objectives (excluding disposals and acquisitions) after the change in operating working capital were exceeded, allowing a maximum payment rate of 160% for these criteria. The RESET savings criterion was achieved and the payment rate for this criterion was 100%. The ESG criteria were also met or exceeded, with an average achievement rate of 107.6%, leading to an average payment rate of 114.7%. In contrast, the objective relating to organic growth in the number of rooms (net of transfers to another banner) was only achieved at 96%, leading to a payment rate of 90% for this criterion. • **€287,500 for qualitative objectives**, which, overall, were 115% reached. Consequently, Mr. Sébastien Bazin's annual variable compensation represents 124.7% of the annual reference amount and 164.1% of his fixed compensation for 2022. Payment of this variable compensation for fiscal 2022 is subject to shareholder approval at the 2023 Annual Shareholders' Meeting.
Exceptional bonus	NA	Sébastien Bazin did not receive an exceptional bonus in fiscal 2022.

Compensation paid in or awarded in respect of fiscal 2022	Amounts (or accounting value) submitted to the vote	Description
Performance conditions	Number of shares = 95,465 (€2,374,978)	In accordance with the 2022 compensation policy for executive officers approved by the Annual Shareholders' Meeting of May 20, 2022, 95,465 performance shares were granted to Sébastien Bazin, representing 250% of his gross annual fixed compensation (and 0.04% of the Company's share capital at December 31, 2022). The performance conditions attached to the shares are as follows: • 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); • reduction in the carbon footprint (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) (20% weighting). The performance conditions under these plans are measured at the end of the three-year period. The number of shares that vest, provided that Sébastien Bazin has 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 reduction in the carbon footprint condition, the target objectives enabling 100% vesting of the actions linked to this condition have been set at 21% for Scopes 1 & 2 and 12.5% for Scope 3, corresponding to a trajectory in line with the Group's 2030 goal to reduce its carbon footprint. However, vesting is triggered when the condition is met at a rate of at least 80% (allowing only 50% vesting of the shares linked to this condition to be vested). Concerning the external performance condition (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 shares will vest if the achievement rate is at least 90% (allowing only 50% vesting of the shares linked to this condition to be vested).The target for acquiring 100% of the shares linked to this condition has been set at 102.5%. Given the confidential nature of the other quantitative objectives relating to the budget or to the internal ambition (which themselves are not made public), it is not possible to disclose the achievement rates. 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 initially granted. Grantees must also continue to be part of the Group in order for the shares to vest. Indeed, Sébastien Bazin must continue to be an executive officer of the Company in order for the granted shares to vest. For all the initially granted shares to vest, subject to the performance condition achievement rates, Sébastien Bazin will have to serve as the Company's Chairman and Chief Executive Officer without interruption until April 7, 2025, except in the case of his death, disability or retirement before that date. 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 paid in or awarded in respect of fiscal 2022	Amounts (or accounting value) submitted to the vote	Description
Compensation as a Director	NA	Mr. Sébastien Bazin does not receive any directors' compensation (formerly defined as "directors' fees").
Benefits in kind	€57,349	In accordance with the 2022 compensation policy for executive officers approved by the Annual Shareholders' Meeting of May 20, 2022, Sébastien Bazin has the use of a company car and is a member of a private unemployment insurance plan (GSC). He was also entitled to a maximum of 100 hours of asset management advisory services in 2022.
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. The commitment to pay compensation for loss of office was approved at the Annual Shareholders' Meeting of April 29, 2014 and renewed at the Annual Shareholders' Meeting of April 20, 2018. In accordance with the 2022 compensation policy for executive officers approved by the Annual Shareholders' Meeting of May 20, 2022, Mr. Sébastien Bazin is entitled to compensation for loss of office equal to twice the sum of the fixed and variable compensation payable to him for the fiscal year preceding his loss of office. This compensation would be payable if Mr. Sébastien Bazin's term of office as Chairman and Chief Executive Officer was either terminated or not renewed (except in the event of gross or willful misconduct) or if he was not re-elected as a director. Payment of the compensation for loss of office would be subject to the following performance criteria being met: • consolidated return on capital employed for the previous three fiscal years must have exceeded the Group's cost of capital; • operating free cash flow must have been positive in at least two of the previous three fiscal years; • like-for-like EBITDAR margin must have exceeded 27.5% in at least two of the previous three fiscal years. These performance criteria would be applied as follows: • if all three criteria were met, the compensation would be payable in full; • if two of the three criteria were met, half of the compensation would be payable; • if none or only one of the three criteria were met, no compensation would be due. Moreover, no compensation would be due if Sébastien Bazin were to resign from his position or to decide not to stand for re-election, or if he were to move to another position within the Group or if he would be able to claim his full-rate pension benefit within a short period of time. Sébastien Bazin did not receive any compensation for loss of office in fiscal 2022.
Non-compete indemnity	NA	Mr. Sébastien Bazin is not entitled to any non-compete indemnity.

Compensation paid in or awarded in respect of fiscal 2022	Amounts (or accounting value) submitted to the vote	Description
Supplementary pension benefits	€0	Details of the supplementary pension plan are provided in the description of the 2022 executive officer compensation policy approved by the Annual Shareholders' Meeting of May 20, 2022. 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 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. Concerning **the defined contribution pension plan or mandatory retirement savings plan, *Plan d'Epargne Retraite Obligatoire – PERO*** (formerly "Article 83"): Mr. Sébastien Bazin, as executive officer of the Company with over one year of service and a gross annual salary of more than four times the annual ceiling used for calculating French social security contributions (the "PASS"), 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 gross compensation paid in the previous year, capped at eight times the PASS. In accordance with the French Social Security Code, if Sébastien Bazin leaves the Group before the date of retirement, he will retain the rights accrued under the plan. Contributions paid under the plan on behalf of Sébastien Bazin amounted to €26,327 in 2022. At December 31, 2022, the estimated pension annuity that Sébastien Bazin will receive under this plan is €4,104. 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).

Compensation paid in or awarded in respect of fiscal 2022	Amounts (or accounting value) submitted to the vote	Description
Supplementary pension benefits (continued)	€0	Concerning **the defined-benefit pension plan (the "L. 137-11-2" plan)**: Sébastien Bazin, as executive officer of the Company with over six months of service, present in the Company at the time of the signature of the regulations and receiving an 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. He will be entitled to a pension annuity with the possibility of opting fo survivor benefits. He acquires rights gradually, calculated for each year of plan membership. 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 pension annuity he will ultimately receive. Based on recommendations put forward by the Appointments, Compensation and CSR 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 2022, 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 achievement rate of these conditions, observed and confirmed by the Board of Directors at its meeting on February 23, 2022 enabled the vesting of 100% of rights for the year. The rights acquired by. Sébastien Bazin, for 2022, correspond to a pension annuity of €37,525 i.e. 1.55% of his 2022 annual reference compensation for 2022. The final pension annuity acquired under this plan amounts to €62,006. Concerning **the defined-benefit pension plan ("Article 39")**: 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.

Compensation paid in or awarded in respect of fiscal 2022	Amounts (or accounting value) submitted to the vote	Description
		To claim his benefits every year, Sébastien Bazin had to have an annual reference 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 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 the supplementary defined benefit plan is 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 are validated by the Board of Directors. 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 are met. The amount of the final pension annuity equals the sum of the 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 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, Sébastien Bazin's estimated potential benefits under this plan at December 31, 2022 amount 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 Sociale* levy is also due by the retiree at a rate that varies depending on the amount of the annuity and the retirement date.

4.8 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 341 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 20, 2022 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 2023 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.

4.9 Agreements between company executive 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 holding more than 10% of the Company's voting rights and another company controlled by the Company 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.

4.10 Annual Shareholders' Meeting

The Annual Shareholders' Meeting will be held on May 17, 2023 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).

4.11 Authorizations to operate on the Company share capital

Shareholders have granted the Board of Directors the following authorizations.

Type of authorization	Date of authorization	Nominal amount authorized	Term and expiry date	Utilization in 2022 fiscal year
Reduction of capital by canceling treasury stock	Annual Shareholders' Meeting of April 29, 2021 10th resolution	10% of the share capital	24 months April 29, 2023	None
Issuance of shares and share equivalents:	Annual Shareholders' Meeting of April 29, 2021 11th to 15th resolutions		26 months June 29, 2023	
• with pre-emptive subscription rights		50% of the share capital approx. €392 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	Annual Shareholders' Meeting of April 29, 2021 16th resolution	50% of the share capital approx. €392 million (1)	26 months June 29, 2023	None
Issue of shares reserved for employees that are members of a Group employee stock ownership plan	Annual Shareholders' Meeting of June 20, 2022 19th resolution	2% of the Company's share capital on the date of the Board of Directors' decision to increase the share capital	26 months May 20, 2024	None
Grant of bonus shares, subject to performance conditions	Annual Shareholders' Meeting of June 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	Granting, subject to performance and presence conditions, of 35,500 bonus shares on October 26, 2022 (2)
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 June 29, 2024	None
Share warrants to be issued freely to shareholders in the event of a public offer for the shares of the Company	Annual Shareholders' Meeting of June 20, 2022 20th resolution	25% of the share capital approx. €196 million (1)	12 months May 20, 2023	None

(1) As of the date of the authorization given by the Annual Shareholders' Meeting (April 20, 2022).
(2) On April 7, 2022, 1,437,634 bonus shares have also been granted pursuant to the authorization of the annual Shareholders' Meeting of April 30, 2019 (31st resolution)

In accordance with the 17th resolution of the Annual Shareholders' Meeting of April 29, 2021, the overall ceiling for capital increases is as follows:

- capital increases with and without pre-emptive subscription rights: 50% of the share capital (approximately €392 million [1]);
- capital increases without pre-emptive subscription rights: 10% of the share capital (approximately €78 million [1]).

4.12 Appendices

4.12.1 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 April 29, 2021.

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 Commitments Committee's recommendation, authorize 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 also specified 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 four standing Board Committees:

- **the Audit, Compliance & Risks Committee;**
- **the Commitments Committee;**
- **the Appointments, Compensation and CSR 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, Compensation and CSR 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, Compensation and CSR 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 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 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.

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;
- it reviews the Ethics & CSR Committee's annual report.

The Audit, Compliance & Risks Committee comprises three to six members possessing the necessary technical knowledge to fulfill the Committee's duties. At least two thirds of these members, including the Committee Chairman, must be independent directors.

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 Rules of Procedure.

6.3. The Appointments, Compensation and CSR Committee

The Appointments, Compensation and CSR 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.It is also responsible for ensuring that the principles of good corporate governance are properly applied and preparing the Board of Directors' decisions pertaining to the environment and corporate social responsibility.

To this end, it 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 (i) changes in their equity interests; (ii) their representation in the Company's corporate governance structures; and (iii) 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.

Corporate social responsibility:

- it reviews the Company's CSR strategy and the results obtained.

The Appointments, Compensation and CSR 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, Compensation and CSR 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 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, Compensation and CSR 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 the number of members in each body. The calculated variable portion of directors' compensation is then paid to each director depending on their 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, Compensation and CSR 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.

4.12.2 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.

In addition, without prejudice to the statutes and regulations on insider trading, periods known as "negative windows" shall be determined each year. 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.

4.13 Statutory Auditors' special report on related-party agreements

Annual Shareholders' Meeting for the approval of the financial statements for the year ended December 31, 2022

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

In accordance with Article L.225-40 of the French Commercial Code, we were informed of the following agreements entered into during the year and authorized in advance by the Board of Directors.

With the Fondation de France acting in the name and on behalf of the Fondation G&G Pélisson

Person concerned

Gérard Pélisson, co-founder of the Fondation G&G Pélisson and founding co-Chairman of Accor until March 6, 2023.

Nature and purpose

Signature of a sponsorship agreement benefiting the Fondation de France acting in the name and on behalf of the Fondation G&G Pélisson.

Conditions

On February 23, 2022, the Board of Directors authorized the signature of a sponsorship agreement providing financial support, in partnership with Accor Group franchise owners, for the extension of the Institut Paul Bocuse, one of France's leading institutions for catering education.

Under the agreement, the Company will invest a maximum of €3 million over a period of no more than four years, it being specified that the Company's contributions will be equal to those of Accor Group franchise owners.

Reasons why the agreement is beneficial for the Company

The Board of Directors has provided the following reasons for the agreement:

Through this agreement, the Company seeks to increase its visibility by contributing to the development and influence of the Institut Paul Bocuse, which trains students in the catering industry at a time when the health crisis has led to a shortage of talent in these sectors. The Company's support also contributes to safeguarding the value of French know-how, cultural heritage and hospitality. Lastly, as a privileged partner, the Company benefits from communication initiatives.

With Accor Acquisition Company, a SPAC sponsored by the Company

Person concerned

Sébastien Bazin, Chairman of the Board of Directors of Accor Acquisition Company and Chairman and CEO of Accor.

Nature and purpose

Renewal of the agreement entered into on April 28, 2021 with Accor Acquisition Company for the use of office space by the latter.

Conditions

On May 20, 2022, the Board of Directors authorized the renewal of the agreement to provide office space free of charge to Accor Acquisition Company (the Company was no longer the sole shareholder of Accor Acquisition Company at the date of renewal).

As a founder and sponsor, the Company wished to continue supporting Accor Acquisition Company, as indicated at the time of its listing.

Reasons why the agreement is beneficial for the Company

The Board of Directors has provided the following reasons for the agreement:

Through this agreement, Accor Acquisition Company benefits from the use of a business address, office space, meeting rooms and equipment made available by the Company free of charge.

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

Signature of a new partnership agreement 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.

Reasons why the agreement is beneficial for the Company

The Board of Directors has provided the following reasons for the agreement:

The Company's objective is to continue giving global visibility to its ALL brand through the media exposure of the Paris SaintGermain Football Club and its players, and to provide unique and exclusive experiences to members of its loyalty program.-

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 in the 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.

Reasons why the agreement is beneficial for the Company

The Board of Directors has provided the following reasons for the agreement:

This investment, transferring to the Company approximately 3% of the capital of Rotana Music, will enable Accor to increase the visibility of its ALL loyalty program in the Middle East, by benefiting from Rotana Music's media coverage and its broad reach among customers and partners in the Middle East, a region with major growth opportunities for the Group.

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

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 a subsidiary. Since the term of office of these two directors expired on May 20, 2022, the persons concerned at December 30, 2022 were Asma Abdulrahman Al-Khulaifi and Ugo Arzani, in the same capacity as their predecessors.

Nature and purpose

Signature of a partnership agreement with the Paris Saint-Germain Football Club.

Conditions

On February 20, 2019, the Board of Directors authorized the Company to enter into a partnership agreement under which Accor would become the main partner of the Paris Saint-Germain Football Club and the ALL-Accor Live Limitless logo would be featured on the club's team jerseys.

The partnership agreement, which was signed on February 21, 2019, gave global exposure to the new ALL-Accor Live Limitless program, taking advantage of the extensive media exposure of both the club and its players. It also allowed the Group, through its loyalty program, to offer unique experiences to its members, such as attending matches and meeting players.

This agreement expired on June 30, 2022.

With a QIA 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 30, 2022 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, 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 2022, 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 2022, the Company contributed an amount of €23.09 million.

With Worklib

Person 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 20, 2023

The Statutory Auditors

PricewaterhouseCoopers Audit	ERNST & YOUNG et Autres	
Cédric Haaser	Jean-Christophe Goudard	François-Guillaume Postel


Section
5

Business review and subsequent events

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5.1 2022 business review

After two years severely impacted by the health crisis, the fiscal-year 2022 posted a solid and sustainable rebound in Group's activity. The performance of hotels during the second half surpasses pre-crisis levels. Only Asia, impacted by the strict "zero-Covid" policy in China until year end, was still significantly below 2019 activity levels.

Worldwide, our recovery was driven primarily by domestic guests, with levels exceeding those of 2019. Whereas international travelers failed to return to 2019 levels, their number is once again growing sharply. As observed in recent quarters, the recovery has been accompanied by a strong increase in prices, fueled by demand and accentuated by inflation.

Group RevPAR was up +2% over 2022 compared with 2019. This increase reflects the strong rebound in activity after two years of health crisis.

In 2022, the Group recorded a revenue of €4,224 million, up 80% like-for-like (LFL) versus FY 2021. By activity, this growth breaks down into an increase of 89% for HotelServices and of 63% for Hotel Assets & Other. For comparison purposes with RevPAR (data compared with FY 2019), revenue was up 4% LFL compared with FY 2019. Scope effects (acquisitions, disposals and reopenings) contributed positively for €72 million linked mainly to the takeover of Paris Society and the reopening of the Pullman Montparnasse. The foreign exchange effect had a positive impact of €189 million, mainly linked to the US dollar (11%).

Current EBITDA in 2022 came to €675 million compared with €22 million in 2021. For 2022, operating profit was positive at €543 million. It notably included a positive contribution from the share of income in associates for €33 million and non-current income and expenses amounting to €63 million. The net financial expense stood at €84 million. Net profit, Group share stood at €402 million.

During 2022, Accor opened 299 hotels, representing 43,000 rooms, i.e. net growth in the network of 3.2% over the 12-month period. At end-December 2022, the Group had a hotel portfolio of 802,269 rooms (5,445 hotels) and a pipeline of 216,000 rooms (1,247 hotels).

Group net financial debt at December 31, 2022 came to €1,658 million, versus €1,844 million at December 31, 2021. At December 31, 2022, the Group's average cost of debt came to 2.1% with an average maturity of 3.6 years and no major maturities before 2026. At end-December 2022, combined with the undrawn credit facility of €1.2 billion, Accor had a liquidity position of €2.8 billion.

Consolidated results at December 31, 2022

(€ in million)	**2021**	**2022**
Revenue	2,204	4,224
Current EBITDA	**22**	**675**
Current EBITDA margin	1.0%	16.0%
Current EBIT	**(228)**	**447**
Share of net profit of affiliates and joint-ventures	(273)	33
Non-recurring items	554	63
Operating profit (loss)	**53**	**543**
Profit (loss) from continuing operations, Group share	**8**	**359**
Profit (loss) from discontinued operations	77	43
Net profit, Group share	**85**	**402**

Revenue

Group revenue totaled €4,224 million, up 92% on a reported basis and (80% like-for-like) versus 2021.

(€ in million)	2021	2022	Change	Change LFL vs 2021 [(1)]	Change LFL vs 2019 [(1)]
HotelServices	1,582	3,194	+102%	+89%	+5%
Hotel Assets & Others	633	1,084	+71%	+63%	+2%
Holding & Intercos	(11)	(54)	N/A	N/A	N/A
Total	**2,204**	**4,224**	**+92%**	**+80%**	**+4%**

(1) Like-for-like: at constant scope of consolidation and exchange rates. This change enables the periods to be compared by eliminating the effect of business acquisitions and disposals as well as the currency impact on the financial statements.

Changes over the year reflect the following items:

- changes in the scope of consolidation (acquisitions, disposals and reopenings) contributed a positive €72 million largely due to the takeover of Paris Society and the reopening of the Pullman Montparnasse;
- currency effects had a positive impact of €189 million, mainly due to the US dollar ((11)%).

Current EBITDA

Current EBITDA came to €675 million at December 31, 2022, compared with €22 million at December 31, 2021.

(€ in million)	2021	2022	Change	Change LFL vs 2021	Change LFL vs 2019 [(1)]
HotelServices	93	661	+612%	+535%	(11)%
Hotel Assets & Others	48	137	+187%	+202%	(10)%
Holding & Intercos	(119)	(123)	N/A	N/A	N/A
Total	**22**	**675**	**N/A**	**N/A**	**(11)%**

(1) Like-for-like: at constant scope of consolidation and exchange rates.

HotelServices EBITDA was positive at €661 million for 2022. The figure stemmed from positive EBITDA for Management & Franchise (M&F) and a negative contribution from Services to Owners related to marketing expenditure ahead of the rebound in business activity in first-half 2022. Services to Owners EBITDA came out at a positive €14 million in the second half of the year. Rebilling of hotel costs (with revenue at €1,273 million) structurally remained at breakeven at the EBITDA level.

The Management & Franchise division of HotelServices reported EBITDA of €737 million, significantly higher than in 2021 (€275 million) and down 5% like-for-like compared with FY 2019.

Hotel Assets and Other EBITDA came to €137 million in 2022 versus €48 million in 2021. This segment was mainly driven by the Asia-Pacific region where business recovered significantly since the end of 2021. New Businesses, included in this segment since early 2021, reported positive EBITDA in full-year 2022.

The Holding & Intercos line includes Group headquarter costs.

Current EBIT

Consolidated EBIT came to €447 million at December 31, 2022, compared with a negative €228 million at December 31, 2021.

(€ in million)	2021	2022
Revenue	**2,204**	**4,224**
Personnel expenses	(1,300)	(2,097)
Variable leases payments	(30)	(91)
Other operating expenses	(853)	(1,361)
Current EBITDA	**22**	**675**
Accumulated depreciation	(249)	(228)
EBIT	**(228)**	**447**

- Personnel expenses amounted to €2,097 million in 2022 versus €1,300 million in 2021. This increase seen over the year can be attributed to the combined effect of activity recovery, the reopening of hotels and the end of government assistance. Personnel expenses borne on behalf of hotel owners as part of hotel management (and fully rebilled to owners), increased mainly in North America, reflecting the strong recovery in business in that region.
- Rental expense, which is the variable portion of rents for hotel assets operated under leases, contractually indexed to their performance, increased over the year. It totaled €91 million in 2022 compared with €30 million in 2021.
- Other operating expenses, mainly constituted of marketing costs, advertising and promotional spending, distribution and IT costs, increased in line with activity recovery, even though the Group is continuing its efforts to maintain control of costs. This item also included costs incurred and fully rebilled within the framework of the management contract for hotel residences for the Soccer World Cup in Qatar in November and December 2022.
- Depreciation, amortization and provisions for the year amounted to €228 million compared with €249 million at December 31, 2021.

Operating profit

Operating profit was up strongly to €543 million following €53 million in 2021.

(€ in million)	2021	2022
EBIT	**(228)**	**447**
Share of net profit of affiliates and joint-ventures	(273)	33
Asset impairment	(51)	61
Restructuring expenses	(14)	(38)
Gains and losses on disposal	646	43
Other non recurring income and expenses	(26)	(3)
Operating profit	**53**	**543**

- The share of net profit of equity-accounted investments was positive at €33 million for 2022, (compared with €(273) million in 2021) reflecting the substantial improvement in AccorInvest business in its main market, Europe.
- At December 31, 2022, impairment tests led the Group to book a net impairment reversal for an amount of €61 million.
- Restructuring expenses totaled €38 million.
- Gains or losses on disposals amounted to €43 million compared with €646 million at December 31, 2021. Over the comparative period, income of €649 million was reported as part of the partial sale of H World Group Limited shares in February 2021.

Net profit (loss), Group share

(€ in million)	2021	2022
Operating profit	**53**	**543**
Net financial income (expenses)	(109)	(84)
Income Tax	69	(76)
Net profit (loss) from discontinued operations	77	43
Net profit of the year	**90**	**426**
Net profit (loss), Group share	85	402
Net profit (loss), minority interests	6	25
Earnings per share *(in €)*	**0.19**	**1.40**

The net financial expense in 2022 amounted to €84 million, versus €109 million in 2021.

In 2022, the Group bore a tax charge of €76 million.

Net profit from discontinued operations amounted to €43 million and, as in 2021, reflected mainly a partial reversal from provisions for risks linked to guarantees issued as part of the AccorInvest disposal program.

Net profit, Group share was accordingly €402 million, compared with €85 million in 2021.

Based on a weighted average number of shares outstanding of 262,531,151, earnings per share was €1.40 in 2022, compared with €0.19 in 2021.

Recurring free cash flow

(€ in million)	2021	2022
Current EBITDA	**22**	**675**
Cost of net debt	(83)	(75)
Income tax paid	(36)	(65)
Repayment of lease liability (excluding interest)	(88)	(73)
Non-cash income and expenses included in EBITDA	49	49
Funds from operations before non-recurring items	**(137)**	**511**
Recurring investments	(122)	(159)
Change in working capital and contract assets/liabilities (excluding key money)	13	20
Recurring free cash flow	**(246)**	**373**

Group recurring free cash flow returned to positive territory in 2022 at €373 million compared with cash burn of €246 million in 2021.

Recurring expenditure, which includes "key money" paid by HotelServices for its development as well as digital and IT investments, amounted to €159 million in 2022, ending the year at the lower end of the initially indicated range of €150-200 million. Recurring investments in 2023 are expected to be higher than €200 million.

Change in working capital requirements remained close to breakeven. As in 2021, payment of fees was in line with business levels during 2022 as well as the collection of certain fees for which payment deadline extensions were granted to certain hotel owners.

Debt and liquidity profile

Group net financial debt at December 31, 2022 came to €1,658 million, versus €1,844 million at December 31, 2021.

This decrease resulted primarily from:

- the generation of cash from the business recovery reviewed above;
- the sale of a 10.8% stake in Ennismore for €185 million, announced on June 21, 2022;
- the sale of shares in H World Group Limited (Huazhu) before the end of the year for €154 million;
- these three items offset the increase in debt linked to the consolidation of Paris Society following the acquisition of a controlling interest in November 2022.

At December 31, 2022, the Group's average cost of debt came to 2.1% with an average maturity of 3.6 years, with no major maturities before 2026.

At end-December 2022, combined with the undrawn credit facility of €1.2 billion, Accor had a liquidity position of €2.8 billion.

Dividend and payout ratio

Based on the 2022 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 17, 2023 the payment of an ordinary dividend of €0.71 per share.

In addition, based on recent disposals (i.e. a 10.8% stake in Ennismore and shares in H World Group Limited), the Board of Directors has decided to propose the payment of an exceptional dividend of €0.34 per share.

The combination of ordinary and exceptional dividends results in a payment of €1.05 per share, in line with the last dividend paid out in 2019.

(€ in million)	2021	2022
***Recurring free* cash flow[1]**	**(246)**	**373**
Weighted average shares outstanding *(in millions of shares)*	262	263
Recurring free cash flow [1] per share *(in €)*	(0.9)	1.37
Dividend per share *(in €)*	**-** [2]	**1.05**
Payout ratio	-	76.6%

(1) Corresponds to current funds from operations (after rent payments), less recurring investments, less change in working capital and contract assets.
(2) The Board of Directors decided not to propose a dividend to its shareholders for 2021 due to the health crisis.

Results by strategic business

The Group is organized into the two strategic divisions presented below. The cost of central support functions (governance, finance, communication, human resources, legal, etc.) is presented separately in the "Holding & Intercos" section.

HOTELSERVICES

MANAGEMENT & FRANCHISE

- Northern Europe
- Southern Europe
- IMEAT
- Asia-Pacific
- Americas

SERVICES TO OWNERS

HOTEL ASSETS & OTHERS

- Owned and leased hotels
- New businesses

HOLDING & INTERCOS

- Central support functions
- Elimination of internal flows

Global indicators

In 2022, Accor posted current EBITDA of €675 million, compared with EBITDA of €22 million in 2021. The EBITDA margin was up 15 percentage points to 16.0%.

(€ in million)	HotelServices	Hotel Assets & Others	Holding & Intercos	Total
2022 revenue	3,194	1,084	(54)	4,224
Current EBITDA 2022	**661**	**137**	**(123)**	**675**
Current EBITDA margin 2022	*21%*	*13%*	*N/A*	*16%*
2021 revenue	1,582	633	(11)	2,204
Current EBITDA 2021	**93**	**48**	**(119)**	**22**
Current EBITDA margin 2021	*6%*	*8%*	*N/A*	*1%*

HotelServices

HotelServices, which corresponds to Accor's business as a hotel manager and franchisor, includes the following activities:

- **Management & Franchise:** the hotel management and franchise business, based on the collection of management and franchise contract fees from hotel owners. It also includes commissions received on centralized purchases.
  - **franchise agreements:** franchised hotels are operated by their owners under an Accor brand.The Group provides access to various services, mainly the right to use its brands, access to its distribution system and additional services, such as centralized purchases, and access to the Accor Academy (training for hotel staff). Accor revenue corresponds to the fees invoiced to hotel owners (trademark fee, distribution and marketing fees and, where applicable, the billing of additional services),
  - **management contracts:** in this business model, the hotels are managed by Accor on behalf of hotel owners. In this respect, the Group invoices management fees based on the hotel's revenue and, in some cases, incentive fees generally based on the hotel's profitability.

The Management & Franchise operations are divided into the following five regions:

- Southern Europe,
- Northern Europe,
- Asia-Pacific, which includes the South-East Asia, "Greater China" and Pacific hubs (ASPAC),
- Americas includes the Central and North America, Caribbean and South America hubs,
- India, Middle East, Africa and Turkey (IMEAT).

- **Services to Owners:** this comprises the various services provided by the Sales, Marketing, Distribution and Loyalty Division (sales, marketing and distribution activities, loyalty program as well as shared services and re-billed costs incurred on behalf of hotel owners).

Revenue

HotelServices reported a business volume of €23 billion versus €12 billion in 2021, and revenue of €3,194 million, up 89% like-for-like compared with 2021. This increase reflects the solid recovery in business during the year.

(€ in million)	2021	2022
Business volume *(in billions of euros)*	12	23
Revenue	**1,582**	**3,194**
of which Management & Franchise	518	1,052
of which Services to owners	1,064	2,143
Current EBITDA	**93**	**661**
Current EBITDA margin	*+5.9%*	*+20.7%*

Management & Franchise revenue by region

Management & Franchise (M&F) revenue amounted to €1,052 million, up 93% like-for-like compared with 2021 (down 1% like-for-like versus FY 2019), with regional performances correlated to the recovery in business in the countries considered.

(€ in million)	2021	2022	Change like-for-like vs 2021 [1]	Change like-for-like vs 2019 [1]
Southern Europe	141	267	+88%	(1)%
Northern Europe	91	233	+133%	(18)%
ASPAC	98	157	+52%	(26)%
IMEAT	77	195	+151%	+57%
Americas	111	199	+63%	+6%
Total	**518**	**1,052**	**+93%**	**(1)%**

(1) Like-for-like: at constant scope of consolidation and exchange rates.

2022 RevPAR [1] (excl. tax) vs 2019 by segment

	Occupancy rate		Average price		RevPAR	
	%	**Chg. pts LFL**	**€**	**Chg. % LFL**	**€**	**Chg. % LFL**
Luxury & Upscale	59.9	(7.4)	253	22.8	151	10.2
Midscale	63.1	(6.1)	118	11.2	74	1.5
Economy	65.2	(5.0)	71	9.9	46	2.2
Southern Europe	**64.2**	**(5.4)**	**97**	**11.6**	**62**	**3.0**
Luxury & Upscale	56.2	(16.4)	204	24.4	115	(3.3)
Midscale	61.6	(12.4)	100	10.5	62	(7.9)
Economy	63.0	(11.1)	77	11.4	49	(5.1)
Northern Europe	**61.5**	**(12.1)**	**102**	**12.1**	**63**	**(6.0)**
Luxury & Upscale	49.1	(16.1)	122	3.6	60	(20.9)
Midscale	57.8	(14.4)	80	5.9	46	(14.6)
Economy	60.5	(15.3)	43	1.7	26	(18.8)
ASPAC	**55.4**	**(15.3)**	**82**	**3.7**	**46**	**(18.3)**
Luxury & Upscale	61,3	(3.7)	181	61.1	111	52.3
Midscale	65.0	(0.5)	75	29.8	49	28.9
Economy	61,3	(3.5)	52	29.6	32	22.7
IMEAT	**62.0**	**(3.0)**	**133**	**53.4**	**83**	**46.6**
Luxury & Upscale	56.8	(11.8)	290	21.1	165	0.7
Midscale	58.4	(2.9)	81	19.3	47	13.9
Economy	56.7	0.1	41	21.5	23	21.7
Americas	**57.0**	**(4.9)**	**133**	**14.0**	**76**	**5.3**
Luxury & Upscale	55.2	(11.1)	186	29.9	103	9.0
Midscale	60.7	(9.5)	94	11.6	57	(3.2)
Economy	62.3	(7.4)	62	11.3	39	(0.3)
Total	**59.8**	**(9.1)**	**103**	**17.4**	**62**	**2.3**

(1) RevPAR, or Revenue Per Available Room, is an indicator of business performance over a given period. It reflects the revenue generated per available room over a given period. It is calculated by multiplying the average room rate by the average occupancy rate.

Consolidated RevPAR reported a global increase of 15% during the fourth-quarter 2022 compared to the same period in 2019, improving on the excellent performance in the third quarter (+14% vs 2019). Group RevPAR for full-year 2022 was 2% higher than in 2019.

Southern Europe, driven by France, reported a 12% increase in RevPAR in Q4 2022 compared with Q4 2019. Business performance increased quarter after quarter, with RevPAR for full-year 2022 exceeding that of 2019 by 3%.

- In France, RevPAR was up 13% over the fourth quarter of 2022 compared with Q4 2019. During this period, Paris was the main driver of this performance, benefitting from the return of international leisure guests.
- In Spain, RevPAR was up 5% in Q4 2022 versus Q4 2019.

Northern Europe posted a 5% increase in RevPAR in Q4 2022 versus Q4 2019, for a slight slowdown relative to the third quarter, notably owing to Germany. Northern Europe RevPAR for full-year 2022 was 6% lower than in 2019.

- In Germany, the slowdown in business activity at the end of the year reflected the seasonality of trade fairs and conventions, with fewer events and a dip in attendance in the fourth quarter.
- RevPAR in the United Kingdom remained solid, increasing on the previous quarter. London and the rest of the country achieved comparable performances despite transport-impacting strikes over the period.

Asia-Pacific enjoyed a sequential improvement in RevPAR (+3 percentage points between the third and fourth quarters), to stand at -6% in Q4 2022 compared with Q4 2019. Asia-Pacific RevPAR for full-year 2022 remained sharply down, at 18% lower than in 2019.

- Business activity for the Pacific region was stronger than before the crisis, with a 13% increase in RevPAR in Q4 2022 versus Q4 2019, still largely driven by prices.
- RevPAR in China decreased relative to the third quarter, falling 39% in Q4 2022 compared with Q4 2019 owing to the strict application of a zero-Covid policy to early December 2022. Business has since improved despite the high number of Covid-19 cases in the country.
- South-East Asia posted a substantial improvement in Q4 2022 (up 17% quarter on quarter), with RevPAR standing 4% lower than in Q4 2019. The recovery was underpinned notably by Singapore, leisure guests in Thailand, and the reopening of Japan in October.

In the India, Africa, Middle East & Turkey region, business benefited considerably from the Soccer World Cup in Qatar in November and December, with RevPAR a full 73% higher in Q4 2022 than in Q4 2019. The World Cup had a knock-on effect across the Arabian Peninsula, fueling robust performances in Saudi Arabia and the United Arab Emirates. Regional RevPAR for full-year 2022 was 47% higher than in 2019.

In the Americas, the improvement in RevPAR was also noteworthy (+6 percentage points between the third and fourth quarters), increasing 18% in Q4 2022 compared with Q4 2019. RevPAR for the Americas region in full-year 2022 was 5% higher than in 2019.

- RevPAR for the North/Central America and Caribbean region was 8% higher in Q4 2022 than in Q4 2019, still strongly fueled by prices.
- Business also remained robust in South America (with Q4 2022 RevPAR exceeding that of Q4 2019 by 42%), the sustained rise in prices having been underpinned by inflation over the last three years.

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 €2,143 million in 2022, up 8% compared with 2019. During the Soccer World Cup, Accor provided services as part of the welcome to supporters leading to a significant increase in cost refunds.

Current EBITDA

HotelServices EBITDA was positive at €661 million for 2022.

The figure stemmed from positive EBITDA for the Management & Franchise (M&F) segment and a negative contribution from Services to Owners related to marketing expenditure ahead of the rebound in business activity in first-half 2022. Services to Owners EBITDA came out at a positive €14 million in the second half of the year. Rebilling of hotel costs (with revenue at €1,273 million) structurally remains at breakeven at the EBITDA level.

(€ in million)	M&F	Services to Owners	HotelServices
2022 revenue	1,052	2,143	3,194
Current EBITDA 2022	**737**	**(75)**	**661**
Current EBITDA margin 2022	*70.1%*	*(3.5)%*	*20.7%*
2021 revenue	518	1,064	1,582
Current EBITDA 2021	**275**	**(182)**	**93**
Current EBITDA margin 2021	*53.1%*	*(17.1)%*	*5.9%*

- The Management & Franchise EBITDA margin was 70.1% versus 53.1% in 2021.
- The "Services to Owners" EBITDA margin was negative at (3.5)% compared with (17.1)% in 2021 owing to marketing spending carried out upstream of the rebound in business in first-half 2022.
- In 2022, Accor opened 299 hotels (organic growth), corresponding to 43,000 rooms, for net growth in the network of 3.2% over the 12-month period. At the end of December 2022, the Group had a hotel portfolio of 802,269 rooms (5,445 hotels) and a pipeline of 216,000 rooms (1,247 hotels).

The Management & Franchise business reported current EBITDA of €737 million, significantly higher than in 2021 (€275 million) and down 5% like-for-like compared with FY 2019.

Management & Franchise EBITDA by region

(€ in million)	2021	2022	Change like-for-like vs 2019 [(1)]
Southern Europe	96	204	(4)%
Northern Europe	47	161	(23)%
ASPAC	51	96	(34)%
IMEAT	41	144	56%
Americas	40	131	6%
Total	**275**	**737**	**(5)%**

(1) Like-for-like: at constant scope of consolidation and exchange rates.

Hotel Assets & Others

This segment includes the activities that are not part of the Group's core hotel operator business:

- Hotel assets – This is the owner-operator activities (owned and leased hotels), including the sale of accommodation services and catering services to customer as well as asset portfolio management (design, construction, renovation and maintenance of hotels);
- Three activities carried out in Asia-Pacific, AccorPlus (rewards cards program), Accor Vacation Club (timeshare business) and Strata (room distribution and management of hotel common areas);
- Since 2021, new activities developed by the Group, mainly via external growth transactions (digital services, rental of luxury private residences, digital sales, hotel reservation services and concierge services).

(€ in million)	2021	2022
Revenue	633	1,084
EBITDA	**48**	**137**
EBITDA margin	**7.6%**	**12.6%**

Hotel Assets & Other EBITDA came to €1,084 million in 2022 versus €633 million in 2021.

This segment, which is closely linked to business in Australia, notably benefited from a pick-up in leisure tourism demand on the northeastern coast of the country where most of the Group's Strata activities are located (i.e. room and apartment distribution activities and managed properties).

At end-December 2022, this segment, which includes owned and leased hotels, represented 114 hotels and 22,436 rooms.

Hotel Assets & Other EBITDA came to €137 million in 2022 versus €48 million in 2021. This segment was mainly driven by Asia-Pacific where business has recovered strongly since the end of 2021. New Businesses, included in this segment since early 2021, reported positive EBITDA in full-year 2022.

5.2 2022 parent company management report as of December 31, 2022

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 either represent a percentage of the revenue and/or profits of hotels or a flat fee or a fee per service. They are charged on an arm's length basis.

As the Group's holding company, Accor SA 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 losses contributed -€3 million to the Company's net loss as of December 31, 2022.

The Group's business rebounded significantly in 2022 after two years of major pandemic-related disruptions in the tourism and hospitality industry.

Review of 2022 results

Revenue included hotel mangement fees of Accor SA, fees from management leases and income from services. It amounted to €1,174 million at end-December 2022 compared with €630 million at end-December, 2021 for all of these activities. This 86.35% increase, i.e. €544 million, can mainly be attributed to the increase in management and franchise fees, reflecting the very strong recovery in business over the year.

	2021	2022
France	363	502
International	267	672
Revenue	**630**	**1,174**

The operating loss at December 31, 2022 amounted to €29 million, compared with a €269 million loss at end-December 2021, representing a decrease in the loss of €240 million.

Own work capitalized, reversals of depreciation, amortization and provisions and expense transfers, and other income amounted to €70 million, compared with €108 million at December 31, 2021. The €38 million decline can notably be attributed to:

- the €18 million increase in the value of own work capitalized, stemming from the recovery in IT projects in 2022;
- the reversal of provisions for amortization and expense transfers for an amount of €57 million for which increases of €31 million of charges to be allocated for bond issues and €13 million related to ALL points offset by a reversal of €9 million from a pension provision.

Operating expenses stood at €1,273 million as of December 31, 2022, compared with €1,006 million at December 31, 2021. This €267 million increase can mainly be attributed to:

- an increase in other purchase and external expenses of €202 million, with notably;
  - for the external expenses item, an increase in the cost of the internal support contribution for €50 million, an increase of €46 million in management costs and an increase in internal expenses and IT fees for €32 million,
  - for the advertising expenses item, an increase in the cost of refunding loyalty points used by guests in the loyalty program for €58 million,
  - for the discounts and rebates item, an increase in procurement transfers for €23 million,
  - an increase in the cost of purchasing IT equipment in SAAS mode for €12 million euros,
  - a decline in banking commissions for €30 million,
- a decline in payroll and social security contributions of €3 million;
- operating provisions increased by €21 million. This trend resulted notably from the increase of €16 million in provisions for contingencies and charges, of which €15 million relative to loyalty points to refund customers, a €7 million increase in depreciation and amortization and a €3 million million increase in allocations to provisions for impairment of receivables, partially offset by a €4 million decline in depreciation of management contracts;
- an increase in other operating expenses of €43 million mainly due to the increase in brand fees billed by Soluxury of €41 million.

Net financial income came to €57 million at end-December 2022, compared with an expense of €49 million at end-December 2021, i.e. a €106 million change mainly reflecting the increase in dividend payments from subsidiaries, increased impairment and provisions of investments in subsidiaries and the decline in forex income.

At end-December 2022, dividend income amounted to €257 million compared with €71 million at end-December 2021. This increase can be mainly explained by the payment of one dividend by Accor Hotel Belgium for €166 million.

Total **increases and reversals of financial provisions** represented a net expense of €79 million at end-2022, compared with a net expense of €31 million at end-2021. They mainly related to the impairment of investments in subsidiaries.

Recurring income before tax of €27 million was recorded at end-December 2022, compared with an expense of €318 million at end-December 2021.

Net non-recurring income amounted to €122 million in 2022, versus a net non-recurring expense of €238 million at end-December 2021. This result can be explained notably by:

- the impact of internal legal restructuring and disposals linked to the formation of the Lifestyle (Ennismore) platform, which, for AccorSA, led to net income of €138 million stemming mainly from the sale of shares in the Ennismore Lifestyle Group as well as fees related to these transactions;
- the booking of an expense as part of the liability guarantee in the amount of €7 million relative to the tax audit of a subsidiary sold to AccorInvest, offset by a reversal of an expense provision for €21 million;
- the booking of a net restructuring charge of €13 million linked to the RESET plan.

At end-December 2022, income tax broke down into an income tax benefit of €14 million stemming from tax consolidation, compared with group relief of €14 million and an income tax benefit of €1.4 million at December 31, 2021.

The Company ended 2022 with profit of €164 million, versus a loss of €540 million at end-December 2021.

Details of the 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 million)*	**2018**	**2019**	**2020**	**2021**	**2022**
Year-end financial position					
Share capital	848	813	784	786	789
Share capital in number of shares	282,607,800	270,932,350	261,382,728	261,856,268	263,031,794
Annual transactions and results					
Revenue excl. tax	992	1,218	531	630	1,174
Profit before tax, depreciation, amortization and provisions	362	90	(33)	(522)	250
Income tax	(19)	(19)	(3)	(16)	(14)
Profit after tax, depreciation, amortization and provisions	(60)	208	(1,055)	(540)	164
Profits distributed	297	284	-	-	276
Earnings per share (in units)					
Profit after tax but before depreciation, amortization and provisions	1.35	0.40	(0.11)	(1.93)	1.01
Profit after tax, depreciation, amortization and provisions	(0.21)	0.77	(4.03)	(2.06)	0.62
Net dividend allocated to each share	1.05	1.05	-	-	1.05
Staff					
Number of employees (1)	1,343	1,419	1,298	1,183	1,129
Payroll and other employee benefits (social security, other staff benefits, etc...)	171	196	141	151	146

(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	3,074	455	101	61	201	818
Total amount of invoices (€)	118,174,496	14,863,025	2,631,101	875,132	2,894,435	21,263,693
Percentage of total purchases for the period (excl. tax)	12.63%	1.59%	0.28%	0.09%	0.31%	2.27%
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 D. 441-6 and Article 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	6,582	617	587	259	3,528	4,991
Total amount of invoices (€)	280,681,365	15,112,165	8,154,123	18,567,477	76,442,386	118,276,151
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)	23.91%	1.29%	0.69%	1.58%	6.51%	10.08%
(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 D. 441-6 and Article 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 2022

During the year, Accor SA benefited from a recovery in business in its tourism and hotel industry.

As part of the development of its Lifestyle hotel activity, in 2022, Accor SA continued the reorganization of its assets with the following transactions:

- The contribution of its 66.67% stake in Ennismore Holding Limited in exchange for shares in the latter for an amount of €490 million.
- The contribution of its 70% stake in Rixos to its Ennismore Lifestyle Group subsidiary in exchange for shares in the latter for an amount of €107 million.
- The acquisition of an additional interest in Paris Society for an acquisition price of €72 million, bringing Accor SA's stake in this company to 95%.
- The disposal to its Ennismore Lifestyle Group subsidiary of the shares in Paris Society and the loans granted to the latter for an amount of €132 million. This transaction led to a net capital loss of €2 million.
- The sale of a 10.8% stake in its subsidiary Ennismore Lifestyle Group 71.56% owned and issued of a merger completed in 2021 with Ennismore Holdings Ltd to a Qatari consortium for an amount of 185 million euros. This operation generated a net capital gain of €128 million.

These internal reorganization and disposal transactions generated a net capital gain on disposal of these shares of €150 million.

During the year, the Company also realized other transactions which impacted its investment shareholdings with the subscription to the capital increase of its AccorHotels Deutschland subsidiary for €110 million, the acquisition of a stake in Reef Technology for €71 million, the acquisition of 100% of the SEGSMHI (Le Lido) company for €1 followed by subscription to a €45 million capital increase and the acquisition of an additional 50% stake in the capital of Orient Express for €19 million.

On June 28, 2022, Accor concluded a new partnership with SASP Paris Saint-Germain Football, owned by Qatar Sport Investment (QSI), subsidiary of QIA, in order to remain one of the official sponsors of Paris-Saint-Germain from the 2022/2023 season. This partnership is aimed at promoting the ALL-Accor Live Limitless program by leveraging the international appeal of Paris Saint-Germain and offering unique privileged experiences to ALL loyalty program members over four seasons out to 2026.

Transactions in the Company's shares

On May 20, 2022, the Annual General Meeting voted that no dividend would be paid in respect of 2021. As a reminder, no dividend was paid either in respect of 2020 or 2019.

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 annual bank fees amount to €260,000.

In 2022, Group share capital was impacted by the creation of 1,175,526 shares which increased the Group's equity by €3 million.

Financing and placements

In February 2022, Accor SA completed the redemption of its €60 million bond issued in December 2014. In June 2022, Accor SA completed the redemption of its CHF150 million bond issued in June 2014.

At December 31, 2022, Accor SA had the following bank debts:

- an eight-year bond issue carried out in September 2015 at an initial rate of 2.375% for an initial amount of €500 million. In August 2020, the downgrade of Accor's credit rating resulted in a rate increase of 125 basis points, bringing the cost of this debt to 3.625% since September 2020. In November 2021, this issue was partially redeemed by €205 million, bringing the outstanding amount to €295 million at December 31, 2021;
- 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 an initial 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 breaking down as follows:

- a €500 million hybrid bond issued in January 2019 at 4.375% with a first call date in 2024;
- a €500 million hybrid bond issued in October 2019 at 2.625% with a first call date in 2025.

The company also benefits from an undrawn bank credit line for an amount of €1,200m, with maturities in June 2025 (for €1,114m) and June 2024 (for €86m). Accor SA decided not to renew its €560 million bank line which arrived at maturity in May 2022.

In addition, at December 31, 2022, the Company had €250 million in term deposits and €628 million in cash. The Company also has €507 million invested in mutual funds.

Information about subsidiaries

Accor SA has a 50% or higher interest in 81 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 2022, the Company acquired an additional 5.17% stake in the capital of Paris Society, bringing its total stake to 48.14%. Then, in November 2022, Accor SA carried out a further acquisition of 46.86% bringing its total stake to 95%.

In June 2022, Accor SA acquired a further 50% stake in the capital of Orient Express, bringing its stake to 100%.

Subsequent events

No significant event occurred between the closing date and the date of issuance of the consolidated financial statements.

5.3 *Material contracts*

In fiscal 2022, 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*

Sale of shares in H World Group Limited (formerly Huazhu Group Limited)

In January 2023, Accor announced that it had sold its remaining 2.1% stake in H World Group Limited for $297 million, i.e. €276 million. Following the sale, Accor no longer holds a stake in H World Group Limited. The disposal value accumulated since 2019 stands at $1.2 billion, relative to an initial investment of under $200 million. Accor and H World Group Limited are pursuing their rewarding partnership and strong growth strategy initiated in 2016.

Section 6

Financial statements

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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 million)	*Notes*	2021	2022
Revenue	**4**	**2,204**	**4,224**
Operating expense	4	(2,182)	(3,549)
Current EBITDA	**4**	**22**	**675**
Depreciation and amortization		(249)	(228)
Current EBIT		**(228)**	**447**
Share of net profit/(loss) of equity-investments	6	(273)	33
Current EBIT including share of net profit/(loss) of equity-investments		**(501)**	**480**
Other income and expenses	7	554	63
Operating profit		**53**	**543**
Net financial expense	11	(109)	(84)
Income tax	12	69	(76)
Profit from continuing operations		**13**	**384**
Profit from discontinued operations	3	77	43
Net profit of the year		**90**	**426**
• Group share		**85**	**402**
• from continuing operations		8	359
• from discontinued operations		77	43
• Minority interests		**6**	**25**
• from continuing operations		6	25
• from discontinued operations		-	-
Basic earnings per share *(in euros)*			
Earnings per share from continuing operations		(0.10)	1.23
Earnings per share from discontinued operations		0.29	0.16
Basic earnings per share	**13**	**0.19**	**1.40**
Diluted earnings per share *(in euros)*			
Diluted earnings per share from continuing operations		(0.10)	1.23
Diluted earnings per share from discontinued operations		0.29	0.16
Diluted earnings per share	**13**	**0.19**	**1.39**

6.1.2 Consolidated statement of other comprehensive income

(€ in million)	*Notes*	2021	2022
Net profit of the year		**90**	**426**
Currency translation adjustments	*13*	256	101
Effective portion of gains and losses on hedging instruments	*13*	20	69
Items that may be reclassified subsequently to profit or loss		**275**	**171**
Changes in the fair value of non-consolidated investments	*13*	(193)	142
Actuarial gains and losses on defined benefit plans	*13*	14	12
Items that will not be reclassified to profit or loss		**(179)**	**154**
Other comprehensive income, net of tax		**96**	**325**
Total comprehensive income of the year		**186**	**751**
• Group share		177	720
• Minority interests		10	31

6.1.3 Consolidated statement of financial position

Assets

(€ in million)	*Notes*	Dec. 2021*	Dec. 2022
Goodwill	***8***	**2,053**	**2,282**
Other intangible assets	***8***	**3,112**	**3,128**
Property, plant & equipment	***8***	**230**	**305**
Right-of-use assets	***9***	**318**	**430**
Equity-accounted investments	*6*	898	1,012
Other non-current financial assets	*11*	595	438
Non-current financial assets		**1,494**	**1,450**
Deferred tax assets	*12*	192	193
Non-current contract assets	*4*	289	339
Other non-current assets		3	2
Non-current assets		**7,691**	**8,129**
Inventories	*4*	9	19
Trade receivables	*4*	631	794
Other current assets	*4*	322	403
Current financial assets	*11*	45	37
Cash and cash equivalents	*11*	1,666	1,643
Assets classified as held for sale	*3*	406	687
Current assets		**3,079**	**3,584**
TOTAL ASSETS		**10,769**	**11,713**

* *Restated amounts following the purchase price allocation of the Lifestyle business acquired in 2021 (see Note 8.1).*

Equity and Liabilities

(€ in million)	*Notes*	Dec. 2021*	Dec. 2022
Share capital	*13*	786	789
Additional paid-in capital and reserves	*13*	2,412	2,868
Net profit of the year		85	402
Ordinary shareholders' equity		**3,283**	**4,059**
Perpetual subordinated bonds	*13*	1,000	1,000
Shareholders' equity – Group share		**4,283**	**5,059**
Minority interests	*13*	314	397
Shareholders' equity	***13***	**4,597**	**5,456**
Non-current financial debt	*11*	2,572	2,261
Non-current lease liabilities	*9*	263	377
Deferred tax liabilities	*12*	561	540
Non-current provisions	*10*	63	79
Pensions and other benefits	*5*	56	47
Non-current contract liabilities	*4*	23	33
Non-current liabilities		**3,537**	**3,337**
Current financial debt	*11*	630	608
Current lease liabilities	*9*	90	92
Current provisions	*10*	282	165
Trade payables	*4*	391	489
Current liabilities	*4*	609	859
Current contract liabilities	*4*	159	193
Loyalty program liabilities	*11*	180	239
Liabilities associated with assets classified as held for sale	*3*	294	276
Current liabilities		**2,635**	**2,920**
TOTAL EQUITY AND LIABILITIES		**10,769**	**11,713**

* *Restated amounts following the purchase price allocation of the Lifestyle business acquired in 2021 (see Note 8.1).*

6.1.4 *Consolidated statement of cash flows*

(€ in million)	*Notes*	2021	2022
Recurring EBITDA	4	22	675
Interests received/(paid)	11	(73)	(75)
Income tax paid		(37)	(65)
Non-cash revenue and expenses included in recurring EBITDA		37	49
Funds from (used in) operations		**(52)**	**584**
Decrease/(increase) in working capital	4	(10)	18
Decrease/(increase) in contract assets and liabilities	4	(30)	39
Net cash flows from (used in) recurring operating activities		**(92)**	**640**
Cash received/(paid) on non-recurring items		(148)	(129)
Net cash flows from (used in) operating activities (A)		**(240)**	**511**
Acquisition of subsidiaries, net of cash acquired	8	(9)	(82)
Acquisition of property, plant and equipment and intangible assets	8	(80)	(111)
Acquisition of equity-investments and non-current financial assets	8	(250)	(133)
Loans granted to third parties		(13)	(17)
Proceeds from disposal of subsidiaries, net of cash transferred		(7)	7
Proceeds from disposal of equity-investments and non-current financial assets		248	158
Dividends received		12	20
Net cash flows from (used in) investing activities (B)		**(99)**	**(157)**
Increase/(decrease) of rights granted over share capital	13	(0)	2
Acquisition of minority interests	3	-	(19)
Disposal of minority interests	3	-	180
Coupons on perpetual subordinated bonds	13	(35)	(35)
Dividends paid		(1)	(12)
New loans issued	11	2,194	1,558
Repayment of loans	11	(2,517)	(1,977)
Repayment of lease liabilities	9	(88)	(73)
Changes in other short-term debts	11	(18)	(5)
Net cash flows from (used in) financing activities (C)		**(466)**	**(381)**
Net change in cash and cash equivalents (D) = (A) + (B) + (C)		**(805)**	**(27)**
Cash and cash equivalents at beginning of the period		**2,419**	**1,658**
Net change in cash and cash equivalents		(805)	(27)
Effect of changes in exchange rates on cash and cash equivalents		28	(8)
Fair value restatement on cash and cash equivalents		26	-
Reclassification of change in cash and cash equivalents from assets held for sale		(11)	1
Cash and cash equivalents at end of the period		**1,658**	**1,625**

6.1.5 *Consolidated statement of changes in equity*

(€ in million)	Number of shares	Share capital	Additional paid-in capital	Currency translation reserve	Reserves	Equity Group share	Minority interests	Total Equity
Balance at January 1, 2021	**261,382,728**	**784**	**1,675**	**(481)**	**2,120**	**4,098**	**66**	**4,164**
Capital increase	473,540	1	(0)	-	(1)	(0)	(0)	(0)
Dividends paid	-	-	-	-	(0)	(0)	(1)	(1)
Share-based payments	-	-	-	-	41	41	-	41
Perpetual subordinated bonds	-	-	-	-	(35)	(35)	-	(35)
Effects of scope changes	-	-	-	-	18	18	182	200
Other movements	-	-	-	-	(6)	(6)	0	(6)
Transactions with shareholders	**473,540**	**1**	**(0)**	**-**	**16**	**17**	**181**	**198**
Net profit of the year	-	-	-	-	85	85	6	90
Other comprehensive income	-	-	-	252	(159)	92	4	96
Total comprehensive income	**-**	**-**	**-**	**252**	**(75)**	**177**	**10**	**186**
Balance at December 31, 2021	**261,856,268**	**786**	**1,675**	**(229)**	**2,061**	**4,292**	**256**	**4,549**

(€ in million)	Number of shares	Share capital	Additional paid-in capital	Currency translation reserve	Retained earnings	Equity Group share	Minority interests	Total Equity
Balance at December 31, 2021	**261,856,268**	**786**	**1,675**	**(229)**	**2,061**	**4,292**	**256**	**4,549**
Restatements*	-	-	-	-	(9)	(9)	58	48
Restated Balance at December 31, 2021	**261,856,268**	**786**	**1,675**	**(229)**	**2,052**	**4,283**	**314**	**4,597**
Saas Restatement	-	-	-	-	(11)	(11)	-	(11)
Restated Balance 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)
Change in treasury shares	-	-	-	-	(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 at December 31, 2022	**263,031,794**	**789**	**1,675**	**(133)**	**2,728**	**5,059**	**397**	**5,456**

* *Restated amounts following the purchase price allocation of the Lifestyle business acquired in 2021 (see Note 8.1).*

6.1.6 *Notes to the Consolidated Financial Statements*

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NOTE 1 BASIS OF PREPARATION

The consolidated financial statements of Accor Group for the year ended December 31, 2022, were authorized for issue by the Board of Directors on February 22, 2023. They will be submitted to shareholders for final approval at the Annual General Meeting on May 17, 2023.

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 for use in the European Union as at December 31, 2022. These standards are available on the European Commission's website [(1)].

New standards and amendments

As at December 31, 2022, the Group applied the same accounting policies and measurement methods as those applied in its consolidated financial statements for the year ended December 31, 2021, except for changes required by new IFRS applicable from January 1, 2022.

Amendment to IAS 37 Onerous Contracts – Cost of Fulfilling a Contract

The application of the amendments to IAS 37 *Onerous Contracts – Cost of Fulfilling a Contract*, mandatory as at January 1, 2022, had no significant impact on the Group's consolidated financial statements. They clarified that the direct costs of fulfilling a contract included both the incremental costs, such as direct labor costs, and an allocation of other costs directly related to fulfilling a contract.

Decision related to configuration and customization costs associated with SaaS contracts

In March 2021, IFRS Interpretation Committee ("IFRS IC") clarified the accounting treatment on configuration and customization costs associated with a Software as a Service (SaaS) cloud arrangement. The contracts covered by this decision provide to the client access to software functionalities presented on an infrastructure operated by an external provider via an internet connection.

The configuration and customization costs associated with a SaaS service must be recognized as operating expenses when the service is received, except:

- when costs incurred results in additional software code that are distinct from the SaaS and controlled by the Group, in which case an intangible asset should be recognized;
- when the configuration and customization services do not constitute a separate service from the SaaS arrangement, under IFRS 15, in which case the customization costs are initially recognized as prepayment, and subsequently recognized as operating expenses over the term of SaaS contract.

The application of these new rules resulted in a cancellation of costs capitalized during the implementation of several SaaS solutions before 2022 with an impact of €11 million recorded as a reduction in equity as at January 1, 2022. As the impact is not material, the comparative amounts have not been restated.

Future standards, amendments, and interpretations

The Group has not applied in advance any standards, amendments to standards or interpretations as at January 1, 2022, regardless of whether they were or not adopted by the European Union.

The application of following amendments, mandatory from January 1, 2023, should not have a significant impact on the Group's financial statements:

- 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).
- 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 on the basis of the financial statements.
- amendment to IAS 8 *Definition of an accounting estimates* clarifies how to distinguish changes in accounting policies from changes in accounting estimates as the accounting treatments are not the same.

Furthermore, the amendment to IAS 1 *Classification of liabilities as current or non-current* has not yet been adopted by the European Union. The text clarifies 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.

(1) https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02008R1126-20230101

1.2 Foreign currency translation

The consolidated financial statements are presented in euros, which is the Company's functional currency.

Translation of the financial statements of foreign operations

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 exercise, 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 translation gains and losses are generally 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 PP&E 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 measurement of the fair value of financial assets;
- the measurement of provisions.

1.4 Climate risks

The Group continues to analyze the risks related to climate change. The work focuses on potential physical impacts, as well as the risks and opportunities of transition from 2030 on scenarios of a world constrained to +1.5°C and +4°C by 2100.

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 as at December 31, 2022.

The Group is studying the risks and opportunities related to climate change that could affect its business. Business travel, which experienced a very sharp drop during the health crisis, 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 become carbon neutral 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, 2022, 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.

Finally, in April and October 2022, 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, 2022.

NOTE 2 SIGNIFICANT EVENTS IN THE CURRENT YEAR

2.1 End of the crisis

Group's activities

After two years severely impacted by the health crisis, the fiscal-year 2022 posted a solid and sustainable rebound in Group's activity. The performance of hotels over the second half of the year surpasses pre-crisis levels in almost all regions. Only Asia, a region impacted by China's strict zero-Covid policy until year end, is still significantly below 2019 activity levels. Worldwide, the recovery was primarily driven by domestic guests, with levels exceeding those of 2019. International customers, even whose number grows sharply, failed to return to 2019 level. The recovery was led by a strong increase in prices, fueled by demand and accentuated by inflation. The "RevPAR" (revenue per available room) of Accor branded hotels is now higher than in 2019 (+2%), whereas it was down 46% in 2021. Only Asia shows a performance lower than pre-crisis level. The hotel occupancy rate regularly increased to reach 60% compared to 42% in 2021.

The consolidated revenue amounts to €4,224 million in 2022, compared to €2,204 million in 2021 (see Note 4.1). It becomes comparable to the €4,049 million of revenue in fiscal year 2019, used as the reference year by the Group in 2020 and 2021.

Cash management

As at December 31, 2022, Accor has a strong financial position, with net cash and cash equivalent of €1,625 million, after the redemption of the two bonds of €60 million and CHF 150 million, issued in 2014, and maturing in February and June 2022 respectively (see Note 11.2.1).

The Group has also an undrawn credit facility for an amount of €1,200 million, maturing June 2024 (for 86 million) and June 2025 (for 1,114 million). The Group has decided not to renew its €560 million credit facility maturing in May 2022.

Other impacts on the consolidated financial statements

Accor reviewed the recoverable amount of its non-current assets (see Note 8.3). The impairment tests carried out on cash-generating units ("CGUs") or groups of CGUs to which goodwill and brands are attached led to the recognition of an impairment loss for €14 million on customer relationships and a net reversal of €6 million on brands.

The Group also performed impairment tests, on a case-by-case basis, on its management contracts and equity-accounted investments, 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. This analysis led the Group to a recognition of a net impairment reversal of €70 million (€51 million on equity-accounted investments and €19 million on hotel management contracts).

Those items are presented within other income and expenses in the consolidated income statement (see Note 7).

Furthermore, Accor has not identified any elements that significantly increased the credit risk of its main customers since December 31, 2021.

2.2 Other significant events

Other main features of the financial year are summarized below:

- the takeover of Paris Society in November 2022 to further develop the Lifestyle business of the Group, followed by the sale of 10.8% stake in Ennismore (see Note 3.1.1);
- the acquisition of Lido in February 2022 (see Note 3.1.2);
- the disposal of the subsidiary ResDiary in exchange for shares in Reef Technology Inc. in June 2022, followed by an additional acquisition of shares of Reef Technology Inc. (see Note 3.1.3);
- the acquisition of the remaining 50% stake in Orient Express SAS in June 2022 (see Note 3.1.4);
- the partial disposal of the shares in H World Group Ltd (formerly Huazhu Group Ltd) in November and December 2022 (see Note 3.1.4).

NOTE 3 GROUP STRUCTURE

3.1 Changes in the scope of consolidation

The list of the main consolidated companies as at December 31, 2022 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 Development and simplification of Lifestyle activities

In 2022, the Group continued its strategy of development and simplification pulling together its Lifestyle hotel activities within one single dedicated entity, Ennismore Lifestyle Group Ltd ("Ennismore").

Takeover of Paris Society

On November 16, 2022, Accor exercised its option to acquire an additional 46.9% stake in Paris Society for an amount of €67 million, plus an earn-out of €16 million and took control of it. The Group holds now 95% of the shares and voting rights of Paris Society. With a portfolio of emblematic and high-end assets, particularly on the Parisian market, Paris Society strengthens the Group's skills by bringing its experience in high-end catering and event management.

The transaction qualified as a business combination under IFRS 3 *Business Combinations* and is accounted using the acquisition method. The preliminary goodwill amounts to €180 million based on:

- the transaction price of €84 million for the 46.9% stake;
- the fair value of the share previously held, so far accounted for using the equity method, of €58 million, the revaluation of which leads to a profit of €24 million recognized in other non-recurring income and expenses in the income statement;
- minority interests measured at their proportionate share of the net assets acquired for €(9) million; and
- negative net assets acquired of €(47) million, including mainly property, plant and equipment and rights of use (€193 million), cash (€16 million) and financial and lease liabilities (€258 million).

The purchase price allocation will be completed within the 12-month measurement period following acquisition date.

The contribution of Paris Society to the Group's revenue and consolidated net income since the takeover is not material. This acquisition resulted in a total cash outflow (net of cash acquired) of €51 million in the consolidated statement of cash flows of 2022.

Disposal of a 10.8% stake in Ennismore

On November 17, 2022, Accor sold a 10.8% stake in its subsidiary Ennismore, Lifestyle hotel operator resulting from the merger in October 2021 with Ennismore Holdings Ltd ("EHL"), to QLC, a consortium of Qatari investors, for an amount of €185 million.

Prior to this disposal, the Group contributed its 70% stake in Rixos, a hotel operator specialized in "All-Inclusive" accommodation in the Middle East, to Ennismore in exchange for newly issued shares in Ennismore. The Group has also sold to Ennismore its 95% stake in Paris Society.

As at December 31, 2022, Ennismore owns a unique collection of leading Lifestyle brands, including 21c Museum Hotel, 25hours, Delano, Gleneagles, Hyde, Jo&Joe, Mama Shelter, Mondrian, Morgans Originals, SLS, SO/and The Hoxton. The new structure includes more than 140 hotels in nearly 40 countries, with more than 275 restaurants and bars. Ennismore now covers all the Group's Lifestyle hotel activities.

Following these transactions, Accor retains a majority stake of 62.2% in Ennismore.

This sale of a minority stake in Ennismore to QLC has no impact on the control of the subsidiary, which remains fully consolidated. It is analyzed as a transaction with shareholders, with no impact on the book value of Ennismore's assets and liabilities. The difference between the consideration received and the carrying amount of the interests disposed of was recognized in Equity – Group share for €74 million.

This transaction resulted in a cash inflow, net of costs of sales, of €180 million presented within cashflows from financing activities in the consolidated statement of cash flows.

3.1.2 Lido Acquisition

On February 9, 2022, Accor acquired the company "Société d'Exploitation et de Gestion de Spectacles de Music Halls Internationaux" (SEGSMHI), whose main activity consists of operating the theater "Le Lido" in Paris. This transaction allows the Group to extend its hospitality offer, especially for ALL program members.

The purchase price amounts to a symbolic €1, increased by a price adjustment of €1 million. Based on the net asset acquired of €11 million, including the fair value of Lido brand (€3 million), the Group has recognized a provisional negative goodwill for €10 million. This amount is accounted for within other income and expenses in the consolidated income statement and reflects primarily the future costs that the Group will incur to restructure and modernize the venue.

This transaction resulted in a total cash inflow of €13 million (including the cash acquired of €14 million) in the consolidated statement of cash flows in 2022.

3.1.3 Disposals of the exercise

Disposal of the subsidiary ResDiary in exchange for shares in Reef Technology Inc.

On June 21, 2022, Accor sold 100% of its shares in ResDiary, its subsidiary specialized in table booking and management optimization tools for restaurants, to Reef Technology Inc., in exchange for shares worth $85 million (€81 million) issued by the latter.

Reef Technology Inc. is a US-based leader in parking real estate and delivery kitchens. It optimizes and transforms open spaces into multi-purpose places to support the on-demand service companies in their development.

The net gain on disposal of ResDiary, recognized in other income and expenses in the consolidated income statement, amounts to €52 million. It is calculated as the difference between:

- on the one hand, the fair value of the shares sold for €81 million, decreased by the reclassification to profit and loss of cumulative exchange losses previously recognized in other comprehensive income for €(5) million; and
- on the other hand, the net assets of ResDiary, as recognized in the Group's financial statements at completion date, for €25 million.

Besides, Accor has subscribed to an increase in shares of Reef Technology Inc. for $75 million (€71 million).

Following these two transactions, Accor holds 4.92% of the company's capital for a total investment of $160 million (€152 million). This investment is recognized as non-consolidated investments at fair value through other comprehensive income.

Those transactions resulted in a total cash outflow of €77 million (net of the cash sold) in the consolidated statement of cash flows.

3.1.4 Other transactions

Acquisition of Orient Express SAS non-controlling interests

On June 8, 2022, Accor, which owned 50%, plus one share, of the capital of Orient Express SAS, acquired the remaining 50% stake owned by SNCF Voyageurs SA for €19 million, increasing its ownership to 100% of the share capital and voting rights of the company. This transaction enables the Group to gain flexibility in the development of this iconic brand.

This transaction has no impact on the control of the company, which has been fully consolidated since 2018 in the Group's financial statements. Being analyzed as a transaction with shareholders, the difference between the purchase price of the shares (€19 million) and the additional share of consolidated equity acquired (€16 million) has been recognized as a reduction in Equity – Group share.

This operation resulted in a total cash outflow of €19 million in the consolidated statement of cash flows.

Disposal of stake in H World Group Ltd (formerly Huazhu Group Ltd)

Between November 29, and December 31, 2022, the Group sold 3.9 million shares (around 1.2% of the company's capital) on the market at an average price of $41.08 per share for a total amount of $162 million (€154 million). The disposal of shares triggers the reclassification, to Group reserves, of €(43) million of cumulative changes in fair value and €7 million of currency translation adjustments recognized in other comprehensive income, representing a cumulative amount of €(36) million.

The remaining shares (around 2.1% of the company's share capital), were sold in January 2023 for $297 million (€276 million). As at December 31, 2022, these shares, whose net book value amounts to €264 million, were classified as assets held for sale (see Note 3.2). At that date, the amount still recognized in other comprehensive income related to H World Group Ltd shares held for sale amounts to €(54) 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).

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, 2022, assets and liabilities classified as held for sale were as follows:

	Dec. 2021		Dec. 2022	
(€ in million)	Assets	Liabilities	Assets	Liabilities
SCI Sequana	402	294	422	276
H World Group Ltd	-	-	264	-
Others	3	-	1	-
Total	**406**	**294**	**687**	**276**

Sale-and-lease back project of Group's head office

In September 2022, the Group entered into exclusive negotiations with the Valesco group to sell the entity SCI Sequana which owns its head office building in Issy-les-Moulineaux and the associated financial debt. The sale would be accompanied by a commitment of the Group to lease the building back for a period of 12 years.

As at December 31, 2022, the entity's assets and liabilities were maintained as assets held for sale. The comparison between the carrying value of the disposal group and its fair value less costs to sell did not reveal any impairment.

Disposal of stake in H World Group Ltd (formerly Huazhu Group Ltd)

As indicated in Note 3.1.4, the Group has decided to sell its entire remaining stake in H World Group Ltd. Following the disposal of the 1.2% stake in the market by the end of 2022, the Group executed the disposal of its residual share of 2.1% in January 2023. In accordance with IFRS 5 *non-current assets held for sale and discontinued operations*, those shares, which have a net book value of €264 million as at December 31, 2022, are classified as assets held for sale.

3.2.2 Discontinued operations

In 2022, the net income from discontinued operations amounts to €43 million. It corresponds to items recognized for the guarantees given as part of the sale of AccorInvest in June 2018, including a reversal of the provision, net of deferred taxes, of €30 million on risks related to the assets (see Note 10) and the reversal of the provision for tax risks for €14 million (net of compensation paid to AccorInvest) (see Note 14.2).

In 2021, the net income from discontinued operations amounted to €77 million and mainly corresponded to net reversals of provisions related to these same warranties.

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.

After taking into consideration the aggregation criteria as permitted by IFRS 8 *Operating segments*, the reportable segments of Accor are as follows:

- **Five "Management & Franchise" segments** – The hotel management and franchise business consists in collecting fees from hotel owners. It also includes the commissions received on centralized purchases. Its performance is presented for the following five geographic areas:
  - Southern Europe (including France);
  - Northern Europe (including the United Kingdom and Germany);
  - Asia-Pacific which comprises the three hubs Southeast Asia, Greater China and Pacific;
  - Americas which gather North America, Central America & the Caribbean and South America;
  - India, Middle East, Africa and Turkey.
- **"Services to owners" segment** – It gathers all the services rendered by the Division Sales, Marketing, Distribution and Loyalty (sales, marketing and distribution, loyalty program) as well as shared services and reimbursement of costs incurred on behalf of hotel owners.

- **"Hotel assets & other" segment** includes the activities that are not part of the Group's core business as hotel operator:
  - hotel assets – this corresponds to the hotel owner-operator business (owned or leased hotels), comprising accommodation and F&B sales to guests as well as management of the asset portfolio (hotel design, construction, refurbishment and maintenance activities),
  - three activities conducted in Asia-Pacific: AccorPlus (rewards cards program), Accor Vacation Club (timeshare business) and Strata (room distribution and management of hotels common areas),
  - and the new activities developed by the Group, mainly through external growth transactions (digital services, private luxury home rentals, digital sales, hotel booking services and concierge services).

4.1.1 Revenue

(€ in million)	2021	2022
Southern Europe	141	267
Northern Europe	91	233
Asia-Pacific	98	157
Americas	111	199
India, Middle East, Africa & Turkey	77	195
Management & Franchise	**518**	**1,052**
Services to owners	**1,064**	**2,143**
HotelServices	**1,582**	**3,194**
Hotel assets & other	633	1,084
Holding/Intercos	(11)	(54)
Revenue	**2,204**	**4,224**

Revenue in France amounted to €627 million in 2022 compared to €342 million in 2021. No other country represents more than 10% of the Group's revenue.

"Services to owners" revenue includes reimbursement of costs incurred on behalf of hotel owners for €1,273 million in 2022 (compared to €555 million in 2021). This financial item also includes reimbursement of costs incurred under the accommodation management agreement for the FIFA World Cup in Qatar in November and December 2022.

4.1.2 EBITDA

(€ in million)	2021	2022
Southern Europe	96	204
Northern Europe	47	161
Asia-Pacific	51	96
Americas	40	131
India, Middle East, Africa & Turkey	41	144
Management & Franchise	**275**	**737**
Services to owners	**(182)**	**(75)**
HotelServices	**93**	**661**
Hotel assets & other	48	137
Holding/Intercos	(119)	(123)
Recurring EBITDA	**22**	**675**

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, from now on, 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 million)	2021	**2022**
Cost of goods sold	(54)	(82)
Personnel expenses	(1,300)	(2,097)
Rent expense for variable lease payments	(30)	(91)
Energy, maintenance and repairs	(45)	(63)
Taxes	(39)	(50)
Other operating expenses	(715)	(1,166)
Operating expenses	**(2,182)**	**(3,549)**

Personnel expenses are disclosed in Note 5.2.

The increase in property lease payments, which corresponds to the variable lease payments based on the performance of hotel assets operated under lease contracts, mainly concerns Brazil.

Other operating expenses, which mainly comprise marketing, advertising and promotion, distribution and IT costs, increase in line with the recovery in activity, even though the Group has pursued its effort to contain costs. This line item also includes the costs incurred and re-invoiced under the accommodation management agreement for the FIFA World Cup in Qatar in November and December 2022.

4.4 Working capital

The working capital can be analyzed as follows:

(€ in million)	Dec. 2021	**Dec. 2022**	Variation	Neutralization of non-cash items	**Cash flow statement items**
Inventories	9	19	10	6	5
Trade receivables	631	794	163	(9)	172
Other current assets	322	403	82	45	37
Current assets	**962**	**1,217**	**255**	**42**	**213**
Trade payables	391	489	98	18	80
Other current liabilities	609	859	250	99	151
Current liabilities	**1,000**	**1,348**	**348**	**117**	**231**
Working capital	**(38)**	**(131)**	**(92)**	**(75)**	**(18)**

As at December 31, 2022, the increase in current assets and liabilities is mainly explained by the activity recovery.

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 million)	Dec. 2021	**Dec. 2022**
Gross value	776	945
Loss allowance	(145)	(151)
Trade receivables, net	**631**	**794**

The maturity of trade receivables (excluding accrued receivables) is presented in Note 11.3.4.

Other current assets breakdown as follows:

(€ in million)	Dec. 2021	**Dec. 2022**
Recoverable VAT	75	110
Income tax and other taxes receivables	8	33
Other receivables	185	229
Prepaid expenses	69	41
Gross value	**337**	**413**
Loss allowance	(15)	(10)
Other current assets, net	**322**	**403**

4.4.2 Current liabilities

Other current liabilities breakdown as follows:

(€ in million)	Dec. 2021	**Dec. 2022**
VAT payable	61	104
Wages salaries and payroll tax payables	192	241
Income tax and other tax payables	60	140
Other payables	297	374
Other current liabilities	**609**	**859**

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, when applicable, expected 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 million)	Dec. 2021	**Dec. 2022**	Variation	Neutralization of non-cash items	**Cash flow statement items**
Advance payments to hotel owners	289	339	50	12	39
Contract assets	**289**	**339**	**50**	**12**	**39**
Deferred income	182	225	44	(9)	53
Contract liabilities	**182**	**225**	**44**	**(9)**	**53**
Loyalty program liability	**180**	**239**	**58**	**34**	**25**
Net contract assets and liabilities	**(73)**	**(125)**	**(52)**	**(13)**	**(39)**

NOTE 5 PERSONNEL EXPENSES AND EMPLOYEE BENEFITS

5.1 Headcount

The Group's headcount is as follows:

	2021	2022
Average employees	14,466	17,334

In 2022, 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.

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 million)	2021	2022
Salaries and social security charges	(750)	(986)
Salaries and social security charges recharged to owners	(512)	(1,068)
Share-based payments	(38)	(43)
Personnel expenses	**(1,300)**	**(2,097)**

Staff costs increase over the year, under the combined effect of the business recovery, the reopening of hotels and the end of government support measures.

Personnel expenses incurred on behalf of hotel owners under hotel management contracts (and fully re-invoiced to them) mainly increased in North America reflecting the strong recovery in activity in this area.

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 million)	Dec. 2021	**Dec. 2022**
Pension plans	54	44
Other long-term benefits	2	3
Pension obligation and other benefits	**56**	**47**
Surplus on pension plans	3	2
Pensions asset	**3**	**2**
Net pension obligation	**53**	**45**
• of which net pension obligation	51	42
• of which other benefits	2	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 (36% of the obligation), in Canada (26%) and in the United Kingdom (24%). 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. 2021	**Dec. 2022**	**Dec. 2021**	**Dec. 2022**
France	0.9% – 2%*	2%* – 3.9%	3% – 4%	3% – 4%
Canada	2.8% – 3%	5.0%	2.8%	2.8%
Belgium	0.9%	3.9%	2.8%	3.0%
Switzerland	0.3%	2.4%	1.0%	1.5%
United Kingdom	1.8%	4.8%	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, 2022, pension obligations breakdown by country as follows:

(€ in million)	**France**	**Canada**	**Belgium**	**United Kingdom**	**Others**	**Total**
Present value of obligation	57	40	12	38	10	157
Fair value of plan assets	(32)	(30)	(10)	(40)	(5)	(117)
Asset ceiling	-	1	-	-	-	1
Net pension obligation	**25**	**12**	**3**	**(2)**	**5**	**42**

The change in the net obligation for pensions is as follows:

(€ in million)	**Present value of obligation**	**Fair value of plan assets**	**Asset ceiling**	**Net**
At December 31, 2021	**193**	**(146)**	**3**	**51**
Current service cost	7	-	-	7
Interest expense/(income)	4	(3)	-	1
Others	(1)	-	-	(1)
Total recognized in profit or loss	**9**	**(3)**	**-**	**6**
Actuarial (gains)/losses related to experience adjustments	3	-	-	3
Actuarial (gains)/losses related to changes in demographic assumptions	(1)	-	-	(1)
Actuarial (gains)/losses related to changes in financial assumptions	(36)	24	-	(13)
Change in asset ceiling (excluding net interest)	-	-	(2)	(2)
Actuarial (gains)/losses	**(35)**	**24**	**(2)**	**(13)**
Benefits paid	(10)	6	-	(4)
Exchange differences and others	(0)	2	-	2
At December 31, 2022	**157**	**(117)**	**1**	**42**

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, 2022, the breakdown of plan assets is as follows:

(€ in million)	United Kingdom	France	Canada	Belgium	Others	Total
Bonds	-	24	7	-	1	32
Shares	-	5	22	-	1	27
Insurance contracts	-	-	-	10	2	12
Liquidity	2	1	-	-	-	3
Real Estate	-	3	-	-	1	4
Others	38	-	-	-	1	39
Plan assets	**40**	**32**	**30**	**10**	**5**	**117**

The expected long-term return on plan assets is aligned with the discount rate.

5.3.6 Sensitivity analysis

As at December 31, 2022, the sensitivity of provisions for pensions to a change in discount rate is as follows:

(€ in million)	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 million)	2023	2024	Hereafter	Total
Expected cash flows	12	9	78	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, 2022 were equity-settled plans. The dilutive effect of plans that have not yet vested is reflected in diluted earnings per share calculations.

In 2022, the expense recognized in respect of share-based plans amounts to €43 million.

(€ in million)	2021	2022
2018 plans	3	-
2019 plans	13	4
2020 plans	15	12
2021 plans	10	19
2022 plans	-	9
Total	**41**	**43**

The movements over the year are as follows:

(In number of shares)	2021	2022
Number of shares at beginning of the year	**3,631,642**	**4,664,858**
Shares granted	1,739,851	1,473,134
Shares cancelled or expired during the year	(233,095)	(141,902)
Shares vested during the year	(473,540)	(1,175,526)
Number of shares at end of the year	**4,664,858**	**4,820,564**

On April 7, 2022, the Group granted 1,437,634 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 €24.88, corresponding to a share price of €27.29 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 2022 to 2024 and carbon reduction targets at the end of 2024 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, 2022, the Group set up a plan of 35,500 performance shares with similar characteristics to the April plan, whose fair value was €20.86.

The fair value of these plans amounts to €37 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 nineteen members and twelve members as at December 31, 2021 and 2022.

The compensation granted to the members of the Executive Committee is as follows:

(€ in million)	2021	2022
Short term employee benefits	21	24
Share-based payments	8	9
Post-employment benefits	4	5
Termination benefits	2	4
Total compensation	**34**	**42**

Members of the Board of Directors do not receive any compensation, they only receive attendance fees. The amount granted in 2022 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.

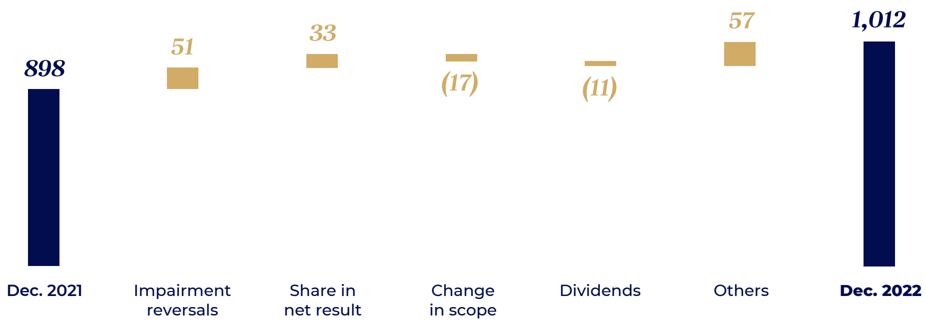
6.1 Share of net results of equity-accounted investments

The main contributions of associates and joint ventures are as follows:

(€ in million)	2021	2022
AccorInvest	(234)	14
Kasada	(3)	7
Risma	(10)	4
Others	(23)	(4)
Associates	**(270)**	**21**
Joint ventures	**(3)**	**13**
Share in net results of equity-accounted investments	**(273)**	**33**

6.2 Carrying value of equity-accounted investments

(€ in million)	Dec. 2021	Dec. 2022
AccorInvest	549	586
Kasada	41	73
Risma	39	41
Atton	19	34
Others	210	232
Associates	**859**	**966**
Joint ventures	**39**	**46**
Carrying value	**898**	**1,012**



As indicated in Note 8.3, the impairment tests carried out led to the reversal of impairment losses for an amount of €51 million, including €36 million on the company Interglobe Hotels Private Limited which operates Ibis hotels in India, due to a recovery better than expected.

Scope effects include the derecognition of Paris Society shares (€34 million), partly offset by the recognition of shares in associates and joint ventures held by Paris Society (€12 million) following the takeover of the company.

Other variations include a capital increase in the investment fund Kasada for €23 million, and the Group's share of other comprehensive income from equity-accounted investments (mainly AccorInvest).

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 million)	Dec. 2021	Dec. 2022
Balance sheet		
Current assets	1,108	1,240
Non-current assets	6,614	6,474
Assets held for sale	12	6
Current liabilities	(1,311)	(1,503)
Non-current liabilities	(7,364)	(7,006)
Liabilities associated with assets held for sale	-	(2)
Net assets	**(941)**	**(791)**
Group's share in %	30.5%	30.5%
Group's share in net assets	(287)	(241)
Goodwill	835	827
Carrying amount of equity-accounted investment	**549**	**586**
Income statement		
Revenue	1,663	3,576
Net profit/(loss)	**(768)**	**45**
Other comprehensive income	36	80
Total comprehensive income	**(732)**	**125**

AccorInvest's performance substantially improved in 2022, in particular on its main market, Europe, and supports its perspective of future cash flows. In addition, AccorInvest is committed, as part of its transformation plan, to an asset disposal plan to strengthen its financial situation. These two elements contribute to the company's debt reduction. On this basis, the Group concluded that there was no material uncertainty that may cast significant doubt on AccorInvest's ability to continue to operate as a going concern for, at least, the next twelve months.

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 million)	2021	2022
Impairment losses	(51)	61
Gains and losses on disposal	646	43
Restructuring costs	(14)	(38)
Other non-recurring income and expenses	(26)	(3)
Other income and expenses	**554**	**63**

In 2022, other income and expenses mainly include:

- impairment reversal for €61 million, of which €51 million on equity-accounted investments (see Note 8.3.1);
- a €52 million gain recognized from the disposal of ResDiary (see Note 3.1.2);
- restructuring costs for €(38) million mainly Lido (see Note 10).

In the comparative year, a €649 million gain was recognized from the partial disposal of H World Group Ltd shares as well as impairment losses for €(51) million, of which €(27) million on hotel management contracts and €(17) million on equity-accounted investments.

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 and other intangible assets are generally amortized on a straight-line basis over their estimated useful life. These assets are tested for impairment whenever there is an indication that they may be impaired and, at least once a year, for intangible assets, whose useful life cannot be determined.

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.

8.1 Intangible assets

Intangible assets can be analyzed as follows:

(€ in million)	Goodwill	Trademarks	Contracts	Licences, software	Others	Total
Gross value						
At January 1, 2021	**2,394**	**1,973**	**1,263**	**379**	**242**	**6,251**
Business combinations*	256	182	108	-	3	550
Additions	-	15	-	21	72	108
Disposals	(69)	-	-	-	(6)	(75)
Exchange differences	94	99	60	2	1	257
Others	(30)	(5)	(29)	(38)	(58)	(160)
Assets held for sale	-	-	-	-	-	(1)
At December 31, 2021*	**2,645**	**2,264**	**1,402**	**365**	**254**	**6,930**
SaaS restatement	-	-	-	(16)	-	(16)
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**
Depreciation and impairment						
At January 1, 2021	**(608)**	**(310)**	**(410)**	**(298)**	**(88)**	**(1,714)**
Depreciation	-	-	(55)	(49)	(26)	(130)
Impairment loss	(8)	-	(27)	-	-	(35)
Disposals	-	-	-	-	2	2
Exchange differences	(6)	(13)	(19)	(2)	(1)	(41)
Others	30	3	24	73	22	153
At December 31, 2021*	**(592)**	**(321)**	**(486)**	**(275)**	**(91)**	**(1,764)**
SaaS restatement	-	-	-	5	-	5
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)**
Net Book Value						
At December 31, 2021*	2,053	1,943	917	89	163	5,165
At December 31, 2022	**2,282**	**2,005**	**905**	**96**	**121**	**5,410**

* *Restated amounts following the purchase price allocation of the Lifestyle business acquired in 2021.*

Goodwill

As at December 31, 2022, the breakdown of goodwill is as follows:

(€ in million)	Dec. 2021*	Acquisition	Disposal	Exchange diff. & Others	Dec. 2022
Management & Franchise					
Northern Europe	165	-	-	-	166
Southern Europe	170	-	-	-	170
India, Middle East, Africa & Turkey	285	2	-	18	304
South East Asia	288	-	-	19	307
Pacific	93	-	-	(1)	92
Greater China	79	-	-	(2)	76
North/Central America, the Caribbean	246	-	-	16	262
South America	66	-	-	11	77
HotelServices	**1,392**	**2**	**-**	**61**	**1,454**
Hotel assets & other	**279**	**1**	**(18)**	**(2)**	**259**
Lifestyle	**383**	**180**	**-**	**6**	**569**
Net book value	**2,053**	**183**	**(18)**	**65**	**2,282**

* *Restated amounts following the purchase price allocation of the Lifestyle business acquired in 2021.*

The main variations of the exercise are as follows:

- provisional goodwill of €180 million recognized as a result of the takeover of Paris Society (see Note 3.1.1), which was fully allocated to Lifestyle business;
- derecognition of ResDiary goodwill for €18 million following subsidiary disposal (see Note 3.1.2).

Furthermore, the Group finalized the purchase price allocation of the Lifestyle business of Ennismore Holding Ltd ("EHL") acquired on October 1, 2021. It was determined using the partial goodwill approach, amounting €114 million and corresponds to the difference between:

- on the one hand, the consideration transferred for €218 million, corresponding to the fair value of the interests in Accor's Lifestyle activities transferred to EHL, and minority interests measured at their share in net assets for €51 million; and
- on the other hand, the net asset acquired of €155 million, mainly comprising brands for €105 million, management contracts with hotel owners for €96 million and deferred tax assets for €51 million.

In accordance with IFRS 3 *Business combinations*, the values resulting from the final purchase price allocation have been presented in the restated statement of financial position as at December 31, 2021. The impact of these allocations on amortization and related tax effects in the consolidated income statement of 2021 is not significant. As a result, the consolidated income statement, statement of comprehensive income and statement of cash flows have not been restated.

Brands

The Group's brands are as follows:

	Dec. 2021*	Dec. 2022		
(€ in million)	**Net book value**	**Gross value**	**Impairment loss**	**Net book value**
Fairmont	878	1,055	(101)	954
Swissôtel	192	273	(103)	170
Raffles	122	159	(27)	132
Mövenpick	140	148	(25)	123
Rixos	99	99	-	99
The Hoxton	84	80	-	80
Mantra	66	88	(9)	80
25hours	50	48	-	48
SLS	45	48	-	48
Mondrian	39	42	-	42
Orient-Express	40	40	-	40
Other trademarks	190	255	(64)	191
Brands	**1,943**	**2,334**	**(329)**	**2,005**

* *Restated amounts following the purchase price allocation of the Lifestyle business acquired in 2021.*

As at December 31, 2022, currency effect on brands was €53 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), Mövenpick (2019) and sbe (2020). In 2022, a net impairment reversal has been recognized for €19 million on management contracts (see Note 8.3).

8.2 Property, plant & equipment

Property, plant & equipment breakdown as follows:

(€ in million)	Lands, Buildings	Leasehold improvements	Equipment, furniture	Assets in progress	Total
Gross value					
At January 1, 2021	**240**	**188**	**169**	**15**	**614**
Business combinations	3	3	10	-	16
Additions	-	2	6	7	16
Disposals	-	(2)	(5)	-	(7)
Exchange differences	8	5	-	-	13
Others	32	4	(21)	(3)	12
Assets held for sale	(3)	(5)	(9)	-	(17)
At December 31, 2021	**281**	**195**	**150**	**20**	**645**
Business combinations	-	-	51	14	65
Additions	-	4	16	17	37
Disposals	-	(2)	(1)	-	(3)
Exchange differences	1	-	-	2	3
Others	12	(13)	(2)	(14)	(17)
At December 31, 2022	**294**	**184**	**214**	**38**	**730**
Depreciation and impairment					
At January 1, 2021	**(130)**	**(137)**	**(101)**	**(4)**	**(372)**
Depreciation	(5)	(14)	(11)	-	(30)
Disposals	-	3	4	-	7
Exchange differences	(5)	(4)	-	-	(9)
Others	(32)	(4)	20	-	(15)
Assets held for sale	-	2	1	-	3
At December 31, 2021	**(172)**	**(152)**	**(88)**	**(4)**	**(416)**
Depreciation	(7)	(11)	(12)	-	(30)
Impairment loss	(2)	-	-	2	-
Disposals	-	2	1	-	3
Exchange differences	(1)	-	-	-	(1)
Others	5	15	(1)	-	19
At December 31, 2022	**(177)**	**(146)**	**(101)**	**(2)**	**(426)**
Net Book Value					
At December 31, 2021	109	43	62	16	230
At December 31, 2022	**118**	**37**	**114**	**36**	**305**

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.

Criteria used for impairment tests

The main criteria considered by the Group as indicator of a possible impairment is the same for all businesses, 15% drop in revenue compared to budget.

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. A CGU corresponds to the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Goodwill is monitored as follows:

- Management & Franchise: at the level of the geographic area as presented in the segment information in Note 4.1;
- Hotel assets & other:
  - at the level of the hotel assets on an individual basis,
  - at the level of the activity for other activities conducted in Asia-Pacific (room distribution and management of hotel common areas, timeshare),
  - at the level of the business lines for other activities (Digital services, Hotel reservation services, Concierge services, Digital sales and Private rentals).

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.

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 other than goodwill attributable to a reversal of an impairment loss may not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset 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) are attached:

- Management & Franchise: brands and related goodwill by geographic hub;
- Hotel assets & other: individual hotel assets, room distribution and management of hotel common areas and timeshare, digital services, hotel booking services, concierge services, digital sales and luxury home rentals activities.

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, 2022, the impairment tests conducted led the Group to recognize a net reversal of impairment of €61 million presented within other income and expenses in the consolidated income statement (see Note 7). It is composed as follows:

- a reversal of impairment on equity-accounted investments of €51 million, of which €36 million on Interglobe Hotels Privated Limited, which operates Ibis hotels in India;
- a net reversal of impairment on Management & Franchise management contracts for €19 million;
- a net reversal of impairment of €6 million on brands, including reversals for €69 million (mainly on Fairmont and Mantra) and impairment losses recognized for €(63) million (notably on Swissôtel and Mövenpick); and
- an impairment loss of €(14) million on concierge services activity allocated to customer relationship.

8.3.2 Methodology for impairment tests

The recoverable amount of assets is determined based on the value in use using a discounted cash flow valuation technique that reflects the surrounding economic conditions. The Group has established a five-year business plan, based on a central scenario assuming a return to a "RevPAR" level equivalent to 2019 in 2023, i.e. one year earlier than the assumption used in the impairment tests carried out in 2021. This central assumption is consistent with the external data available at the date on which impairment tests were performed and the performance recorded in 2022.

The revenue forecasts were based, on one hand, on the 2023 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 for the 2024-2027 period, consistently with macroeconomic trends from market studies prepared by independent firms, and on development perspectives of the Group's network.

The terminal value was calculated by extrapolating future cashflows beyond five years based on normative inflation rates by region (perpetuity growth rate).

The discount rate used corresponds to the Group's weighted average cost of capital as at December 31, 2022, 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 main key assumptions used are detailed below:

	Perpetual growth rate		Discount rate	
	Dec. 2021	**Dec. 2022**	Dec. 2021	**Dec. 2022**
Management & Franchise Southern Europe	+0.9%	+1.7%	+8.5%	+9.5%
Management & Franchise Northern Europe	+1.6%	+2.1%	+8.8%	+10.3%
Management & Franchise Southeast Asia	+0.9%	+2.0%	+8.0%	+11.4%
Management & Franchise Greater China	+2.3%	+2.0%	+9.1%	+10.8%
Management & Franchise Pacific	+1.6%	+2.6%	+8.7%	+10.2%
Management & Franchise North America, Central America & Caribbean	+1.8%	+1.7%	+8.6%	+9.3%
Management & Franchise South America	+4.0%	+3.0%	+11.7%	+15.0%
Management & Franchise India, Middle East, Africa & Turkey	+3.9%	+4.4%	+13.1%	+16.3%
Digital services	+2.5%	+1.7%	+8.5%	+9.5%
Hotel booking services	+5.0%	+1.7%	+9.8%	+10.6%

Projections used for the impairment tests of brands are based on the RevPAR assumptions by geography used 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 the goodwill tested would be recognized in the event of a reasonably possible change in the assumptions used in 2022.

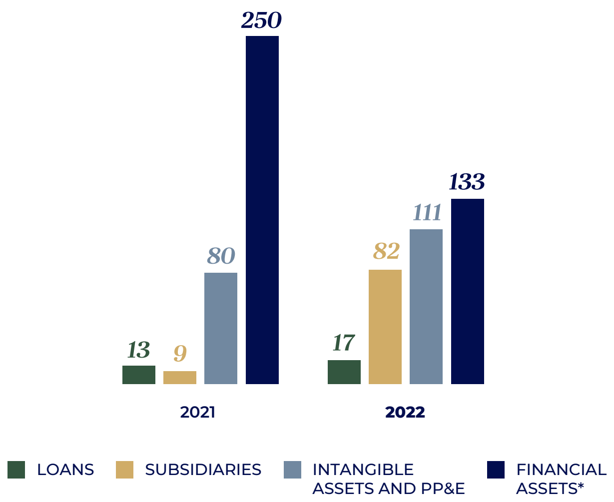
The table below shows the additional impairment (-) or reversal (+) that would have been recognized if the following assumptions had changed:

(€ in million)	Management & Franchise Brand	Management contracts*	Equity accounted investments*	Concierge services activity
Increase in discount rate and perpetual growth rate by 100 pt	(36)	(1)	1	(1)
Decrease in discount rate and perpetual growth rate by 100 pt	38	1	(1)	1
Increase in RevPar by 150 pt	14	1	3	-
Decrease in RevPar by 150 pt	(14)	(1)	(3)	-

* *Sensitivity test performed when there is an indicator of impairment or an indication that an impairment loss may decrease.*

8.4 Capital expenditure

***Investments** (€ in million)*



* *Equity-investments and non-current financial assets.*

In 2022, main capital expenditures include:

- the acquisition of Reef Technology Inc. shares in exchange of shares in ResDiary and a cash amount of €77 million (net of cash disposed) in June 2022 (see Note 3.1.2);
- the acquisition of an additional stake of 46.9% in Paris Society in November 2022 for €51 million, net of cash acquired (see Note 3.1.1);
- the deferred payments under the acquisition of 25hours and Mama Shelter for €40 million;
- the capital increase in Kasada investment fund for €23 million.

In 2021, capital expenditures comprised the subscription to capital increases of AccorInvest for €154 million, the investment related to the incorporation and the Initial Public Offering of a SPAC (Special Purpose Acquisition Company) for €34 million as well as the acquisition of additional stakes in Mama Shelter, 25hours, Paris Society and Tribe for a total of €34 million.

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 2022, the right-of-use assets and the corresponding debt are impacted by scope effects, with the acquisition of Paris Society for €128 million (see Note 3.1.1) and the theater "Le Lido" in Paris for €38 million (see Note 3.1.2).

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 million)	**Buildings**	**Other property assets**	**Vehicles**	**Total**
At December 31, 2021	**308**	**3**	**7**	**318**
Business combinations	166	-	-	166
Additions	26	-	3	29
Derecognitions	(5)	-	-	(5)
Depreciation expense	(76)	-	(3)	(79)
Exchange differences	2	-	-	2
At December 31, 2022	**420**	**3**	**7**	**430**

9.2 Lease liability

As at December 31, 2022, changes in the lease liability are analyzed as follows:

(€ in million)	
At December 31, 2021	**353**
Business combinations	166
Additions	28
Payment	(82)
Other derecognitions	(7)
Accretion of interest	9
Foreign exchange impacts	2
At December 31, 2022	**469**

The maturity analysis of lease payments (before discounting impact) is as follows:

(€ in million)	**2022**
Less than 1 year	96
1 to 5 years	245
More than 5 years	196
Total	**537**

9.3 Amounts recognized in the income statement

In 2022, the following amounts were recognized in the consolidated income statement in relation to leases:

(€ in million)	**2021**	**2022**
Rent expense for variable lease payments	(30)	(84)
Rent expense for short-term leases and low-value assets	(1)	(7)
Rents concessions related to the health crisis	2	2
Depreciation expense and impairment of right-of-use assets	(88)	(79)
Interest expense on lease liabilities	(9)	(9)
Total	**(125)**	**(178)**

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 2022 was €173 million of which:

- €73 million presented in cash flows from financing activities for the repayment of lease liability;
- €100 million presented in cash flows from operating activities for the payment of interests on lease liability (€9 million) and the payment for leases not recognized in the statement of financial position (€91 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 2022 can be analyzed as follows:

(€ in million)	Dec. 2021	Allowance	Reversal Utilizations	Reversal Unused provisions	Translation adjustments and other	Dec. 2022
Litigation and other risks	269	38	(42)	(75)	19	208
Restructuring	75	26	(55)	(10)	1	36
Provisions	**344**	**63**	**(97)**	**(85)**	**20**	**245**
• of which non-current	63	8	(9)	(12)	30	79
• of which current	282	56	(88)	(73)	(10)	165

Provisions for litigation and other risks mainly include:

- a €53 million provision recorded in 2020 related to the dividend withholding tax litigation (see Note 14.2);
- a provision covering the risks associated with guarantees provided as part of AccorInvest disposal for €50 million. In 2022, the Group has partially reversed this provision for €(39) million, following a reassessment of the risks incurred to date. Furthermore, the provision on tax risks covered by these same guarantees was reversed for €(21) million (see Note 14.2);
- insurance liabilities for €37 million, stable compared to 2021. The Group, through its subsidiaries specialized in insurance, secure half of the hotels of its network from damages and third-party liability.

The decrease in restructuring provisions is explained by a €(65) million reversal mainly related to the transformation plan initiated by the Group partially compensated by an allowance of €26 million relating in particular to the restructuring plan of the Lido.

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 million)	2021	2022
Interests on bonds and bank borrowings	(83)	(85)
Interests expenses on current accounts	(2)	(12)
Interests income on loans and securities	4	13
Interests on lease debt	(9)	(9)
Cost of net debt	**(89)**	**(94)**
Other financial income and expenses	(20)	10
Net financial result	**(109)**	**(84)**

Other financial income and expenses include the following items:

(€ in million)	2021	2022
Hedging	(10)	(16)
Exchange gains/(losses)	0	22
Loss on debt modification	(5)	-
Change in fair value of non-current financial assets	10	6
Dividend income	3	7
Others financial expenses	(19)	(9)
Other financial income and expenses	**(20)**	**10**

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, 2022, the Group net financial debt amounts to €1,658 million and is analyzed as follows:

	Dec. 2021			**Dec. 2022**		
(€ in million)	Current	Non-current	Total	**Current**	**Non-current**	**Total**
Bonds	238	2,343	2,581	323	2,069	2,391
Negotiable commercial paper (NEU CP)	302	-	302	109	-	109
Bank overdraft	8	-	8	18	-	18
Other bank borrowings	4	61	65	19	119	139
Bonds and bank borrowings	**551**	**2,404**	**2,955**	**469**	**2,188**	**2,657**
Other financial debts	51	167	218	117	73	190
Derivative financial instruments	29	-	29	22	-	22
Gross financial debt	**630**	**2,572**	**3,202**	**608**	**2,261**	**2,869**
Lease liability	90	263	353	92	377	469
Total financial debt	**720**	**2,835**	**3,555**	**700**	**2,638**	**3,338**
Cash and cash equivalents	1,666	-	1,666	1,643	-	1,643
Other current financial assets	37	-	37	23	-	23
Derivative financial instruments	8	-	8	14	-	14
Financial assets	**1,711**	**-**	**1,711**	**1,680**	**-**	**1,680**
Net financial debt	**(991)**	**2,835**	**1,844**	**(980)**	**2,638**	**1,658**

Changes in financial debt

In 2022, changes in financial debt were as follows:

(€ in million)	Dec. 2021	Cash flows	Other changes				Dec. 2022
			Scope effects	Exchange differences	Fair value	Others	
Bonds	2,581	(208)	0	4	-	14	2,391
Negotiable commercial paper (NEU CP)	302	(193)	-	-	-	-	109
Bank borrowings	73	(19)	82	4	-	17	157
Other financial debts	218	(36)	26	(1)	-	(17)	190
Derivative financial instruments	29	-	-	-	(18)	11	22
Gross financial debt	**3,202**	**(456)**	**109**	**7**	**(18)**	**25**	**2,869**
Lease liability	353	(73)	166	2	-	21	469
Total debt	**3,555**	**(529)**	**274**	**9**	**(18)**	**46**	**3,338**

Repayment of bonds

In 2022, Accor redeemed two bonds:

- the bond of €60 million issued in December 2014 and matured in February 2022;
- the bond of CHF 150 million issued in June 2014 and matured in June 2022.

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, 2022, this program is drawn for €109 million, representing a decrease of €193 million compared to December 31, 2021.

Breakdown of bonds

As at December 31, 2022, bonds break down as follows:

Nominal *(in local currency)*	Local currency	Nature	Date of issuance	Maturity	Interest rate *(%)*		Carrying amount	
					nominal*	effective**	Dec. 2021	Dec. 2022
150	CHF	Bond	06/14	06/22	3.00%	1.98%	146	-
60	EUR	Bond	12/14	02/22	2.93%	1.76%	62	-
295	EUR	Bond	09/15	09/23	3.63%	3.95%	296	296
357	EUR	Bond	01/17	01/24	2.50%	1.77%	364	365
600	EUR	Bond	02/19	02/26	3.00%	3.48%	602	606
500	EUR	OCEANE	12/20	12/27	0.70%	0.87%	445	454
700	EUR	Bond	11/21	11/28	2.38%	3.18%	666	671
Bonds borrowings							**2,581**	**2,391**

* *Applicable as at December 31, 2022.*

** *On the basis of a global effective rate since issue including an impact of step-up clauses.*

11.2.2 Current financial assets

As at December 31, 2022, current financial assets break down as follows:

(€ in million)	Dec. 2021	Dec. 2022
Cash	816	784
Fixed-term deposits	711	476
Mutual funds units	139	382
Cash and cash equivalents	**1,666**	**1,643**
Short-term loans	37	23
Other current financial assets	**37**	**23**
Derivative instruments	8	14
Current financial assets	**1,711**	**1,680**

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, 2022, non-current financial assets break down as follows:

(€ in million)	Dec. 2021	Dec. 2022
Long term loans	71	38
Security deposits	24	30
Financial assets at amortized cost	**96**	**69**
Investments in non-consolidated companies	410	248
Other non-current financial assets	90	121
Financial assets at fair value	**500**	**369**
Total	**595**	**438**

The change in non-consolidated investments mainly includes the acquisition of a shareholding interest in Reef Technology Inc. for €152 million (see Note 3.1.3) and the partial disposal of shares of H World Group Ltd (see Note 3.1.4), followed by a reclassification in assets held for sale of the residual shares for €264 million (see Note 3.2). As at December 2021, the net book value of H World Group Ltd shares was at €349 million.

Other non-current assets are mainly composed of convertible bonds (€21 million), shares in investment funds (€58 million) and the earn-out following the disposal of the Lifestyle hotel assets portfolio to KNSA Hotels France (€42 million).

Changes in fair value of financial assets measured at fair value were recognized in other comprehensive income for €99 million and in the consolidated financial statement for €4 million of which €11 million in financial income and €(7) million in non-recurring income and expenses.

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, 2022, derivative instruments are as follows:

	Dec. 2021		**Dec. 2022**	
(€ in million)	Assets	Liabilities	**Assets**	**Liabilities**
Interest rate hedges	-	-	-	-
Foreign currency hedges	8	29	14	22
Derivatives financial instruments	**8**	**29**	**14**	**22**

11.2.5 Breakdown of financial assets and liabilities

	By class of instrument				
(€ in million)	At amortized cost	Fair value through equity	Fair value through P&L	Derivatives qualified as hedges	Dec. 2021
Long term loans	71	-	-	-	71
Deposits	24	-	-	-	24
Investments in non-consolidated companies	-	410	-	-	410
Other non-current financial assets	-	-	90	-	90
Trade receivables	631	-	-	-	631
Cash and cash equivalents	1,526	-	139	-	1,666
Other current financial assets	37	-	-	-	37
Derivative instruments	-	-	8	-	8
Financial assets	**2,290**	**410**	**237**	**-**	**2,937**
Bonds	2,581	-	-	-	2,581
Negotiable commercial paper (NEU CP)	302	-	-	-	302
Bank borrowings	73	-	-	-	73
Other financial debt	218	-	-	-	218
Trade payables	391	-	-	-	391
Derivative instruments	-	-	4	25	29
Financial liabilities	**3,564**	**-**	**4**	**25**	**3,593**

	By class of instrument				
(€ in million)	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 current financial assets	23	-	-	-	23
Derivative instruments	-	-	9	5	14
Assets classified as held for sale	-	264	-	-	264
Financial assets	**2,147**	**512**	**512**	**5**	**3,176**
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**

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. 2021	Hierarchy		
(€ in million)	**Fair value**	**Level 1**	**Level 2**	**Level 3**
Investments in non-consolidated companies	410	382	-	29
Other non-current financial assets	90	-	-	90
Mutual funds units	139	139	-	-
Derivative instruments – assets	8	-	8	-
Financial assets	**647**	**521**	**8**	**118**
Derivative instruments – liabilities	29	-	29	-
Financial liabilities	**29**	**-**	**29**	**-**

	Dec. 2022	Hierarchy		
(€ in million)	**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**	**-**

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 €2,255 million as at December 31, 2022.

11.3 Financial risk management

11.3.1 Foreign exchange risk

Bonds and bank borrowings by currency

The bond and bank debt by Group currency after the use of derivatives (with the exception of commercial hedges) breaks down as follows:

	Before hedging			After hedging		
(€ in million)	Amount	Rate	% of total debt	Amount	Rate	% of total debt
Euro	2,601	2%	98%	2,368	2%	89%
Australian dollar (AUD)	-	-	-	574	5%	22%
UAE dirham (AED)	-	-	-	33	3%	1%
Japanese yen (JPY)	-	-	-	30	-1%	1%
Pound sterling (GBP)	-	-	-	(32)	-0%	-1%
US dollar (USD)	56	6%	2%	(69)	-1%	-3%
Swiss franc (CHF)	-	-	-	(205)	1%	-8%
Other currencies	-	-	-	(42)	8%	-2%
Bonds and bank borrowings	**2,657**	**2%**	**100%**	**2,657**	**3%**	**100%**

The table above shows the currency transposition of the Group's financing. They are established according to operational needs whether they are in the sense of a currency lender or borrower.

Foreign currency hedges

As at December 31, 2022, characteristics of the foreign currency hedges are as follows:

	Dec. 2022								
(€ in million)	Hedging maturity	Accounting classification	AUD	USD	CHF	GBP	Others currencies	Nominal	Fair value
Currency swaps	< 1 an	Trading	-	(103)	(205)	(75)	64	(319)	(1)
Cross currency swaps	2028	CFH	574	-	-	-	-	574	(14)
Financing operations			**574**	**(103)**	**(205)**	**(75)**	**64**	**255**	**(15)**
Forward	< 1 an	Trading	16	31	13	14	32	106	0
Forward	< 1 an	CFH	19	67	12	5	10	112	5
Commercial operations			**35**	**99**	**25**	**19**	**42**	**218**	**5**
Trading operations	**< 1 an**	**Trading**	**-**	**(22)**	**-**	**43**	**(43)**	**(23)**	**2**
Total			**609**	**(26)**	**(180)**	**(14)**	**63**	**450**	**(8)**

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, 2022, 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. 2022	
(€ in million)	Fixed	Variable	Fixed	Variable	**Fixed**	**Variable**
Bonds and bank borrowings	444	26	2,141	47	2,585	73
Cash and cash equivalents	(1,260)	(382)	-	-	(1,260)	(382)
Net exposure	**(816)**	**(357)**	**2,141**	**47**	**1,325**	**(309)**

As at December 31, 2022, 97% of bonds and bank borrowings were at fixed rate, with an average rate of 2.1%, and 3% were at a variable rate, with an average rate of 5%. The fixed rate debt is denominated primarily in euro.

Interest rate hedges

As at December 31, 2022, the Group has one interest rate swap fixing the rate of the €276 million mortgage debt negotiated to fund the acquisition of the Group's head office. This swap and associated debt are classified as liabilities held for sale. The fair value of this instrument, qualified as cash flow hedge, is €21 million. The change in fair value over 2022 was recognized in other comprehensive income for €33 million.

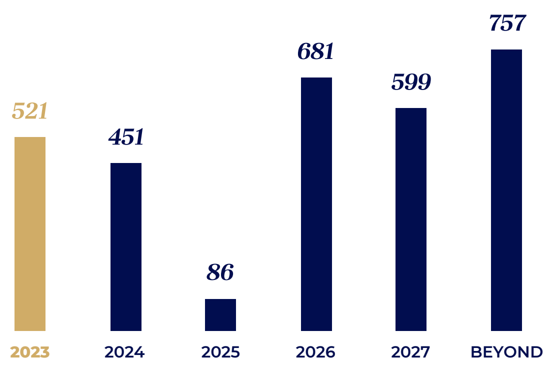
Risk of non-compliance with gas emission reduction targets

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 12.5 bps step-up per target on coupons from 2026 over the residual term of the debt.

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, 2022, maturities were as follows:



Credit lines

The Group has one undrawn confirmed credit line for €1,200 million, maturing in June 2024 (for €86 million) and in June 2025 (for €1,114 million). The €560 million credit line negotiated in May 2020, matured in May 2022.

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 (€1,908 million out of the €2,575 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 €1,200 million undrawn bank credit line contained, at contract inception, an early repayment clause that can be triggered in the event of non-compliance with a financial leverage ratio (consolidated net debt reported to consolidated EBITDA before application of IFRS 16 Leases). In the context of the health crisis, Accor obtained a first covenant holiday until June 2021, which was extended on February 8, 2021, until June 2022. Since November 15, 2021, this covenant has been replaced by a minimum liquidity covenant, applicable for the years 2022 and 2023. From 2024, the initial leverage ratio will be applied again.

Regarding the €300 million mortgage debt negotiated in October 2018 to fund the acquisition of the Group's head office (classified as liability held for sale in the statement of financial position as at December 31, 2022), the early redemption clause can be triggered in case of non-compliance with the Loan-to-Value (debt to the value of the asset) and interest cover ratios. At closing date, no contemplated reasonable scenario would lead to trigger such a clause.

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.

Rate

The credit rating agencies Standard & Poor's and Fitch rating are following Accor and attributed the below ratings:

	Long-term rating	Outlook	Last review
Standard & Poor's	BB+	Stable	November 10, 2022
Fitch Rating	BB+	Stable	November 2, 2022

On November 10, 2022, Standard & Poor's revalued the Group's perspective from a negative to a stable rating.

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, 2022, the maximum counterparty risk value on trade receivables is the net book value.

The maturity of trade receivables (excluding accrued receivable of €213 million) is as follows:

(€ in million)	Receivables not yet due	Receivables due: Less than 90 days	Receivables due: Between 90 and 180 days	Receivables due: More than 180 days	Total
Gross receivables	351	160	76	146	733
Provisions	(3)	(4)	(20)	(124)	(151)
Net receivables	**348**	**155**	**57**	**22**	**582**

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 of the exercise

(€ in million)	2021	2022
Current tax	(30)	(117)
Deferred tax	99	41
Income tax	**69**	**(76)**

In 2022, the Group recognized an income tax expense for €(76) million.

The current income tax expense of €(117) million mainly includes:

- income tax expenses for €(124) million;
- reversals of provisions for tax risks for €7 million.

The deferred tax income of €41 million mainly includes the recognition of deferred tax assets in the United States and the Netherlands reflecting the improvement in five-year projections of expected tax results, in line with operational assumptions included in the Group's business plan.

In 2021, the current tax income was the result of the recognition of deferred tax assets for €99 million, mainly in the United States and Germany, reversals of provisions for tax risks for €14 million, notably in China and current tax expense for €(45) million.

12.1.2 Income tax expense analysis

(€ in million)		2021	2022
Profit before tax		**(56)**	**459**
Share of profit/(loss) of equity investments		273	(33)
Impairment losses		(58)	(134)
Untaxed profit or profit taxed at a reduced rate		(529)	(18)
Others		(2)	(1)
Profit taxed at standard rate	**(a)**	**(372)**	**274**
Standard tax rate in France	**(b)**	**+28.4%**	**+25.8%**
Theoretical tax at standard French tax rate	**(c) = (a) x (b)**	**106**	**(71)**
• Differences in foreign tax rates		9	10
• Unrecognized tax losses for the year		(141)	(30)
• Utilization/recognition of tax losses carryforward		36	39
• Net charges to/reversals of provisions for tax risks		14	7
• Company value-added contribution (CVAE)		(1)	(4)
• Changes in tax rates		1	1
• Other items		44	(28)
Total effects on tax at standard French tax rate	**(d)**	**(37)**	**(5)**
Income/(Expense) tax	**(e) = (c) + (d)**	**69**	**(76)**

As at December 31, 2022, 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 natures of deferred tax assets and liabilities are the following:

(€ in million)	Dec. 2021*	Dec. 2022
Intangible assets	(492)	(482)
Property, plant and equipment	(11)	(4)
Recognized tax losses	80	92
Provision for employee benefits	30	28
Provision for risks and contingencies	32	17
Impairment losses	4	6
Others	(12)	(4)
Total net deferred tax	**(369)**	**(347)**
• Deferred tax assets	192	193
• Deferred tax liabilities	(561)	(540)

* *Restated amounts following the purchase price allocation of the Lifestyle business acquired in 2021 (see Note 8.1).*

Deferred taxes liabilities on intangible assets mainly relate to assets recognized as part of FRHI Hotels & Resort group acquisition in 2016.

Deferred tax assets on tax losses are mainly in the United States (€59 million) and Germany (€7 million).

Deferred tax assets on provision for risks and contingencies mainly relate to the €50 million provision covering the future risks associated with the guarantees on assets granted as part of AccorInvest disposal.

12.3 Unrecognized deferred tax

As at December 31, 2022, unrecognized deferred tax assets amount to €835 million (compared to €978 million as at December 31, 2021). They mainly relate to evergreen tax losses carryforwards in France (€398 million), Luxembourg (€74 million) and Belgium (€70 million).

Unrecognized deferred tax assets will expire in the following periods if not utilized:

(€ in million)	Deductible temporary differences	Tax loss carry forwards	Total
From 2022 to 2025	5	26	30
2026 and beyond	19	11	30
Evergreen	124	650	775
Total	**148**	**687**	**835**

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, 2022, Accor SA's share capital was made up of 263,031,794 shares with a par value of €3 each, each fully paid. Changes in the number of outstanding shares during 2022 were as follows:

(In number of shares)	2022
Number of issued shares at January 1, 2022	**261,856,268**
Performance shares vested	1,175,526
Number of issued shares at December 31, 2022	**263,031,794**

13.1.2 Distribution of dividends

No dividend was paid over the year.

13.1.3 Perpetual subordinated notes

In 2022, coupons paid to holders on perpetual subordinated notes amounted to €35 million. These payments are analyzed as a distribution of profit, directly deducted from equity.

13.1.4 Consolidated reserves

Items recognized directly in shareholders' equity Group share are the followings:

(€ in million)	Dec. 2021*	Change	Dec. 2022
Currency translation reserve	(229)	95	(133)
Changes in fair value of financial instruments	(250)	211	(39)
• of which non-consolidated investments	(227)	142	(85)
• of which derivative instruments	(23)	69	46
Reserve for actuarial gains/losses	(95)	12	(83)
Share based payments	339	43	383
Retained earnings and others	2,058	421	2,467
Reserves – Group share	**1,823**	**783**	**2,595**

* *Restated amounts following the purchase price allocation of the Lifestyle business acquired in 2021 (see Note 8.1).*

The variation of €142 million in reserve for fair value of non-consolidated investments includes the change in fair value recognized for the year for €99 million (see Note 11.2.3) and the reclassification of the negative cumulative change in fair value in Group reserves following the partial disposal of shares in H World Group Ltd for €(43) million (see Note 3.1.4).

13.1.5 Currency translation reserve

The currency translation reserve breaks down as follows:

(€ in million)	2021	Change	2022
British sterling (GBP)	(101)	(44)	(145)
Brazilian real (BRL)	(103)	11	(92)
United States dollar (USD)	78	177	254
Chinese yuan (CNY)	(2)	(37)	(39)
Canadian dollar (CAD)	(7)	(20)	(26)
Australian dollar (AUD)	(15)	(3)	(19)
Indian rupee (INR)	(71)	(2)	(73)
Other currencies	(11)	19	8
Currency translation reserve	**(232)**	**101**	**(131)**
• of which Group share	(229)	95	(133)
• of which minority interests	(4)	6	2

The €101 million positive change over the year is mainly driven by the appreciation of the US dollar (€177 million), the depreciation of pound sterling (€44 million) and Chinese yuan (€37 million).

The euro closing rates used to translate foreign operations were as follows:

	GBP	BRL	USD	CNY	CAD	CHF	INR
December 2021	0.8433	6.4157	1.1312	7.2087	1.4529	1.0396	84.8105
December 2022	0.8803	5.4834	1.0622	7.4198	1.4433	0.9867	87.9579

13.2 Minority interests

13.2.1 Breakdown of minority interests

Minority interests break down as follows:

(€ in million)	Dec. 2021*	Change	Dec. 2022
Ennismore	194	115	309
Rixos Hotels & Resorts	17	52	68
Paris Society	-	(9)	(9)
Orient-Express	16	(16)	-
Other minority interests	29	(1)	29
Minority interests	**256**	**141**	**397**

* *Restated amounts following the purchase price allocation of the Lifestyle business acquired in 2021 (see Note 8.1).*

In 2022, the change is mainly explained by the acquisition in June 2022 of minority interests of Orient Express (see Note 3.1.3), the recognition of minority interests following the takeover of Paris Society (see Note 3.1.1) and the recognition of additional minority interests following the sale of 10.8% stake in Ennismore and the prior contribution of the stake in Rixos to Ennismore (see Note 3.1.1).

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 million)	Continued activities	Discontinued activities	2021	Continued activities	Discontinued activities	2022
Net profit – Group share	**8**	**77**	**85**	**359**	**43**	**402**
Coupons on perpetual subordinated bonds	(35)	-	(35)	(35)	-	(35)
Adjusted Net profit – Group share	**(27)**	**77**	**50**	**324**	**43**	**367**
Weighted average number of ordinary shares	261,621,001	261,621,001	261,621,001	262,531,151	262,531,151	262,531,151
Fully diluted weighted average number of shares	-	-	-	263,019,122	263,019,122	263,019,122
Earnings per share *(in euros)*	**(0.10)**	**0.29**	**0.19**	**1.23**	**0.16**	**1.40**
Diluted earnings per share *(in euros)*	**(0.10)**	**0.29**	**0.19**	**1.23**	**0.16**	**1.39**

As at December 31, 2022, the weighted average number of ordinary shares is computed as follows:

Outstanding shares	**263,031,794**
Effect of share issued	(500,643)
Weighted average number of ordinary shares	**262,531,151**
Number of dilutive potential shares	487,971
Fully diluted weighted average number of shares	**263,019,122**

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, 2022, 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 off-balance sheet commitments given as at December 31, 2022 breakdown is as follows:

(€ in million)	Less than 1 year	1 to 5 years	Beyond 5 years	Total
Commitments given in the normal course of business	31	185	75	291
Commitments increasing net debt	65	29	146	240
Commitments related to development	-	27	6	34
Commitments given	**96**	**240**	**228**	**564**

Commitments given for current operations mainly relate to commitments to hotel owners, generally, to secure the signing of a contract ("key money") or in respect of the performance guarantee granted as part of management of the hotel.

14.1.2 Commitments received

The undiscounted off-balance sheet commitments received as at December 31, 2022 breakdown is as follows:

(€ in million)	Less than 1 year	1 to 5 years	Beyond 5 years	Total
Guarantees received in the normal course of business	4	1	5	10
Commitments received	**4**	**1**	**5**	**10**

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

In 2002, Accor SA challenged through legal means its obligation to pay *précompte* dividend withholding tax on the redistribution of European source dividends on the grounds that it breached European Union rules. Numerous and long-lasting procedures ensued in France and later at European level.

Regarding the *précompte* dividend withholding tax paid over the period 1999-2001, the Administrative Tribunal of Versailles ruled, in 2006, that Accor SA was entitled to a refund of €192 million (of which €36 million of late interests). This ruling was confirmed by the Administrative Court of Versailles of appeal on May 20, 2008. However, on December 10, 2012, the Supreme Court restricted the right to a refund of €7 million and, in 2013, Accor SA refunded €185 million to the French State. The Group intends to continue to assert his right and has brought an action for State liability at the Paris Administrative Court.

Regarding the *précompte* dividend withholding tax paid over the period 2002-2004, a decision from the European Union (EU) Court of Justice on October 4, 2018, convicted the French State again. On July 7, 2020, the Administrative Court of Appeal of Versailles, taking note of the European Court's decision, pronounced the refund to Accor SA of the full *précompte* amount paid over this period along late interests.

On July 23, 2020, Accor SA received a refund of €307 million (€180 million of principal and €127 million of late interests).

In September 2020, the tax authorities appealed before the French Supreme Court. The Group and its legal advisors were informed of and reviewed the grounds for cassation. On this basis, they concluded that Accor SA has serious chance of prevailing on part of the legal grounds pleaded in the ongoing procedure. In that respect, a €254 million gain was recognized in the income statement of the year 2020, presented in other income and expenses. The difference of €53 million was accounted as a provision.

On May 12, 2022, the Court of Justice of the European Union ("CJEU") ruled that the withholding tax infringed the European parent-subsidiary regime. This decision should force the Council of State to reject the appeal of the tax administration. If confirmed, the Group would not have to reimburse the amount of €307 million received in respect of the withholding tax paid over the period 1999-2004 and related late interests.

As at December 31, 2022, although this decision is favorable to the Group, the provision of €53 million has been maintained until the decision of the Council of State is final.

Tax Audit Accor SA

In June 2021, Accor SA received a reassessment notice in relation to the tax audit of the years 2016 to 2018. The tax authorities challenged the valuation, determined by independent experts, of the shares of a subsidiary sold to AccorInvest as part of the legal restructuring carried out prior to its disposal. The tax base of the reassessment amounts to €37 million. The Group recognized a provision for tax risk of €2 million, corresponding to its net exposure, after use of sponsorship tax credits and tax losses carried forward. A departmental interlocution procedure was held on May 19, 2022, during which Accor SA had the opportunity to present its arguments in which a withdrawal of the main reassessment items occurred. Therefore, the provision for tax risks has been reversed.

Besides, as a collateral effect, the tax authorities notified a reassessment to the subsidiary of AccorInvest, considering that the valuation retained was deemed to be a taxable subsidy. AccorInvest claimed its right to compensation from Accor SA in accordance with the provisions of the share disposal agreement signed between Accor SA and its investors in 2018. In 2021, the Group recognized a provision of €21 million covering the entire risk. The allowance was presented under profit from discontinued operations in the consolidated financial statements.

On May 19, 2022, during the departmental interlocution mentioned above, a request was submitted to withdraw the tax reassessments concerning Accor SA at the level of AccorInvest subsidiary. Therefore, the indemnity was thus reduced to €7 million, amount paid to AccorInvest in November 2022. The balance of the unused provision of €14 million was fully reversed in profit or loss and presented within profit from discontinued operations (see Note 3.2.2).

14.3 Subsequent Events

Disposal of stake in H World Group Ltd

In January 2023, the Group sold its entire remaining 2.1% stake in H World Group Ltd for an amount of $297 million (see Note 3.1.4).

NOTE 15 OTHER INFORMATION

15.1 Related parties

Companies that exercise significant influence over Accor

As at December 31, 2022, 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.

Fully consolidated companies and associated companies accounted for by the equity method

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 equity-accounted investments are mentioned directly in the related notes (see Notes 3.1 and 6). In addition, the following transactions were carried out with equity-accounted investment entities:

- AccorInvest is the main client of the Group. Revenue of AccorInvest recognized in 2022 represents 9% of the total revenue of the Group. As at December 31, 2022, the gross value of receivables towards AccorInvest amounted to €173 million in the consolidated statement of financial position.
- Accor provides premises free of charge to Accor Acquisition Company, a special purpose entity, created by Accor to carry out one or several acquisitions.

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 2021 and 2022:

	2021			2022		
(€ in million)	PwC	EY	Total	**PwC**	**EY**	**Total**
Fees related to certification of accounts						
Issuer	1.1	1.0	2.1	1.6	1.5	3.1
Fully consolidated subsidiaries	1.6	1.4	3.0	1.7	1.2	2.9
Subtotal	**2.7**	**2.4**	**5.1**	**3.3**	**2.8**	**6.0**
Fees for services other than certification of accounts						
Services required by laws and regulations	0.0	0.2	0.2	-	0.2	0.2
Due diligence services	-	-	-	0.6	-	0.6
Tax services*	0.4	1.0	1.4	0.2	0.6	0.8
Other services**	0.2	0.2	0.4	1.0	-	1.0
Subtotal	**0.6**	**1.4**	**2.0**	**1.8**	**0.8**	**2.5**
Total	**3.3**	**3.8**	**7.1**	**5.0**	**3.5**	**8.6**

* *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

The main subsidiaries and equity-investments represent at least 75% of consolidated revenue and EBITDA. The other entities are not material on these two aggregates.

As at December 31, 2022 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.

Main consolidated companies	Countries	Method	%
NORTHERN EUROPE			
ACCOR HOTELBETRIEBS GMBH	Austria	FC	100%
ACCOR HOTELS BELGIUM	Belgium	FC	100%
ACCOR HOTELS UK	United Kingdom	FC	100%
ACCOR HOTELSERVICES MAGYAORSZAG KFT.	Hungary	FC	100%
ACCOR SERVICES POLAND	Poland	FC	100%
ACCORHOTELS DEUTSCHLAND GMBH	Germany	FC	100%
ACCORHOTELS SWITZERLAND SA	Switzerland	FC	100%
MÖVENPICK HOTELS & RESORTS MANAGEMENT	Switzerland	FC	100%
OU SWISSOTEL ESTONIA	Estonia	FC	100%
RUSSIAN MANAGEMENT HOTEL COMPANY	Russia	FC	100%
SWISSOTEL MANAGEMENT GMBH	Switzerland	FC	100%
UKRAINIAN MANAGEMENT HOTEL COMPANY	Ukraine	FC	100%
FRHI HOTELS & RESORTS S.A.R.L.	Luxembourg	FC	100%
ACCOR INVEST GROUP	Luxembourg	EM	30%
SOUTHERN EUROPE			
ACADÉMIE FRANCE	France	FC	100%
ACCOR SA	France	FC	100%
ACCORHOTELS & COMMUNITY SERVICES SPAIN	Spain	FC	100%
ACCORHOTELS ITALIA S.R.L.	Italy	FC	100%
IBIS BUDGET	France	FC	98%
LEISURE HOTELS – HOTEL AND TOURISTIC ENTERPRISES SA	Greece	FC	100%
SH DÉFENSE GRANDE ARCHE	France	FC	100%
SOCIÉTÉ DE MANAGEMENT INTERMARQUES	France	FC	100%
SOUTH-EAST ASIA			
RAFFLES INTERNATIONAL LIMITED	Singapore	FC	100%
PT AAPC INDONESIA	Indonesia	FC	100%
AAPC JAPAN K.K.	Japan	FC	100%
AAPC SINGAPORE PTE LTD	Singapore	FC	100%
AAPC (THAILAND) LIMITED	Thailand	FC	100%
GREATER CHINA			
AAPC HONG KONG CO LTD	China	FC	100%
PACIFIC			
AAPC PROPERTIES PTY LTD	Australia/NZ	FC	100%
MANTRA	Australia/NZ	FC	100%
SOUTH-AMERICA			
SOCIEDAD ANONIMA DE GESTION HOTELERA DE COLOMBIA	Colombia	FC	100%
ACCORHOTELS ARGENTINA S.A	Argentina	FC	100%
ACCORHOTELS CHILE SPA	Chile	FC	100%
ACCORHOTELS PERU SA	Peru	FC	100%
HOTELARIA ACCOR BRASIL SA	Brazil	FC	100%

Main consolidated companies	Countries	Method	%
INDIA, MIDDLE EAST, AFRICA & TURKEY			
AAPC INDIA HOTEL MANAGEMENT PRIVATE LIMITED	India	FC	51%
ACCOR AFRIQUE	Africa structures	FC	100%
ACCOR GESTION MAROC	Morocco	FC	78%
ACCOR HOTEL SAE	Egypt	FC	100%
ACCORHOTELS MIDDLE EAST AND AFRICA	United Arab Emirates	FC	100%
BELLE RIVIÈRE HOTEL	Mauritius	FC	100%
EL GEZIRAH HOTELS TOURISM CY	Egypt	FC	66%
FHR GULF MANAGEMENT FZ-LLC	United Arab Emirates	FC	100%
MÖVENPICK HOTELS & RESORTS MANAGEMENT	United Arab Emirates	FC	100%
SAUDI FRENCH COMPANY HOTEL MGT	Saudi Arabia	FC	100%
TAMARIS TURIZM TRY	Turkey	FC	100%
ACCOR MANAGEMENT CONSULTING AND SPORTS EVENTS LLC	Qatar	FC	100%
RISMA	Morocco	EM	33%
KASADA HOSPITALITY FUND LP	Mauritius	EM	30%
NORTH/CENTRAL AMERICA, THE CARIBBEAN			
ACCOR CANADA INC	Canada	FC	100%
ACCOR MANAGEMENT CANADA INC	Canada	FC	100%
ACCOR MANAGEMENT US INC	United States	FC	100%
SI HOTELERA DE MEXICO	Mexico	FC	100%
FHR BANFFOPERATIONS CORPORATION	Canada	FC	100%
SCOTTSDALE PRINCESS PARTNERSHIP	United States	FC	100%
FHR AUSTIN HOTEL MANAGEMENT COMPANY	United States	FC	100%
FHR SAN FRANCISCO OPERATIONS LLC	United States	FC	100%
LIFESTYLE BUSINESS			
21C MUSEUM HOTELS	United States	FC	53%
FH MIAMI OPERATIONS	United States	FC	62%
MAMA SHELTER FRANCE	France	FC	62%
MHG HOLDCO LLC	United States	FC	62%
ENNISMORE HOTEL MANAGEMENT UK LTD	United Kingdom	FC	62%
ENNISMORE INTERNATIONAL MANAGEMENT LIMITED	United Kingdom	FC	62%
SBE HOTEL GROUP LLC	United States	FC	62%
RIXOS CONSULTANCY FZE	United Arab Emirates	FC	44%
HUDSON LEASECO LLC	United States	FC	62%
MORGANS HOTEL GROUP MANAGEMENT LLC	United States	FC	62%
OTHER ACTIVITIES			
JOHN PAUL	France	FC	100%
VERYCHIC	France	FC	100%
D-EDGE	France	FC	100%
D-EDGE HOSPITALITY SOLUTIONS PTE LTD	Singapore	FC	100%
GEKKO	France	FC	100%
LIFEALIKE LTD	United Kingdom	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, 2022

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.

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, 2022.

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 at December 31, 2022 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, 2022 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.823-9 and R.823-7 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 intangible assets

Risks identified	How our audit addressed this risk
At December 31, 2022, the carrying amount of intangible assets stood at €5,410 million, approximately 46% of total assets. These non-current assets include goodwill (€2,282 million), brands (€2,005 million) and contracts (€905 million), mainly recognized on external growth transactions, as well as other intangible assets (€217 million). A €10 million net reversal of impairment losses has been recognized for these intangible assets as at December 31, 2022. 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 taking into account the Covid-19 health crisis and the observed conditions of recovery. 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, 2022 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, 2022. 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.	Our audit procedures mainly consisted in: • 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, 2022; • 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 observed recovery trends following the health crisis, 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 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 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 Chairman and 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.

At December 31, 2022, ERNST & YOUNG et Autres and PricewaterhouseCoopers Audit were in the twenty-eighth and the fourth consecutive year of their 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.

The consolidated financial statements were 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.82310-1 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 in 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 & 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.822-10 to L.822-14 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 20, 2023

The Statutory Auditors

PricewaterhouseCoopers Audit	ERNST & YOUNG et Autres	
Cédric Haaser	Jean-Christophe Goudard	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 2022

Assets

(€ in million)	Notes	December 2021 net	**December 2022 net**
Licenses, trademarks, rights and similar assets	(2-3-4-7)	89	103
Goodwill	(2-3-4-7)	25	22
Other intangible assets	(2)	107	104
Intangible assets		**221**	**229**
Land	(2-4)	3	3
Buildings	(2-3-4)	11	10
Machinery, equipment and tools	(2-4)	1	1
Other items of property, plant & equipment	(2-4)	12	11
Property, plant & equipment under construction	(2)	0	0
Advances and downpayments	(2)	—	—
Property, plant & equipment		**27**	**25**
Equity investments	(2-6-7-18)	5,883	5,964
Receivables from equity investments	(2-7-11-18)	1,099	1,181
Other long-term securities	(2-6-7-18)	71	70
Loans	(2-7-11)	4	4
Other non-current financial assets	(2-7)	1,005	1,004
Non-current financial assets		**8,062**	**8,223**
Non-current assets		**8,310**	**8,477**
Advances and downpayments paid to suppliers	(5)	13	24
Trade receivables	(5-7-11-19-20)	440	552
Other receivables	(5-7-11-19-20)	1,025	572
Other marketable securities	(8-11)	766	757
Cash and cash equivalents	(11)	744	629
Current assets		**2,988**	**2,534**
Forward contracts		**5**	**2**
Prepaid expenses	(9-19)	52	16
Deferred expenses	(9)	64	51
Bond redemption premiums		9	7
Translation adjustments, assets	(10)	17	3
Accrual accounts		**142**	**77**
ASSETS	**(1)**	**11,445**	**11,091**

Liabilities and equity

(€ in million)	Notes	December 2021 net	December 2022 net
Capital	(13-14)	786	789
Additional paid-in capital	(13-14)	1,465	1,465
Statutory reserve	(13)	87	87
Regulated reserves	(13)	9	9
Other reserves	(13-14)	5	2
Retained earnings	(13)	2,190	1,650
Net profit (loss) for the year	(13)	(540)	164
Equity		**4,002**	**4,166**
Proceeds of the issue of equity instruments	(15)	994	994
Other equity		**994**	**994**
Provisions for contingencies	(7)	128	82
Provisions for charges	(7)	205	181
Provision for contingencies and charges		**333**	**263**
Convertible bonds	(12-16-17)	500	500
Other bonds	(12-16-17)	2,189	1,981
Bank borrowings	(12-17)	210	310
Miscellaneous borrowings and debt	(12-17-18)	2,657	2,253
Advances and downpayments received from guests	(17)	1	2
Trade payables	(12-17-20)	341	408
Tax and social security liabilities	(12-17-25)	82	87
Payables to fixed asset suppliers	(17)	30	23
Other liabilities	(12-17)	52	49
Liabilities		**6,062**	**5,613**
Forward contracts		**20**	**16**
Prepaid income	(9-17)	33	37
Translation adjustments, liabilities	(10)	1	2
Accrual accounts		**34**	**39**
LIABILITIES AND EQUITY	**(1)**	**11,445**	**11,091**

6.3.2 P&L

(€ in million)	Notes	December 2021 net	December 2022 net
Goods and services sold		630	1,174
Net revenue	**(21)**	**630**	**1,174**
Capitalized production		36	54
Operating subsidy		—	0
Reversal/depreciation, amortization and provisions, reclassification of expenses	(7)	70	14
Other income		1	2
Operating income		**737**	**1,244**
Purchases of raw materials and other supplies		1	1
Other external purchases and expenses		734	936
Taxes, duties and other levies		10	14
Wages and salaries	(22)	100	103
Social security expenses		55	49
Amortization, depreciation and provisions			
Non-current assets: depreciation and amortization	(4)	72	79
Non-current assets: provisions	(7)	4	—
Current assets: provisions	(7)	5	7
Contingencies and charges: provisions	(7)	14	31
Other expenses	(22)	11	53
Operating expenses		**1,006**	**1,273**
Operating profit (loss)		**(269)**	**(29)**
Profit appropriated or loss transferred		—	—
Loss borne or profit transferred		—	—
Joint ventures		**—**	**—**
Financial income from equity investments	(20)	97	291
Income from other marketable securities and receivables from non-current assets		2	2
Other interest income	(20)	14	23
Reversal of provisions and reclassification of expenses	(7)	146	361
Positive exchange differences		202	188
Net proceeds from the disposal of marketable securities		2	0
Financial income		**462**	**865**
Amortization and provisions	(7)	177	440
Interest expenses	(20)	152	163
Negative exchange differences		182	205
Net expenses on the disposal of marketable securities		—	0
Financial expenses		**511**	**808**
Net financial income (expenses)	**(23)**	**(49)**	**57**
Recurring income before tax		**(318)**	**27**

(€ in million)	Notes	December 2021 net	**December 2022 net**
Non-recurring income on management transactions		4	1
Non-recurring income on capital transactions		719	914
Reversal of provisions and reclassification of expenses	(7)	80	82
Non-recurring income		**803**	**997**
Non-recurring expenses on management transactions		51	81
Non-recurring expenses on capital transactions		965	794
Depreciation, amortization and provisions	(7)	25	0
Non-recurring expenses		**1,041**	**875**
Net non-recurring income (expenses)	**(24)**	**(238)**	**122**
Income tax	(25)	(16)	(14)
Total income		**2,002**	**3,106**
Total expenses		**2,542**	**2,942**
Profit or (loss)		**(540)**	**164**

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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, 2022, the statement of financial position total stood at €11,091 million and the income statement showed a loss of €164 million.

The fiscal year runs for 12 months, from January 1, 2022 to December 31, 2022.

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 contingencies and litigation 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

The year 2022 was marked by a very strong rebound in the Company's activity after two years of health crisis which have heavily affected the tourism and hotel industry. On May 20, 2022, the general meeting of shareholders voted the decision not to pay a dividend for the year 2021. As a reminder, no dividend had also been paid for the financial years 2020 and 2019.

At December 31, 2022, Accor SA benefits from a stable financial structure after the redemption of its two bond issues for €60 million and CHF150 million, issued in 2014 and arriving at maturity respectively in February 2022 and June 2022.

The Company also benefits from an undrawn bank credit line for an amount of €1,200 million, with maturities in June 2025 (for €1,114 million) and June 2024 (for €86 million). Accor SA decided not to renew its €560 million bank line which arrived at maturity in May 2022.

In 2022, Accor SA continued to pursue its strategy of developing its activity in the Lifestyle segment, which resulted in the following corporate actions :

- the contribution of its 66.67% stake in Ennismore Holding Limited in exchange for shares in the latter for an amount of €490 million (see Note 6);
- the contribution of its 70% stake in Rixos to its Ennismore Lifestyle Group subsidiary in exchange for shares in the latter for an amount of €107 million (see Note 6);
- the acquisition of additional interests in Paris Society for an acquisition price of €72 million, bringing Accor SA's stakes in this company to 95% (see Note 6);
- the disposal to its Ennismore Lifestyle Group subsidiary of all of the assets held by Paris Society for an amount of €132 million. This transaction generated a net capital loss of €2 million;
- the disposal of a 10.8% stake in the Ennismore, a lifestyle hotel operator which was owned at 71.56% and resulting from the merger in October 2021 with Ennismore Holdings Ltd (EHL), to a Qatari consortium for €185 million. This transaction generated a net gain of €128 million.

These internal reorganizations and disposal transactions generated a net gain on asset disposals of €150 million (see Note 24).

Other key events of the year:

- on February 9, 2022, the acquisition for €1 of the Société d'Exploitation et de Gestion de Spectacles de Music Halls Internationaux (SEGSMHI), the main activity of which is operating "Le Lido" entertainment venues in Paris. On November 24, 2022, the Company carried out a capital increase for an amount of €45 million to which Accor fully subscribed;
- on June 8, 2022, the acquisition of the remaining tranche of less than a 50% stake in Orient Express SAS, held by SNCF Voyageurs SA for an amount of €19 million, bringing its interest to 100% of the capital and voting rights of the Company. This transaction will enable the Group to gain flexibility and develop this legendary brand;
- on June 21, 2022, acquisition for €71 million of 2.33% in the Reef Technology company;
- on June 28, 2022, Accor concluded a new partnership with SASP Paris Saint-Germain Football, owned by Qatar Sport Investment (QSI), subsidiary of QIA, in order to remain one of the official sponsors of Paris-Saint-Germain from the 2022/2023 season. This partnership is aimed at promoting the ALL-Accor Live Limitless program by leveraging the international appeal of Paris Saint-Germain and offering unique privileged experiences to ALL loyalty program members over four seasons out to 2026.

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.

Equity investments are estimated at the value in use determined on the basis of the percentage interest in the subsidiary represented by such investments and, as the case may be:

- the values derived from recent transactions are used for comparison purposes;
- historical information used to assess the initial value of the equity investments;
- current information such as the profitability of the Company or the actual value of the underlying assets;
- forward-looking information comprising profitability or performance prospects and economic trends;
- average EBITDA over the previous two years times a multiplier.

When the value in use is less than the net carrying amount, an impairment loss is recognized. Impairment losses are recognized under net financial expenses. Loans and receivables are measured at face 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 contingencies 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 at the reporting date.

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". 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 statement of financial positions

In accordance with regulation ANC 207S-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 statement of financial 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, 2022, 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) 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.

p) Stock option plans and performance share grants

Each year, Accor SA establishes stock option plans for certain Group employees.

Since 2006, Accor SA had 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, 2022.

NOTE 2 STATEMENT OF NON-CURRENT ASSETS AS OF DECEMBER 31, 2022

(€ in million)	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	0	-	-	61
Licenses, software	234	46	(6)	-	274
Goodwill	42	0	-	3	45
Other intangible assets	128	16	(2)	-	142
Intangible assets in progress	30	33	(25)	0	38
Advances and downpayments	-	-	-	-	-
Intangible assets	**495**	**95**	**(33)**	**3**	**560**
Land	3	-	-	-	3
Buildings	24	0	0	-	24
Machinery, equipment and tools	5	0	0	-	6
Other items of property, plant & equipment	52	3	(4)	0	51
Property, plant & equipment under construction	0	0	-	-	0
Advances and downpayments	-	-	-	-	-
Property, plant & equipment	**84**	**4**	**(4)**	**-**	**84**
Equity investments [(1)]	8,624	1,025	(781)	-	8,868
Receivables from equity investments [(2)]	1,204	167	(137)	-	1,234
Other long-term securities [(1)]	89	11	(24)	0	76
Loans	6	0	0	-	6
Other non-current financial assets [(3)]	1,005	0	(1)	0	1,004
Non-current financial assets	**10,928**	**1,203**	**(943)**	**-**	**11,188**
Non-current assets	**11,507**	**1,302**	**(980)**	**3**	**11,832**

(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 remeasurement of foreign currency positions at the closing rates.
(3) The balance of other non-current financial assets primarily consists of a technical loss of €913 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, 2022

(€ in million)	Amounts at the start of the period	Additions	Reversals	Others	**Amounts at the end of the period**
Trademarks, rights and similar assets	-	-	-	-	-
Licenses, Software	182	30	(2)	-	210
Goodwill	10	5	-	0	15
Other intangible assets	51	25	0	-	76
Intangible assets	**243**	**60**	**(3)**	**0**	**301**
Land	0	0	-	-	0
Buildings	14	1	0	-	15
Machinery, equipment and tools	4	0	0	-	5
Other items of property, plant & equipment	40	4	(4)	0	40
Property, plant & equipment	**58**	**5**	**(4)**	**0**	**59**
NON-CURRENT ASSETS	**301**	**65**	**(7)**	**0**	**360**

NOTE 5 RECEIVABLES AS OF DECEMBER 31, 2022

(€ in million)	2021 gross	**2022 gross**
Advances and downpayments paid to suppliers	**13**	**24**
Trade receivables	**452**	**565**
Other receivables	**1,063**	**593**
Of which trade payables	1	3
Of which staff	1	0
Of which State	67	74
Of which Group and associates	406	419
Of which sundry debtors	76	95
On asset disposals [1]	512	2
Total	**1,528**	**1,182**

(1) In 2021, of which €512 million corresponding to the capital reduction of the Accor Hotel Belgium subsidiary carried out on October 28, 2021.

NOTE 6 CHANGES IN EQUITY INVESTMENTS AND OTHER LONG-TERM SECURITIES IN 2022

Acquisition or subscription of new equity investments	Number of securities acquired	Amounts *(€ in million)*	% holding as of 12/31/2022
REEF TECHNOLOGY	6,630,431	71	2.33%
ROTANA MUSIC HOLDING	3	10	2.91%
SEGSMHI	94,837,744	1	100.00%
Acquisitions		**82**	

Further equity investments acquired	Number of securities acquired	% acquisition	Amounts *(€ in million)*	% holding as of 12/31/2022
PARIS SOCIETY	63,500	52.03%	72	95.00% (1)(2)
ORIENT EXPRESS	60,222	50.00%	19	100.00%
ENNISMORE LIFESTYLE GROUP LIMITED	2,155	0.14%	3	61.11%
FEVER LABS	894,647	0.17%	2	3.47%
DAILYPOINT	1,571	5.70%	2	27.53%
ENNISMORE HOLDING LIMITED	-	- %	(19)	- % (1)(3)
Further equity investments acquired			**79**	

Further equity investments via capital increases	Number of securities acquired	% acquisition	Amounts *(€ in million)*	% holding as of 12/31/2022
ACCORHOTELS DEUTSCHLAND	-	- %	110	100.00% (5)
BRH	23,063,232	- %	53	100.00%
SEGSMHI	45,000,000	- %	45	100.00%
KASADA	-	- %	23	29.90% (5)
ENNISMORE LIFESTYLE GROUP LIMITED	12,515	0.25%	15	71.56% (1)(2)
GHOST KITCHEN	-	- %	13	100.00% (5)
FEVER LABS	844,249	(2.14%)	2	3.47% (4)
WORKLIB	2,000	13.33%	1	40.00%
Other companies (KAC, Soenda BV, Devimco BV INT)	600		1	
Further equity investments via capital increases			**264**	

Bond subscriptions	Number of securities acquired	% acquisition	Amounts *(€ in million)*	% holding as of 12/31/2022
Energy observer developpement	200,000	10.00%	2	10.00%
RISMA	94,293	37.72%	9	37.72%
Bonds			**11**	

Subscriptions in investment funds	Number of securities	Amounts (*€ in million*)
TURENNE HÔTELLERIE 1	(2,110)	(2)
Investment funds		**(2)**

Disposal of equity investments	Number of securities disposed of	% disposal	Carrying amounts derecognized (*€ in million*)	% holding as of 12/31/2022
Disposals				
PARIS SOCIETY (shares)	(115,937)	100.00%	(104)	- % (1)
ENNISMORE LIFESTYLE GROUP LIMITED	(160,000)	10.80%	(56)	61.11% (1)
PARIS SOCIETY (bonds)	(170,000)	100.00%	(17)	- % (1)
ONEFINESTAY TRAVEL INC	(100)	100.00%	(11)	- %
BIZZON	(75,846)	100.00%	(3)	- %
MINDSAY	(61,927)	100.00%	(1)	- %
Disposals			**(192)**	

Other changes	Number of securities	% transactions	Amounts (*€ in million*)	% holding as of 12/31/2022
Contribution				
ENNISMORE HOLDING LIMITED	(800,000)	100.00%	(490)	- % (1)
ENNISMORE LIFESTYLE GROUP LIMITED	799,900	100.00%	490	65.04% (1)(2)
RIXOS	(70)	100.00%	(107)	- % (1)
ENNISMORE LIFESTYLE GROUP LIMITED	268,966	100.00%	107	71.31% (1)(2)
Bond redemptions				
BANYAN TREE	(2,400,000)	100.00%	(1)	- %
Bond converted to shares				
FEVER LABS (bond issue)	-		(2)	- %
FEVER LABS (share conversion)	2,425,957		2	3.47%
TRAVELSIFY (bond issue)	(10,000)		(1)	- %
TRAVELSIFY (share conversion)	780		1	27.19%
Transfer of all assets and liabilities				
HOTEL HOMES	(20,874)	100.00%	(9)	
Total other changes			**(10)**	
Total acquisitions and other movements			**1,036**	
Total disposals, liquidations and other movements			**(805)**	
Total changes in equity investments			**231**	

(1) Acquisitions/Disposals carried out within the framework of the development of the LIfestyle activity as described in key events of the year in the introduction to Note 1.
(2) % stake following subscription, acquisition, capital increase and before a disposal transaction, see boxes hereafter.
(3) Adjustment to share acquisition price in 2021.
(4) The negative acquisition percentage reflects dilution of the Accor SA stake in Fever Labs.
(5) Capital increase in value.

NOTE 7 STATEMENT OF PROVISIONS AND IMPAIRMENT AS OF DECEMBER 31, 2022

(€ in million)	Amounts at the start of the period	Additions	Reversals		Others	Amounts at the end of the period
			Unused	Used		
For disputes	12	1	(1)	(2)	0	10
For foreign exchange losses	17	2	-	(16)	-	3
Other provisions for contingencies [(1)]	99	10	(33)	(8)	-	69
Provisions for contingencies	**128**	**13**	**(34)**	**(26)**	**-**	**82**
For pensions and similar benefits [(4)]	23	6	(7)	(2)	-	20
For taxes	7	-	(7)	-	-	-
Other provisions for charges [(2)]	175	15	(3)	(26)	0	162
Provisions for charges	**205**	**21**	**(17)**	**(28)**	**0**	**182**
Provisions	**333**	**34**	**(51)**	**(54)**	**0**	**264**
For intangible assets	30	0	0	-	-	30
For property, plant & equipment	-	-	-	-	-	-
For non-current financial assets [(3)]	2,866	428	(320)	-	(9)	2,965
For trade receivables	12	5	(4)	-	0	13
For other receivables [(3)]	38	10	(27)	-	-	21
Asset impairment	**2,946**	**443**	**(351)**	**-**	**(9)**	**3,029**
Provisions and impairment	**3,279**	**477**	**(402)**	**(54)**	**(9)**	**3,293**

P&L impact of changes in provisions	**Additions**	**Reversals**
EBIT	38	(13)
Net financial income (expenses)	439	(361)
Net non-recurring income (expenses)	0	(82)
Total	**477**	**(456)**

(1) The balance of other provisions for risks is mainly made up of provisions for risks related to the précompte for €53 million and provisions for risks on subsidiaries of €3 million after provisions for shares in loans and advances. The provision made up of €21 million in 2021 relating to the liability guarantee linked to the recovery of a subsidiary sold to AccorInvest was reclassified as exceptional 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 €28 million, including usage of €26 million, and stand at €10 million. Other provisions stand at €152 million and primarily break down into the valuation of valid points qualifying for the loyalty program.

(3) Changes over the year break down into €438 million including €3 million in operating income and €435 million in financial income and €347 million in reversals of which €321 million in financial income and €26 million in exceptional income. The main additions relate to the subsidiaries Mp Invest AG (€189 million), Accor Services Poland (€122 million) and SEGSMHI (Le Lido) (€46 million). The reversals relate primarily to the subsidiaries Chammans (€79 million), AAPC Australie (€50 million), Accor Middle East and Africa (€34 million), Accorhotels Chile (€27 million) and were recognized as part of the annual closing updates.

(4) Pension commitments and actuarial assumptions.

Pension commitments and actuarial assumptions

	2021 General plan	2021 Management plan	2022 General plan	2022 Management plan
Discount rate	0.9%	From 0.9% to 2%	3.9%	3.9%
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

	2021	2022
Provision for defined benefit plans as of 12/31/N-1	32	23
Current service cost	4	6
Effect of discounting	-	-
Actuarial (gains)/losses*	(11)	(7)
Plan modification/liquidation	-	-
Benefit/contributions paid	-	(2)
Provision for defined benefit plans as of 12/31/N	**23**	**20**

* *Actuarial valuations take into account assumptions in order to project the probable rights of the participants at the time of payment of the benefit guaranteed by the group at the time of retirement. The assumptions are financial (discount rate update), demographic or experience-based. All other things being equal, when these actuarial differences reduce the obligation, it is an actuarial gain, whereas in the case of an increase in the obligation, it is an actuarial loss. For 2022, the update of the discount rate generated an actuarial gain of 3.4 (out of 7).*

NOTE 8 PORTFOLIO OF MARKETABLE SECURITIES

(€ in million)	2021 gross	2022 gross
Mutual fund units	30	2
Unit trust	61	355
Terms deposits	555	250
Fixed-term deposits	120	150
Total	**766**	**757**

In 2022, Accor SA placed available funds in Sicav investments rather than in term deposits to benefit form a more favorable rate of return.

NOTE 9 ACCRUALS AND OTHER INCOME AS OF DECEMBER 31, 2022

(€ in million)	Net amounts start of the period	Additions	Reversals	Net amounts at the end of the period
IT leasing and maintenance	5	2	(5)	2
Partnership	40	3	(40)	3
Others	7	10	(6)	11
Prepaid expenses (1)	**52**	**15**	**(51)**	**16**
Debt issuance costs	64	1	(14)	51
Deferred charges	**64**	**1**	**(14)**	**51**
Debt issuance premiums (borrowings)	9	0	(2)	7
Debt issuance premiums	**9**	**0**	**(2)**	**7**
Marketing Fund	4	6	(4)	6
Addendum Program 1	0	1	-	1
VISA Europe Partnership	3	2	0	5
BNP Partnership	3	-	(1)	2
PARIS 2024	23	-	0	23
Prepaid income (2)	**33**	**9**	**(5)**	**37**

(1) Changes in prepaid expenses can mainly be attributed to the partnership contract with the PSG football club.

(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 million)	2021	2022
Reduction in receivables	0	3
Increase in payables	17	0
ASSETS	**17**	**3**

Liabilities and equity

(€ in million)	2021	2022
Increase in receivables	1	1
Reduction in payables	0	1
LIABILITIES AND EQUITY	**1**	**2**

NOTE 11 ACCRUED INCOME

Amount of accrued income included in the following statement of financial position items

(€ in million)	2021	2022
Receivables from equity investments	11	3
Trade receivables	102	156
Loans	0	0
French state	21	21
Group and Associates	0	1
Other receivables	68	84
Credit notes to be received	-	-
Cash and cash equivalents	0	2
Total	**202**	**267**

NOTE 12 ACCRUED EXPENSES

Amount of accrued expenses included in the following statement of financial position items

(€ in million)	2021	2022
Bonds	33	29
Bank borrowings	25	27
Miscellaneous borrowings and debt	-	5
Trade payables	165	284
Tax and social security liabilities	56	58
Other liabilities	44	37
Total	**323**	**440**

NOTE 13 CHANGES IN EQUITY

(€ in million)	December 31, 2021	Adjustments, start of period	Appropriation of earnings 2021	Increase, reduction in share capital	Profit (loss) 2022	December 31, 2022
Share capital in number of shares (1)	261,856,268	-	-	1,175,526	-	263,031,794
Value of share capital	786	-	-	3	-	789
Additional paid-in capital	1,465	-	-	-	-	1,465
Statutory reserve	87	-	-	-	-	87
Regulated reserves	9	-	-	-	-	9
Other reserves	5	-	-	(3)	-	2
Retained earnings	2,190	-	(540)	-	-	1,650
Net profit (loss) for the year	(540)	-	540	-	164	164
Equity	**4,002**	**-**	**-** (2)	**-** (3)	**164**	**4,166**

(1) Par value of €3.
(2) No dividend was paid out in 2022.
(3) Employee free share allocation.

Potential capital at December 31, 2022: if all performance shares granted to employees vest, the number of Accor shares outstanding wold increase by 4,804,071 without an increase in the share capital.

NOTE 14 STOCK OPTION PLANS AND PERFORMANCE SHARE PLANS

Performance share plans	2019 plan	2019 plan	2020 plan	2020 plan	Plan 2021	Plan 2021	**Plan 2022**	**Plan 2022**
Award date	05/31/2019	10/25/2019	05/28/2020	10/21/2020	06/23/2021	10/29/2021	04/07/2022	10/26/2022
Expiry date	05/31/2022	10/25/2022	05/28/2023	10/21/2023	06/23/2024	10/29/2024	04/07/2025	10/27/2025
Value used as a basis for the social security contribution *(in euros)*	31.12 (5)	31.03 (5)	30.11 (5)	30.11 (5)	30.05	27.79	24.88	20.86
Vesting conditions	3 performance conditions (1)	3 performance conditions (1)	4 performance conditions (2)	4 performance conditions (2)	3 performance conditions (3)	3 performance conditions (3)	4 performance conditions (4)	4 performance conditions (4)
Number of shares awarded	1,275,675	37,120	1,796,551	38,390	1,353,236	50,205	1,437,634	35,500
Future number of shares depending on satisfaction of Performance conditions as of 12/31/2021	**1,175,721**	**35,920**	**1,686,695**	**38,390**	**1,344,615**	**50,205**	**-**	**-**
Number of shares granted in 2022	-	-	-	-	-	-	1,437,634	35,500
Number of shares created in 2022	1,139,806	34,920	800	-	-	-	-	-
Number of shares delisted in 2022	35,915	1,000	41,976	-	21,220	-	47,007	1,000
Number of shares canceled in 2022 (performance conditions not satisfied)	-	-	70,679	1,654	-	-	-	-
Future number of shares depending on satisfaction of performance conditions as of 12/31/2022	**-**	**-**	**1,573,240**	**36,736**	**1,323,395**	**50,205**	**1,390,627**	**34,500**
Number of shares created since the outset	1,143,106	34,920	6,300	-	-	-	-	-
Number of shares canceled or delisted since the outset	132,569	2,200	217,011	1,654	29,841	-	47,007	1,000

(1) Internal conditions (80% weighting): EBITDA margin compared to the budget and free cash flows excluding proceeds from disposals and acquisitions including changes in operating working capital compared to the budget. To account for the health and economic crisis, in accordance with the decisions adopted by the Board of Directors on May 14, 2020, these conditions have been replaced, for 2020, with a single performance condition related to actual versus budgeted savings. External condition (20% weighting): Change in Accor's Total Shareholder Return (TSR) versus the Stoxx Europe 600 Travel & Leisure Gross Return index In line with the decisions taken by the Board of Directors on March 5, 2021, this condition was replaced, for 2020 and 2021, with the Accor SA TSR* condition compared to the trend in the benchmark index composed of European and international hotel peers.*

(2) Internal conditions (70% weighting): Level of savings achieved compared to the budget for 2020: EBITDA margin compared to the budget and free cash flows excluding disposal proceeds and external growth including changes in operating working capital compared to the budget for 2019 and 2021.

External condition (30% weighting): Accor's Total Shareholder Returns (TSR) compared with trends in the benchmark index of European and international hotel peers.*

(3) Internal conditions (70% weighting). EBITDA margin compared to the budget and free cash flows excluding proceeds from disposals and acquisitions including changes in operating working capital compared to the budget.

External condition (30% weighting): Accor's Total Shareholder Return (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 stockmarket 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.

- 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.

(4) Level of EBITDA versus Budget, Level of free cash flow (excluding disposals and external growth) including changes in operating WCR versus Budget, Level of achievement of carbon footprint reduction compared with 2019, Accor's Total Shareholder Returns (TSR) compared with trends in the benchmark index of European and international hotel peers (Melia, NH Hoteles, Whitbread, Hilton, Marriott, Hyatt, IHG).

(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 conditions	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 12/31/2021	**335,648**
Number of shares granted in 2022	-
Number of shares created in 2022	-
Number of shares delisted in 2022	12,613
Future number of shares as of 12/31/2022	**323,035**
Number of shares created since the outset	-
Number of shares canceled or delisted since the outset	13,375

NOTE 15 OTHER EQUITY

(€ in million)	Currencies	Initial amount	Fixed/ variable rate	Rate	Capital outstanding December 31, 2021	Capital outstanding December 31, 2022
January 2019 Hybrid bond	Euros	500	Fixed	4.375%	500	500
January 2019 Hybrid bond issue premium	Euros				(3)	(3)
October 2019 Hybrid bond	Euros	500	Fixed	2.625%	500	500
October 2019 Hybrid bond issue premium	Euros				(3)	(3)
Other equity					**994**	**994**

NOTE 16 BONDS

In February 2022, Accor SA completed the redemption of its €60 million bond issued in December 2014. In June 2022, Accor completed the redemption of its 150 million Swiss franc bond issued in June 2014.

(in millions of currency units)	Currencies	Initial amount *(in foreign currency)*	Initial amount *(in euros)*	Fixed/ variable rate	Rate	Term	Capital outstanding December 31, 2021	Capital outstanding December 31, 2022
June 2014 Bond	Swiss francs	150	123	Fixed	1.750%	8 years	144	-
December 2014 Bond	Euros	60	60	Fixed	1.679%	7 years and 2 months	60	-
September 2015 Bond	Euros	500	500	Fixed	2.375%	8 years	295	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							**2,656**	**2,452**

NOTE 17 LIABILITIES BY MATURITY AS OF DECEMBER 31, 2022

(€ in million)	**Gross amounts**	Less than 1 year	1 to 5 years	Over 5 years
Convertible bonds	500	-	500	-
Convertible bonds – accrued interest	0	0	-	-
Bonds	1,952	295	957	700
Bonds – accrued interest	29	29	-	-
Bonds	**2,481**	**324**	**1,457**	**700**
Banks	285	285	-	-
Hybrid bonds – accrued interest	24	24	-	-
Interest payable	1	1	-	-
Bank borrowings	**310**	**310**	**-**	**-**
Current accounts Financial Subsidiaries	1,015	1,015	-	-
Borrowings from Group companies	1,109	1,109	-	-
Other financial debt	20	20	-	-
NEU CP instruments	109	109	-	-
Miscellaneous borrowings and debts (1)	**2,253**	**2,253**	**-**	**-**
Borrowings (2)(4)	**5,044**	**2,887**	**1,457**	**700**
Advances and downpayments received from guests	2	2	-	-
Trade payables (4)	408	408	-	-
Operating liabilities (4)	**410**	**409**	**-**	**-**
Tax and social security liabilities	87	87	-	-
Payables to fixed asset suppliers	23	15	8	-
Other liabilities	49	46	3	-
Prepaid income	37	7	23	7
Miscellaneous liabilities (4)	**196**	**155**	**34**	**7**
Interest rate derivatives	-	-	-	-
Foreign exchange derivatives (3)	3	3	-	-
Cross currency swap derivatives (3)	13	-	-	13
Financial instruments	**16**	**3**	**-**	**13**
Liabilities	**5,666**	**3,456**	**1,491**	**720**

(1) Of which €2,124 million to affiliates.
(2) Borrowings arranged during the year (gross amount): €416 million.
Borrowings repaid during the year (gross amount): €919 million.
(3) Details of derivatives can be found in Note 18.
(4) Of which equivalent in euros of the following foreign currencies.

Liabilities by currency	
AED	52
AUD	36
CAD	150
CHF	280
CNY	25
EUR	4,696
GBP	53
HKD	5
HUF	3
ILS	2
JPY	1
MXN	4
NZD	12
PLN	24
QAR	18
SGD	33
USD	255
Equivalent	**5,649**

Financing policy

At December 31, 2022, Accor SA had an undrawn bank credit line for a total amount of €1,200 million, negotiated in June 2018, with a maturity in June 2025 (for €1,114 million) and June 2024 (for €86 million).

NOTE 18 CURRENCY RISK AS OF DECEMBER 31, 2022

(€ in million)	Purchases as of Dec. 31, 2021	Less than 1 year	1 to 5 years	Over 5 years	Sales at Dec. 31, 2021	Less than 1 year	1 to 5 years	Over 5 years	Fair value at Dec. 31, 2021	**Purchases at 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**
Cross Currency Swaps																		
AUD	-	-	-	-	574	-	-	574	(25)	-	-	-	-	568	-	-	568	(14)
EUR	554	-	-	554	-	-	-	-	-	554	-	-	554	-	-	-	-	-
Total Cross Currency Swaps	**554**	**-**	**-**	**554**	**574**	**-**	**-**	**574**	**(25)**	**554**	**-**	**-**	**554**	**568**	**-**	**-**	**568**	**(14)**
Currency forwards																		
AED	-	-	-	-	5	5	-	-	-	-	-	-	-	-	-	-	-	-
AUD	-	-	-	-	2	2	-	-	-	1	1	-	-	-	-	-	-	-
BRL	-	-	-	-	-	-	-	-	-	-	-	-	-	7	7	-	-	-
CAD	17	17	-	-	7	7	-	-	-	18	18	-	-	-	-	-	-	-
CHF	-	-	-	-	6	6	-	-	-	-	-	-	-	-	-	-	-	-
GBP	-	-	-	-	18	18	-	-	-	92	92	-	-	92	92	-	-	-
HKD	-	-	-	-	2	2	-	-	-	-	-	-	-	-	-	-	-	-
HUF	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1	-	-	-
JPY	-	-	-	-	-	-	-	-	-	-	-	-	-	2	2	-	-	-
MXN	-	-	-	-	1	1	-	-	-	-	-	-	-	1	1	-	-	-
NZD	-	-	-	-	1	1	-	-	-	-	-	-	-	2	2	-	-	-
PLN	-	-	-	-	2	2	-	-	-	-	-	-	-	-	-	-	-	-
SAR	-	-	-	-	1	1	-	-	-	-	-	-	-	-	-	-	-	-
USD	4	1	3	-	26	23	3	-	-	3	3	-	-	26	26	-	-	-
EUR	71	71	-	-	22	22	-	-	-	160	160	-	-	142	142	-	-	-
Other currencies	-	-	-	-	1	1	-	-	-	-	-	-	-	-	-	-	-	-
Total Currency forwards	**92**	**89**	**3**	**-**	**94**	**91**	**3**	**-**	**-**	**274**	**274**	**-**	**-**	**273**	**273**	**-**	**-**	**-**
Currency Swaps																		
AED	1	1	-	-	31	31	-	-	-	-	-	-	-	40	40	-	-	1
AUD	-	-	-	-	24	24	-	-	(1)	-	-	-	-	17	17	-	-	-
CAD	-	-	-	-	1	1	-	-	-	-	-	-	-	12	12	-	-	-
CHF	194	194	-	-	-	-	-	-	6	215	215	-	-	13	13	-	-	(5)
GBP	-	-	-	-	124	124	-	-	(2)	1	1	-	-	86	86	-	-	2
HUF	1	1	-	-	2	2	-	-	-	3	3	-	-	1	1	-	-	-
HKD	-	-	-	-	-	-	-	-	-	-	-	-	-	2	2	-	-	-
JPY	-	-	-	-	35	35	-	-	1	-	-	-	-	32	32	-	-	1
NZD	-	-	-	-	-	-	-	-	-	-	-	-	-	2	2	-	-	-
PLN	7	7	-	-	-	-	-	-	-	25	25	-	-	13	13	-	-	-
QAR	-	-	-	-	-	-	-	-	-	17	17	-	-	-	-	-	-	-
SAR	-	-	-	-	5	5	-	-	-	-	-	-	-	12	12	-	-	-
TRY	-	-	-	-	-	-	-	-	-	-	-	-	-	9	9	-	-	-
USD	1	1	-	-	26	26	-	-	-	171	171	-	-	67	67	-	-	-
EUR	249	249	-	-	206	206	-	-	-	304	304	-	-	430	430	-	-	-
Other currencies	2	2	-	-	1	1	-	-	-	2	2	-	-	-	-	-	-	-
Total Currency Swaps	**455**	**455**	**-**	**-**	**455**	**455**	**-**	**-**	**4**	**738**	**738**	**-**	**-**	**736**	**736**	**-**	**-**	**(1)**
Total currency derivatives on the balance sheet	**1,101**	**544**	**3**	**554**	**1,123**	**546**	**3**	**574**	**(21)**	**1,566**	**1,012**	**-**	**554**	**1,577**	**1,009**	**-**	**568**	**(15)**

(€ in million)	Purchases as of Dec. 31, 2021	Less than 1 year	1 to 5 years	Over 5 years	Sales at Dec. 31, 2021	Less than 1 year	1 to 5 years	Over 5 years	Fair value at Dec. 31, 2021	**Purchases at 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**
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	4	4	-	-	-	-	-	-	-	-	-	-	-	12	12	-	-	-
Total Currency forwards not recognized on the statement of financial position	**4**	**4**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**231**	**231**	**-**	**-**	**-**
Total currency derivatives	**1,105**	**548**	**3**	**554**	**1,123**	**546**	**3**	**574**	**(21)**	**1,566**	**1,012**	**-**	**554**	**1,808**	**1,240**	**-**	**568**	**(15)**

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, 2022

(€ in million)	**Gross amounts**	**Maturing in up to one year**	**Maturing in over one year**
Receivables from equity investments	1,234	195	1,039
Loans	6	3	3
Other non-current financial assets	1,004	-	1,004
Receivables from non-current assets	**2,244**	**198**	**2,046**
Trade receivables	565	565	-
Other receivables	593	591	2
Prepaid expenses	16	16	-
Receivables from current assets	**1,174**	**1,172**	**2**
Receivables [(1)]	**3,418**	**1,370**	**2,048**

(1) Of which equivalent in euros of the following foreign currencies.

Receivables by currency	
AED	75
AUD	591
BRL	9
CAD	87
CHF	84
CNY	25
EUR	2,101
GBP	136
HKD	7
HUF	3
ILS	2
JPY	33
MAD	8
MXN	4
NZD	17
PLN	13
SAR	22
SGD	34
TRY	9
USD	158
Equivalent	**3,418**

NOTE 20 ITEMS RELATIVE TO RELATED COMPANIES AS OF DECEMBER 31, 2022

(€ in million)	**2021**	**2022**
Equity investments	7,055	7,219
Receivables from equity investments	1,192	1,233
Trade receivables	325	404
Other receivables	376	394
Miscellaneous borrowings and debt	2,294	2,124
Trade payables	57	119
Income from equity investments	66	242
Other financial income	31	54
Financial expenses	5	11

Related companies as defined by Article A823-18 of the French Commercial Code.

NOTE 21 BREAKDOWN OF REVENUE EXCLUDING TAX

(€ in million)	**2021**	**2022**
France	363	502
International	267	672
Revenue excluding tax	**630**	**1,174**

NOTE 22 COMPENSATION AND HEADCOUNT

Compensation of administrative and management bodies

(€ in million)	**2021**	**2022**
Annual fixed compensation granted to Company directors	1.10	1.29
Management (Executive Committee) (excluding expenses)	7.41	9.12

Staff paid by the Company

Status of employees	**2021**	**2022**
Management	1,069	1,030
Supervisors	72	62
Ordinary employees	42	37
Average headcount	**1,183**	**1,129**

NOTE 23 NET FINANCIAL INCOME (EXPENSES)

(€ in million)	**2021**	**2022**
Financial expenses excluding Group	(115)	(119)
Financial income excluding Group	10	10
Cost of net debt excluding Group	**(105)**	**(108)**
Income from intragroup loans and current accounts	29	42
Expenses from intragroup borrowings and current accounts	(5)	(11)
Dividends	71	257
Depreciation of other long-term securities	(89)	(133)
Other asset impairment	58	55
Foreign exchange gains (losses)	20	(17)
Others	(28)	(26)
Net financial income (expenses)	**(49)**	**57**

NOTE 24 NET NON-RECURRING INCOME (EXPENSES)

Net non-recurring income for 2022 before tax was +€122 million. This stemmed from:

(€ in million)	**2021**	**2022**
Income & expenses/management transactions (1)	(47)	(80)
Capital gains or losses on disposals of investments (2)	(204)	146
Extraordinary increases and reversals of depreciation, amortization, impairment and provisions (3)	13	55
Other non-recurring expenses	-	0
Net non-recurring income (expenses)	**(238)**	**122**

(1) In 2022, charges within the framework of the Group's restructuring plan were booked in the amount of €41 million, costs linked to the Turbo restructuring plan for €18 million as well as costs linked to the development of the Lifestyle hotel activity for €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.

In 2021, these charges amounted to €33 million within the framework of the Group's restructuring plan, €17 million linked to the development of the Lifestyle hospitality activity and for €4 million in respect of taxes paid by its Fairmont & Raffles subsidiaries in China.

(2) 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.

Note that in 2021, Accor generated a net capital loss on the sale of investment securities and intangible assets in the amount of €224 million following the finalization of internal organization operations and disposals carried out within the framework of the development of the Lifestyle activity, it being recalled that this net loss was calculated excluding the contingent consideration payable at a latter date relative to the disposal of CJ KNSA Hotels France covering the hotel assets of the Lifestyle activity operated under leasing contracts, and a gain on the disposal of the reservation activities of its D-Edge subsidiary for €31 million.

(3) 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.

In 2021, a reversal in a restructuring provision amounting to €27 million was recognized as well as an increase in a provision for risk in the amount of €21 million within the framework of the liability guarantee relative to the tax audit of a subsidiary sold to AccorInvest, and a reversal of a provision on intangible assets in the amount of €11 million.

NOTE 25 INCOME TAX

a) Accor SA individual tax

(€ in million)	2021	2022
Proceeds of tax consolidation	14	14
Adjustment surplus prior years	-	-
Research tax credit	1	1
Corporate tax, withheld at source, other	0	(1)
Total	**15**	**14**

The Company's contribution to tax consolidation for the year was a loss of €61 million at current tax rates.

b) Gain (loss) on tax consolidation

Over the year, tax consolidation generated a net gain of €14 million in Accor SA's financial statements.

c) Scope of tax consolidation

Accor SA consolidated the following 25 subsidiaries for tax purposes:

Accor Africa	IBL	Société Management Intermarques
Actimos	Hotel Management	Société Participations d'Île-de-France
Air Corporate System	Margot Premium (formerly Mer et Montagne)	Sodetis
Chammans	Resavents	Soluxury HMC
D-Edge	Restau-Comm	Soparac
Gekko	Roissypole Management Hôtels	Teldar Travel
Gordon Bedbank	SHDM	Tour Eiffel
Hotel Corporate System	SHEMA	
Ibis Budget	Société Française de Participations et d'Investissements Européens	

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. However, the Group plans to appeal the 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 recorded exceptional income of €307 million and a contingency provision for €53 million in the income statement as of December 2020, considering it highly probable that the amount refunded in July 2020 would effectively be acquired in the amount of €254 million. In September 2020, the tax authorities appealed to France's highest administrative court, the *Conseil d'État*. Since then, Group management and its advisors have taken under consideration and studied the reasons given for the ruling. On that basis, they estimate that Accor SA has a very serious chance of success for part of the reasons and the ongoing procedure.

Similarly, and as many French groups await refunds of their own *précompte* payments, a decision by the European Court of Justice on May 12, 2022 ruled that the *précompte* was contrary to the European parent/subsidiary directive. When this decision was announced, these same French groups raised the constitutional priority issue which was highlighted by the Constitutional Council to remove any potential obstacles of the *précompte* system to the principles of equality before the law and pubic expenses. On October 14, 2022, the Constitutional Council declared the *précompte* system compliant with the Constitution.

For the Accor Group, both the decision of the European Court of Justice and that of the Constitutional Council reinforce its position that it will not have to refund all of the €307 million already received but confirms the need to maintain a precautionary provision of €53 million.

e) Tax audit 2016-2018

In June 2021, Accor SA received a proposal relative to fiscal years 2016 to 2018. The valuation of shares in a company sold by Accor SA to a subsidiary of the AccorInvest group as part of the Booster transaction was notably called into question by the tax authorities and led to a tax reassessment in the amount of €37 million. It was the subject of a tax risk provision for an amount of €2 million corresponding to the Group's exposure after tax credits and tax loss carryforwards. A departmental consultation procedure was held on May 19, 2022 upon conclusion of which part of the notified audits were abandoned. The provision set aside in this respect was therefore reversed.

Furthermore, and in a collateral manner, in a second move, the administration audited the AccorInvest Group subsidiary considering that this insufficient valuation of securities led to taxable income paid out at the level of this subsidiary. Within the framework of this latest tax assessment, AccorInvest exercised its rights to indemnification in accordance with the provisions of the share disposal agreement between AccorInvest and Accor SA and the investors of the AccorInvest Group in 2018. At the time, the Group had set aside a provision amounting to €20 million in this respect, presented in the line net profit (loss) from discontinued operations. During the same departmental consultation of May 19, 2022, it was explicitly asked of the tax authorities to take account of the abandonment of the tax audit notified to Accor SA at the level of its subsidiary AccorInvest. The indemnification due to AccorInvest Group therefore went from €20 million to €6.5 million, the amount which was paid to the latter in November 2022.

NOTE 26 DEFERRED TAXES

Total increases and reversals of non-deductible provisions for 2022 of the subsidiaries in Accor's tax group gave rise to a €112 million reversal in the net taxable provision representing a decrease in the future tax liabilities of the companies of €28 million calculated at 25% (excluding social contribution of 3.3% based on corporation 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, 2022 are as follows:

On December 31 *(€ in million)*	**Dec. 31, 2021**	**Dec. 31, 2022**
Fixed rental commitments given to subsidiaries	243	229
Variable rental commitments made to subsidiaries	51	61
Total rental commitments (1)	**294**	**290**
Total rental commitments (1)	**(294)**	**(290)**

(1) The lease commitments given by Accor SA are covered by a counter guarantee received from AccorInvest Group.

Other off-statement of financial position commitments

Off-balance sheet commitments given at December 31, 2022 are as follows:

On December 31 *(€ in million)*	**Dec. 31, 2021**	**Dec. 31, 2022**
Commitments given (liabilities)		
Other purchase commitments	8	6
Total purchase commitments	**8**	**6**
Guarantees given (1)	177	225
Guarantees for bank borrowings (1)	18	18
Guarantees for confirmed credit lines	39	40
Guarantees given to third parties	13	12
Liability guarantee commitments	339	460
Guarantees for bank borrowings and other items increasing debt	**586**	**755**
Commitments given in the normal course of business	**-**	**-**
Total commitments given	**594**	**761**

(1) This item includes various guarantees given on behalf of direct and indirect subsidiaries either to banks or directly to the subsidiaries' customers.

Off-balance-sheet commitments given at December 31, 2022 are as follows:

On December 31 *(€ in million)*	**Dec. 31, 2021**	**Dec. 31, 2022**
Commitments received (assets)	**-**	**-**
Guarantees given	2	2
Guarantees for bank borrowings	-	-
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, 2022

Subsidiaries and equity investments	Currencies	Capital	Equity excluding share capital	Portion of share capital owned *(as a percentage)*
	(in thousands of local currency)			
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	18,040	100.00%
ACTIMOS 82 rue Henri Farman 92130 Issy-les-Moulineaux [(1)]	EUR	90,379	30,202	100.00%
CHAMMANS 82 rue Henri Farman 92130 Issy-les-Moulineaux [(1)]	EUR	102,048	(105,901)	100.00%
ORIENT EXPRESS 82 rue Henri Farman 92730 Issy-les-Moulineaux [(1)]	EUR	1,204	2,133	100.00%
Other French subsidiaries	-	-	-	-
b) Foreign subsidiaries				
ACCOR UK LTD (United Kingdom) [(1)]	GBP	85,530	222,166	100.00%
FRHI HOTEL ET RESORTS (Luxembourg) [(1)]	EUR	890,969	(398,374)	100.00%
ACCORHOTELS DEUTSCHLAND GMBH (Germany) [(1)]	EUR	500	100,953	100.00%
MP INVEST AG (Switzerland) [(1)]	CHF	118	74,999	100.00%
ACCOR SERVICES POLAND SP Z.O.O [(1)]	PLN	1,036,025	(92,442)	100.00%
ACCOR HOTELS BELGIUM (Belgium) [(1)]	EUR	765,433	36,406	100.00%
COMPAGNIE DES WAGONS LITS (Belgium) [(1)]	EUR	50,676	261,704	99.93%
ENNISMORE LIFESTYLE GROUP LIMITED (Great Britain) [(1)]	GBP	108,194	638,172	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	42,272	33.33%
ACCORINVEST GROUP (Luxembourg) [(1)]	EUR	2,152,696	1,209,537	28.88%
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	-	-	-	-
a) 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 ended	Dividends received by Accor SA over the period
Gross	Net					
706,501	46,038	-	-	-	132	-
271,579	143,914	19,476	-	-	(183)	-
108,161	103,161	48,918	-	-	(374)	-
43,846	43,846	10,827	-	271	(3,236)	-
300,412	158,724	108,029	-	0	0	76,058
156,066	156,066	24,165	-	0	328	-
913,792	913,792	-	24,477	19,704	27,900	-
360,500	360,500	245,409	-	125,966	(28,937)	-
391,765	202,854	-	-	9,039	6,783	-
259,058	112,162	-	-	40,154	611	-
1,007,629	1,007,629	-	-	26,468	4,501	165,985
1,151,347	328,960	-	-	2,582	1,436	-
558,297	558,297	163,028	-	207	(1,862)	-
580,444	455,821	119,796	-	-	-	4,889
127,183	75,860	38,592	-	-	-	7,043
169,880	87,963	-	-	5,556	(3,517)	-
1,242,612	762,409	-	-	4,467	(10,710)	-
406,358	342,525	581,055	-	-	-	-
35,443	34,658	30	-	-	-	2,960
112,415	103,541	-	-	-	-	-
8,903,288	**5,998,720**	**1,359,323**	**24,477**			**256,936**

6.4 Statutory Auditors' report on the financial statements

(For the year ended December 31, 2022)

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 financial statements of Accor for the year ended December 31, 2022.

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, 2022 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, 2022 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.823-9 and R.823-7 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, 2022, the carrying amount of equity investments stood at €5,964 million, approximately 54% 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 on the basis of the percentage interest in the subsidiary represented by such investments and, as the case may be i) the values derived from recent transactions, ii) historical information used to assess the initial value of the equity investments, iii) current information such as the profitability of the Company or the actual value of the underlying assets, iv) forward-looking information comprising profitability or performance prospects and economic trends, 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 2022" and Note 7 "Statement of provisions and impairment as of December 31, 2022" 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 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, 2022, ERNST & YOUNG et Autres and PricewaterhouseCoopers Audit were in the twenty-eighth year and the fourth 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.823-10-1 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.822-10 to L.822-14 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 20, 2023

The Statutory Auditors

PricewaterhouseCoopers Audit	ERNST & YOUNG et Autres	
Cédric Haaser	Jean-Christophe Goudard	François-Guillaume Postel


Section
7

Capital and ownership structure

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	The market for Accor securities	403

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 but not limited to Articles L. 225-17 to L. 225-56 and L. 22-10-3 to L. 22-10-17 of the French Commercial Code ("Code de Commerce").

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.

Corporate purpose

(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

The Company is registered with the Nanterre Trade and Companies Register under number 602 036 444.

Business Identification (APE) code: 7010Z.

Legal Entity Identifier (LEI) code:
969500QZC2Q0TK11NV07.

Place where documents and information related to the Company can be inspected

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

January 1 to 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. In the event of partial distribution, the Annual Shareholders' Meeting may decide to appropriate the remaining profit to one or more reserve accounts. 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 registered 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	Most recent rating confirmation	Outlook	Most recent outlook update
Standard & Poor's	BB+	B	24/03/2023	Positive	24/03/2023
Fitch Ratings	BB+	B	02/11/2022	Stable	02/11/2022

7.3 Capital

7.3.1 Capital

At December 31, 2022, the Company's share capital amounted to €789,095,382 divided into 263,031,794 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 20, 2022

At the Annual Shareholders' Meeting on May 20, 2022, shareholders authorized the Board of Directors to buy back 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 €1.83 billion.

The authorization may be used to purchase shares for the following purposes:

- cancellation at a later date in connection with a capital reduction decided or authorized by shareholders in an Extraordinary Meeting;
- 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 of the French Commercial Code, employee savings (or similar) plans under Articles L. 3332-1 et seq. of the French Labor Code ("Code du travail"), and stock option plans under Articles L. 225-177 et seq. and L. 22-10-56 of the French Commercial Code;
- 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 during fiscal year 2022

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 2022, the Company did not carry out any transactions in its shares outside the liquidity contract.

At December 31, 2022, Accor did not hold treasury shares.

New authorization proposed by the Annual Shareholders' Meeting of May 17, 2023

At the Annual Shareholders' Meeting on May 17, 2023, shareholders are requested to authorize the Board of Directors to buy back the Company's shares on the stock market.The authorization would be given for a period of 18 months and superseded all previous authorizations.

The maximum number of ordinary shares that may be bought back would be set 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 €1.84 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;
- 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 of the French Commercial Code, employee savings (or similar) plans under Articles L. 3332-1 et seq. of the French Labor Code ("*Code du travail*"), and stock option plans under Articles L. 225-177 et seq. and L. 22-10-56 of the French Commercial Code;
- 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.

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, 2022, 1.82% 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 €)* Nominal	Prime	New capital *(in €)*	New shares outstanding
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

(1) Early vesting by beneficiaries of free stock grant plans.
N.B.: As of December 31, 2022, all stock option plans had expired.

7.4 Ownership structure

7.4.1 Ownership and voting rights structure

At December 31, 2022, the Company's capital consisted of 263,031,794 shares, representing a total of 343,613,319 voting rights, all of which were exercisable. There are 80,581,525 double voting rights outstanding.

The Company had 6,209 registered shareholders at December 31, 2022, representing 31.44% of the capital and 47.52% of total voting rights.

Shareholders at December 31, 2022

	Shares	% capital	Voting rights	% voting rights	Exercisable voting rights	% exercisable voting rights
JinJiang International Holdings Co., Limited*	33,972,608	12.92%	57,810,932	16.82%	57,810,932	16.82%
Qatar Investment Authority	29,505,060	11.22%	59,010,120	17.17%	59,010,120	17.17%
Kingdom Hotels (Europe) LLC	16,494,440	6.27%	32,988,880	9.60%	32,988,880	9.60%
Harris Associates L.P.*	21,321,907	8.11%	21,321,907	6.21%	21,321,907	6.21%
Other shareholders	161,737,779	61.49%	172,481,480	50.20%	172,481,480	50.20%
Total	**263,031,794**	**100.00%**	**343,613,319**	**100.00%**	**343,613,319**	**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.

* *On January 24, 2023, JinJiang International Holdings Co, Limited has crossed downwards the threshold of 12% of the share capital and holds 30,577,382 shares, or 11.63% of the share capital, and 54,414,706 voting rights, or 15.84% of voting rights.*

* *On March 9, 2023, Harris Associates L.P. has crossed downwards the 7.0% threshold and holds 18,360,476 shares, representing 6.98% of the capital and 5.34% of voting rights.*

At December 31, 2022, 4,794,631 shares (1.82% of total capital) and 9,185,304 voting rights (2.67% of the total) were held by Accor employees and former employees.

No declaration of crossing of legal thresholds was made to the Autorité des marchés financiers during the year. On March 20, 2023, Pzena Investment Management LLC has crossed upwards of the 5% threshold in share capital and holds 13,260,794 shares, or 5.04% of the share capital and 3.86% of voting rights.

Changes in ownership structure over the past three years

	December 31, 2020			December 31, 2021			**December 31, 2022**		
	Number of shares	% capital	% voting rights	Number of shares	% capital	% voting rights	**Number of shares**	**% capital**	**% voting rights**
JinJiang International Holdings Co., Limited	33,972,608	13.00%	16.98%	33,972,608	12.97%	16.90%	33,972,608	12.92%	16.82%
Qatar Investment Authority	29,505,060	11.29%	17.34%	29,505,060	11.27%	17.26%	29,505,060	11.22%	17.17%
Kingdom Hotels (Europe) LLC	16,494,440	6.31%	9.69%	16,494,440	6.30%	9.65%	16,494,440	6.27%	9.60%
Harris Associates L.P.	22,287,428	8.53%	6.56%	23,468,302	8.96%	6.86%	21,321,907	8.11%	6.21%
Other shareholders	159,123,192	60.87%	49.43%	158,415,858	60.50%	49.33%	161,737,779	61.49%	50.20%
Treasury shares	-	-	-	-	-	-	-	-	-
Capital	**261,382,728**	**100.00%**	**100.00%**	**261,856,268**	**100.00%**	**100.00%**	**263,031,794**	**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;
- 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;

(1) *Companies ultimately controlled by the Qatar Investment Authority.*

- 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 of an ordinary dividend calculated on the basis of 50% of its recurring free cash flow.

Years	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 (2)	May 25, 2023	34.58	20.47	23.35	4.50%

(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) *Ordinary dividend of €0.71 and exceptional dividend of €0.34 to be proposed at the Shareholders' Meeting of Accor on May 17, 2023*

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 SBF 120 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 CAC40-ESG index.

At December 31, 2022, the Company's market capitalization stood at roughly €6.1 billion, based on the closing share price of €23.35.

Accor share prices and trading volumes (ISIN: FR0000120404)

	Average closing price	High-Low		Trading volume
		High	Low	
2022				
January	31.39	32.60	28.49	16,915,988
February	32.54	34.58	28.80	17,672,615
March	27.87	30.66	23.34	23,541,882
April	29.22	32.16	26.84	13,157,710
May	30.40	32.49	28.39	14,135,062
June	28.51	30.99	25.16	14,437,374
July	26.92	28.98	25.05	13,366,670
August	25.56	27.28	23.34	13 298 054
September	23.20	25.19	20.47	19,053,616
October	22.37	24.45	20.69	16,435,492
November	24.58	25.56	23.29	15,487,910
December	24.58	26.12	22.98	14,624,375

Source: Euronext.

Section 8

Other information

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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 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 2022, Accor met with 623 representatives from 365 financial institutions during around 30 conferences and *roadshows*.

The Combined Ordinary and Extraordinary Shareholders' Meeting of Accor took place on Friday, May 20, 2022 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 7,100 members at year-end 2022 (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 – lifestyle loyalty program Gold Card, which offers a systematic upgrade whenever possible, a 7% 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. Messages left out of hours are answered as soon as possible. Shareholders may also submit written questions to comfi@accor.com.

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

- Mr. 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 30, 2023

Sébastien Bazin

Persons responsible for information

- Jean-Jacques Morin
  Deputy CEO and Chief Financial Officer
  Phone: +33 (0)1 45 38 87 03
- Besma Boumaza
  Group General Counsel and Senior Vice-President, Compliance
  Phone: +33 (0)1 45 38 86 68
- Pierre-Loup Etienne
  Investor Relations and Financial Communications Officer
  Phone: +33 (0)1 45 38 47 76

Statutory Auditors

Statutory Auditors

- Ernst & Young et Autres
  Member of the Ernst & Young network
  Jean-Christophe Goudard, 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
  Cédric Haaser
  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, France
  Date of first appointment: April 30, 2019
  Appointed for six fiscal years at the April 30, 2019 Annual Shareholders' Meeting.

8.3 Information incorporated by reference

Pursuant to Article 19 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017, the following information is included by reference in this Universal Registration Document:

- the consolidated financial statements and the related Statutory Auditors' report contained in the 2021 Universal Registration Document filed with the Autorité des Marchés Financiers – AMF (French securities regulator) on **March, 30, 2022** under No. **D.22-0205** (pages **298** to **359** and, **360** to **363**);
- the parent company financial statements and the related Statutory Auditors' report contained in the 2021 Universal Registration Document filed with the Autorité des Marchés Financiers – AMF (French securities regulator) on **March 30, 2022**, under No. **D.22-0205** (pages **364** to **397** and, **398 to 401**);
- the financial information contained in the 2020 Universal Registration Document filed with the Autorité des Marchés Financiers – AMF (French securities regulator) **March 30, 2022**, under No. **D.22-0205** (pages **280** to **294**);
- the consolidated financial statements and the related Statutory Auditors' report presented on pages **326** to **389** and, **390** to **393**, of the 2020 Universal Registration Document filed with the Autorité des Marchés Financiers – AMF (French securities regulator) on **March 31, 2021**, under No. **D.21-0241**;
- the parent company financial statements and the related Statutory Auditors' report presented on pages **394** to **426** and, **427** to **430**, of the 2020 Universal Registration Document filed with the French securities regulator on **March 31, 2021**, under No. **D.21-0241**;
- the financial information contained in the 2020 Universal Registration Document filed with the French securities regulator on **March 31, 2021**, under No. **D.21-0241** (pages **306** to **318**).

Sections of these documents that are not mentioned above are either not applicable to investors or are covered in another part of the Universal Registration

8.4 Cross-reference table for the Universal Registration Document

The cross-reference table for the Universal Registration Document contains all of the 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. The table below cross-references this information with the relevant pages of the 2019 Accor Universal Registration Document filed with the AMF or, when specifically stated, the 2020 or 2019 Registration Documents.

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
1.	**Persons responsible, third-party information, experts' reports and competent authority approval**		
1.1.	Persons responsible for the information	8.2 Persons responsible for the Universal Registration Document and the audit of the accounts	407
1.2.	Declaration by those responsible	8.2 Persons responsible for the Universal Registration Document and the audit of the accounts	407
1.3.	Name, business address, qualifications and material interest if any in the issuer for persons contributing as experts	N/A	N/A
1.4.	Confirmation regarding third-party information	N/A	N/A
1.5.	Statement from the competent authority	N/A	N/A
2.	**Statutory Auditors**		
2.1.	Names and addresses	8.2 Persons responsible for the Universal Registration Document and the audit of the accounts	407
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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
3.	**Risk factors**	**2.2 Risk factors**	**82-91**
4.	**Information about the issuer**		
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4.3.	Date of incorporation and length of life of the issuer	7.1 Information about the Company	394
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5.	**Business overview**		
5.1.	Principal activities	Integrated report	8 ; 28-39
5.1.1.	Nature of the issuer's operations, principal activities, main categories of products sold and/or services performed	Integrated report	8 ; 28-39
5.1.2.	Significant new products and/or services that have been introduced	Integrated report	20-21
5.2.	Principal markets in which the issuer competes, breakdown of total revenues by operating segment and geographic market	Integrated report 5.1 2022 business review	8 ; 10-11 ; 276-285
5.3.	Important events in the development of the issuer's business	Integrated report	16-25
5.4.	Strategy and objectives	Integrated report 1.3 The Group's strategic levers	38-39 ; 67-71
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 1.2 Sector trends and challenges	56 ; 63-65
5.7.	Investments	5.1 2022 business review 5.2 2022 parent company management report as of December 31, 2022 6.1 Consolidated financial statements and notes	279 ; 288-289 ; 303-305 ; 327 of the 2022 Universal registration document 283-284 ; 294 ; 309-312 ; 325-327 ; 336 of the 2021 Universel registration document
5.7.1.	Material investments for the period up to the date of the Universal Registration Document	5.1 2022 business review 5.2 2022 parent company management report as of December 31, 2022 6.1 Consolidated financial statements and notes	279 ; 288-289 ; 303-305 ; 327
5.7.2.	Material investments that are in progress or for which firm commitments have already been made, and method of financing	5.1 2022 business review 5.2 2022 parent company management report as of December 31, 2022 6.1 Consolidated financial statements and notes	279 ; 288-289 ; 303-305 ; 327

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	302-305 ; 317-318
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	1.1 Profil et atouts du Groupe	56-63
6.2.	List of significant subsidiaries	6.3 Parent company financial statements and notes	386-387
7.	**Operating and financial review**		
7.1.	Financial position	5. Business review and subsequent events 6. Financial statements	276-289 ; 292-391
7.1.1.	Development and performance of the issuer's business and of its position including financial and, where appropriate, non-financial key performance indicators	5. Business review and subsequent events 6. Financial statements	276-289 ; 292-391 of the 2022 Universal registration document 290-295 ; 298-303 of the 2021 Universal registration document 306-322 ; 326-332 of the 2020 Universal Registration Document
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7.2.1.	Significant factors, unusual or infrequent events or new developments, materially affecting the issuer's income from operations	Integrated report	16-17
7.2.2.	Reasons for material changes in net sales or revenues	5. Business review and subsequent events	276-289
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8.3.	Information on the borrowing requirements and funding structure of the issuer	6.1 Consolidated financial statements and notes	331-336
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8.5.	Information regarding anticipated sources of funds	6.1 Consolidated financial statements and notes	331-336
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10.	**Trend information**		
10.1.	Most significant trends in production, sales and inventory, costs and selling prices and any significant change in the financial performance of the Group since the end of the last fiscal year to the date of the Universal Registration Document	Integrated report 5.1 2022 business review	16-17 ; 276-285
10.2.	Known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current fiscal year	Integrated report 5.1 2022 business review	16-27 ; 279

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
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11.2.	Statement setting out the principal assumptions used for forecasts	Integrated report 5.1 2022 business review	16-17 ; 280
11.3.	Statement of comparability with historical financial information and consistency of accounting policies	Integrated report 5.1 2022 business review	16-17 ; 280
12.	**Administrative, management and supervisory bodies and top management**		
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12.2.	Administrative, management and supervisory bodies and top management conflicts of interests	4.2.4 Directors' independence 4.3.3 Minimum shareholding requirement and preventing conflicts of interest 4.12.1 Appendix A – Board of Directors' Rules of Procedure (9.Conflicts of interest and sensitive information)	220-221 ; 223 ; 261-269
13.	**Compensation and benefits**		
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14.	**Functionning of the administrative and management bodies**		
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14.2.	Members of the administrative, management or supervisory bodies' service contracts with the issuer	4.2.4 Directors' independence	220-221
14.3.	Information about the issuer's audit committee and compensation committee	4.3.5 Board Committees 4.4.1 Audit, Compliance & Risks Committee 4.4.2 Appointments, Compensation & CSR Committee 4.12.1 Appendix A – Board of Directors' Rules of Procedure (6.Board Committees)	224 ; 226 ; 227 ; 261-267
14.4.	Statement as to whether or not the issuer complies with the applicable corporate governance regime	4.1.1 Corporate Governance Code 4.12.1 Appendix A – Board of Directors' Rules of Procedure 4.12.2 Appendix B – Board of Directors Code of Conduct (as amended on April 29, 2014)	196 ; 261-267 ; 268-269
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16.	**Major shareholders**		
16.1.	Persons with an interest of more than 5% in the capital as at the date of the Universal Registration Document	7.4.1 Ownership and voting rights structure	400
16.2.	Issuer's major shareholders with different voting rights	7.1 Information about the Company 7.4 Ownership structure	395 ; 400-402
16.3.	Ownership or control of the issuer and measures in place to ensure that such control is not abused	N/A	N/A
16.4.	Arrangements whose operation may result in a change in control of the issuer	7.4.1 Ownership and voting rights structure	401
17.	**Related-party transactions**	**6.1 Consolidated financial statements and notes**	**349**
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18.1.1.	Audited historical financial information covering the latest three fiscal years and related audit reports	6.1 Consolidated financial statements and notes 6.2 Statutory Auditors' report on the consolidated financial statements	291-351 ; 352-355 of the 2022 Universal registration document 298-359 ; 364-397 of the 2021 Universal registration document 298-359 ; 364-397 ; 326-389 ; 394-426 of the 2020 Universal registration document
18.1.2.	Change of accounting reference date	N/A	N/A
18.1.3.	Accounting standards	6.1 Consolidated financial statements and notes	299-301
18.1.4.	Change of accounting framework	6.1 Consolidated financial statements and notes	299-301
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18.1.7.	Date of latest financial information	6.1 Consolidated financial statements and notes	299
18.2.	Interim and other financial information	N/A	N/A
18.3.	Auditing of historical annual financial information	6.2 Statutory Auditors' report on the consolidated financial statements 6.4 Statutory Auditors' report on the financial statements	352-355 ; 388-391
18.4.	Pro forma financial information	N/A	N/A

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
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		7.4.2 Dividends	
18.5.2	Amount of the dividend per share	5.1 2022 business review	280 ; 402
		7.4.2 Dividends	
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18.7.	Significant change in the issuer's financial position	5.1 2022 business review	276-285
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19.1.4	Information on securities	N/A	N/A
19.1.5.	Terms of acquisition	N/A	N/A
19.1.6.	Information about any capital of any member of the group which is under option or agreed to be put under option and details of such options	7.4.1 Ownership and voting rights structure (Shareholders' agreements relating to the shares making up the Company's capital)	401
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To make the Annual Financial Report easier to read, the following cross-reference table lists all of the key information required pursuant to Articles L. 451-1-2 of the French Monetary and Financial Code and Article 222-3 of the AMF General Regulation.

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Where appropriate, for each executive officer, including executive officers whose term expired or who were first appointed in the prior fiscal year:		

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Total compensation and benefits of any kind, broken down into fixed, variable and exceptional components, including in the form of equity securities, debt securities or securities carrying rights to Company shares or debt securities, paid as compensation for the office in the prior fiscal year, or awarded as compensation for the office in respect of the said fiscal year, and main conditions for exercising the related rights, notably the exercise price and date and any changes in these conditions (Article L. 22-10-9, I, paragraph 1 of the French Commercial Code)	4.5.3 Compensation of the Chairman and CEO for fiscal 2022 4.5.4 Summary of compensation 4.6 Executive officers' and employees' interests in the capital of the Company 4.7 2022 Say on pay for the Chairman and Chief Executive Officer	236-258
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