



ACCOR

**2021 UNIVERSAL
REGISTRATION
DOCUMENT**

Annual financial report
Integrated report



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2021 UNIVERSAL REGISTRATION DOCUMENT

Annual Financial Report/
Integrated Report



This Universal Registration Document has been filed on March 30, 2022 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.



Section 1

Group presentation – Integrated report

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Sébastien Bazin

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

MESSAGE FROM THE CHAIRMAN

By staying focused on our vision for a reinvented hospitality, we will continue to be a leader

*"Our sector
will remain robust
thanks to the
incredible dedication
of our teams."*

Throughout 2021, Accor demonstrated strength and agility. We turned recovery into opportunity and delivered a performance of which I am proud, while staying true to the values that have defined us for over half a century. I would like to thank our teams, owners and partners for their determination, engagement and kindness. Building on our collective efforts and daring spirit, we are emerging from the pandemic poised to continue capturing the rebound.

The desire to travel has never been stronger. We have been welcoming increasing numbers of guests to our hotels as we reimagined our offering and innovated to meet evolving needs and expectations in ways of traveling, working and socializing.

Accelerating our growth in Lifestyle continued to be key to our strategy. We created with Ennismore the global lifestyle leader, allowing us to deliver enhanced experiences for travelers while creating destination hubs for local communities.

Our strong brand dynamic and network expansion also continued to underpin our growth. We opened close to 300 hotels and enriched our luxury portfolio, announcing the launch of Emblems collection and re-launch of Orient Express. We executed these ambitious new projects while always ensuring our core brands across all segments remained vibrant.

We also focused on developing our powerful hospitality ecosystem, with high value services and experiences.

In 2021, Accor created the Digital Factory and Accor Tech, two new divisions dedicated to enhancing digital services, and also rolled out innovative digital solutions such as our hybrid meeting concept, *ALL Connect*. Alongside this, we built partnerships to strengthen our future, establishing ourselves as preferred partners for returning large-scale events, and through our loyalty program *ALL – Accor Live Limitless*.

Accor achieved all of this while ensuring that tomorrow's hospitality is built on sustainable foundations, and we strive to make a positive impact on people and planet, giving back more than we take. Accor has set some of the most ambitious sustainability targets in the industry, and in 2021, we committed to achieving net-zero carbon emissions by 2050.

Our industry will continue to be blessed because of the incredible dedication of our teams, our most valuable resource. It is vital to me that, across our network, Accor is inclusive, supportive, and full of opportunity for our people. During the year, we continued to invest in Talent, empowering teams, and promoting diversity and inclusion. And at the time of writing, with the tragic escalation of events in Ukraine, the dedication of our teams continues to be of the utmost importance, with the Group concentrating efforts on supporting those severely affected by the war and making sure all our teams, guests and local partners stay safe.

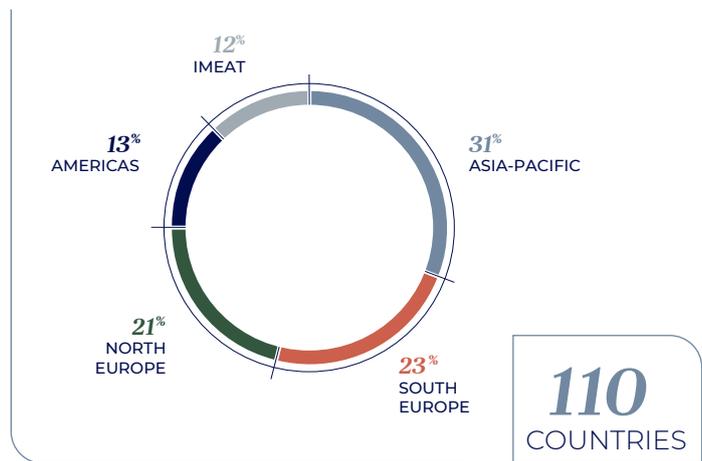
Looking ahead and despite current events, I am deeply encouraged by the industry and the Group's recovery momentum. As we emerge from the pandemic, I see a stronger, more agile Accor, but which remains true to its pioneering spirit, well positioned to capture new opportunities in areas such as demand for experiences and natural destinations. By staying focused on the future and on our vision of a reinvented hospitality, we will continue to be a leader, and I am confident about the road ahead.

CORPORATE PROFILE

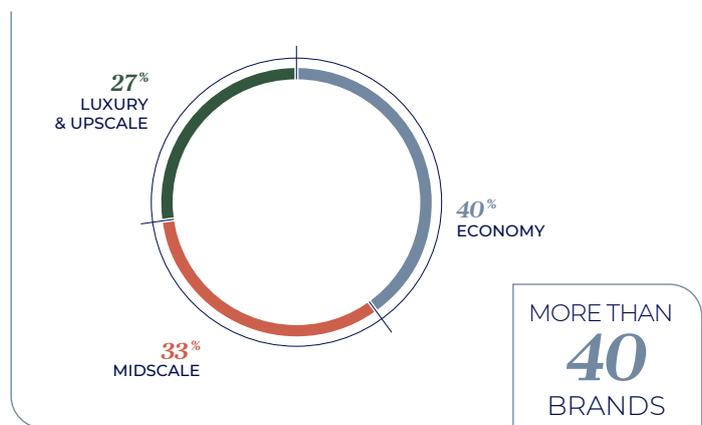
More than a hotel Group, Accor is a large ecosystem of brands, know-how and solutions

Accor is a world leading hospitality group consisting of 5,300 properties and 10,000 food and beverage venues throughout 110 countries. The Group has one of the industry's most diverse and fully-integrated hospitality ecosystems encompassing more than 40 luxury, premium, midscale and economy hotel brands, entertainment and nightlife venues, restaurants and bars, branded private residences, shared accommodation properties, concierge services, co-working spaces and more. Accor's unmatched position in lifestyle hospitality – one of the fastest growing categories in the industry – is led by Ennismore, a joint venture, which Accor holds a majority shareholding. Ennismore is a creative hospitality company with a global collective of entrepreneurial and founder-built brands with purpose at their heart. Accor boasts an unrivalled portfolio of distinctive brands and approximately 260,000 team members worldwide. Members benefit from the company's comprehensive loyalty program – ALL - Accor Live Limitless – a daily lifestyle companion that provides access to a wide variety of rewards, services and experiences. Through its *Planet 21 – Acting Here*, *Accor Solidarity*, *RiiSE* and *ALL Heartist Fund* initiatives, the Group is focused on driving positive action through business ethics, responsible tourism, environmental sustainability, community engagement, diversity and inclusivity. Founded in 1967, Accor SA is headquartered in France and publicly listed on the Euronext Paris Stock Exchange (ISIN code: FR0000120404) and on the OTC Market (Ticker: ACCY) in the United States.

Across all continents
(as a % based on number of rooms)



Across all segments
(as a % based on number of rooms)



KEY FIGURES



REVENUE
+€2.2
BILLION



A NETWORK OF
5,298
HOTELS
(777,714 ROOMS)



No. 1
WORLDWIDE EXCLUDING
THE UNITED STATES
AND CHINA



A PIPELINE OF
1,218
HOTELS
(214,000 ROOMS)



232,000
COMMITTED WOMEN AND MEN
GIVING LIFE TO
THE ACCOR BRANDS

46%
OF EMPLOYEES
UNDER 35*

42%
OF EMPLOYEES
ARE WOMEN*



ALL HEARTIST FUND
98,000
REQUESTS SATISFIED

€31.4m

76 COUNTRIES



3,500
EXCEPTIONAL PRIVATE
RESIDENCES ACROSS
THE WORLD

10,000
RESTAURANTS AND BARS



PLANT FOR THE PLANET

7.4
MILLION
TREES PLANTED

29 COUNTRIES

* Scope: headquarters, owned or leased hotels, and managed hotels.

OVERVIEW

Performance and leadership



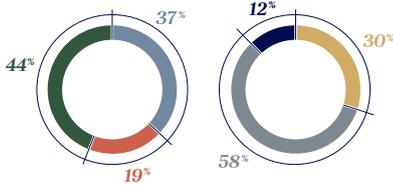
AMERICAS

€111 million
in hotel fees

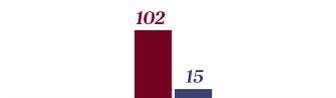
Breakdown of hotel portfolio*

By segment

By operating mode



Hotel portfolio and pipeline



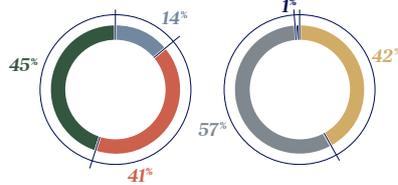
NORTH EUROPE

€91 million
in hotel fees

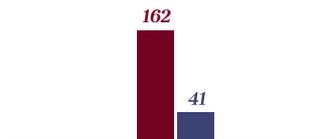
Breakdown of hotel portfolio*

By segment

By operating mode



Hotel portfolio and pipeline



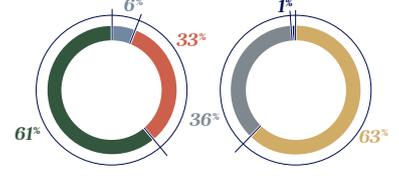
SOUTH EUROPE

€141 million
in hotel fees

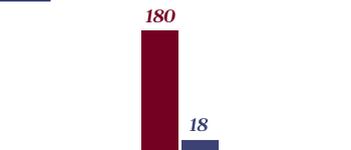
Breakdown of hotel portfolio*

By segment

By operating mode



Hotel portfolio and pipeline



* As a % based on number of rooms.



~232,000
EMPLOYEES

€518
MILLION
IN HOTEL
FEES



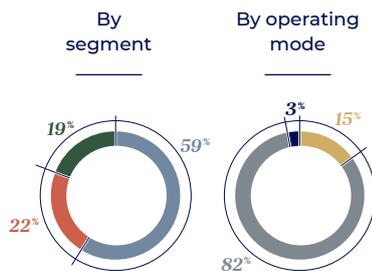
IMEAT



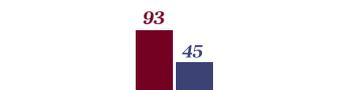
ASIA-PACIFIC

€77 million
in hotel fees

Breakdown of hotel portfolio*

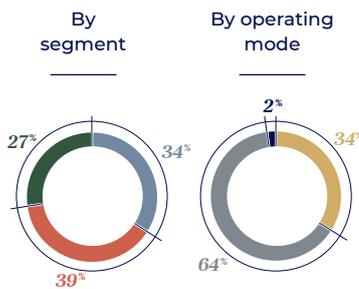


Hotel portfolio and pipeline

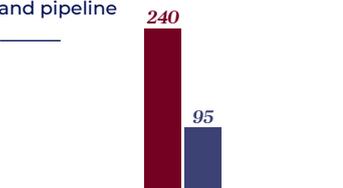


€98 million
in hotel fees

Breakdown of hotel portfolio*



Hotel portfolio and pipeline



447,188
ROOMS IN
MANAGED
HOTELS

307,217
ROOMS
IN FRANCHISE
HOTELS

23,309
ROOMS IN
AFFILIATE
HOTELS

SEGMENT

- LUXURY & UPSCALE
- MIDSCALE
- ECONOMY

OPERATING STRUCTURE

- FRANCHISED
- MANAGED
- HOTEL ASSETS

NETWORK
in K ROOMS

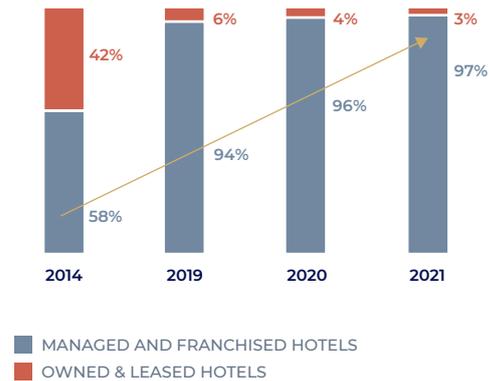
- HOTEL PORTFOLIO
- PIPELINE

CORPORATE PROFILE

An asset-light Group

Under its various banners, Accor operates 5,181 privately owned hotels under management and franchise contracts. In 2021, these hotels, which are housed in the HotelServices division, accounted for 97% of the Group's hotel network in number of rooms.

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



Group expertise in hotel management and development

Powerful digital tools

- Attract, steer and convert demand
- Sell in real time/Optimize revenue
- Optimizing and personalizing the guest experience
- Manage the Group's online reputation/Foster loyalty

Well-managed development

- Facilitate procurement
- Support construction and conversion
- Optimize the hotel concept to maximize revenue

Connected hotels

- Integrated PMS systems to tap into the hotel's full potential
- A CRS to improve guest stays
- An effective multichannel distribution system

An enhanced guest experience

- An effective CRM to maximize the guest relationship
- Instant check-in/check-out

Maximized revenue

- Increase direct online sales with ALL
- Boost revenue with a global business network
- High-performing sales channels and first-class customer service
- Optimize revenue with revenue management solutions
- Leverage the ALL loyalty program to secure your revenue
- Benefit from the value of the brand and increase the hotel's revenue

Operations made easy

- Deploy local experts to help manage your operations
- Streamline supply and sourcing costs
- Optimize water and energy expenditure

Valued & optimized teams

- Offer employees the best training
- Hire the best talent by leveraging a high-audience digital ecosystem

A successful social commitment

- Focus on sustainable development to improve your performance
- Values, value-creating

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.

A rich partnership strategy



HISTORY

50 years of reinventing hospitality

1967 the early days, with the Novotel Lille Lesquin

Paul Dubrulle 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.



Tirelessly reinventing hospitality

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.

Accor makes a move into gourmet meals with the acquisition of renowned Parisian patisserie chain Lenôtre. Accor joins forces with Groupe Lucien Barrière SAS to develop hotel-casino complexes.

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.

Accor embraces home sharing with the acquisition of onefinestay, the leader in luxury home rentals that also offers private concierge services.

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.

Making 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 becomes a 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 also upheld its ambition of eliminating single-use plastics from the guest experience and established the *ALL Heartist Fund* for employees most affected by the health crisis.

2021

Accor restates its pledge to make its hotel activities sustainable, responsible and inclusive by naming Brune Poirson, Chief Sustainability Officer, on the Group Executive Committee. One of the leaders of the Pathway to Net Positive Hospitality *initiative* launched at COP26, **Accor also commits to Net Zero Carbon by 2050**, with a first reduction of 46% in its emissions by 2030. **Accor issues its first bond** indexed to its sustainable development targets, for €700 million.





Trends and challenges

SECTOR

Faced with an unprecedented crisis, Accor managed to resist, assist and bounce back

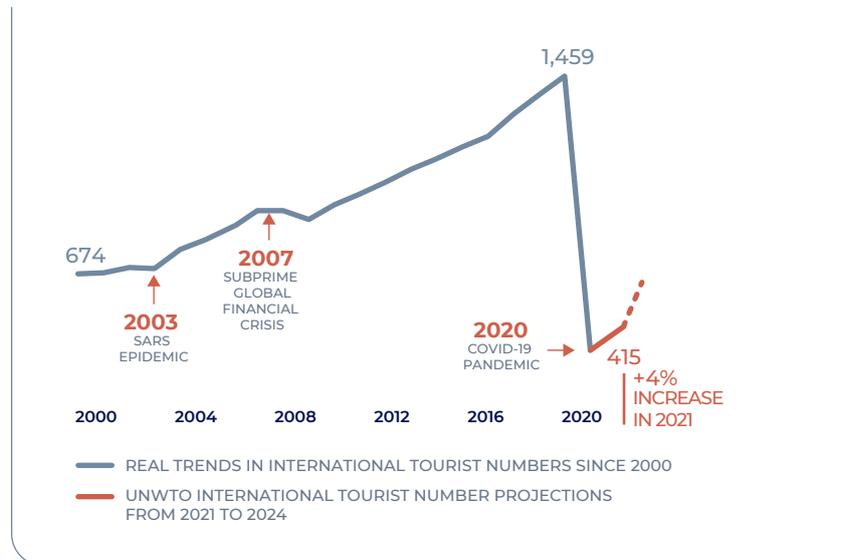
The industry and sector changes ushered in by the Covid-19 crisis

After several buoyant decades in international tourism driven by the steady rise in tourist numbers and spending, and by diversification of destinations, since January 2020, the world has seen the outbreak of an unprecedented health crisis with far-reaching consequences for tourism and travel.



International tourism (millions of travelers)

Source: UNWTO, January 2022.



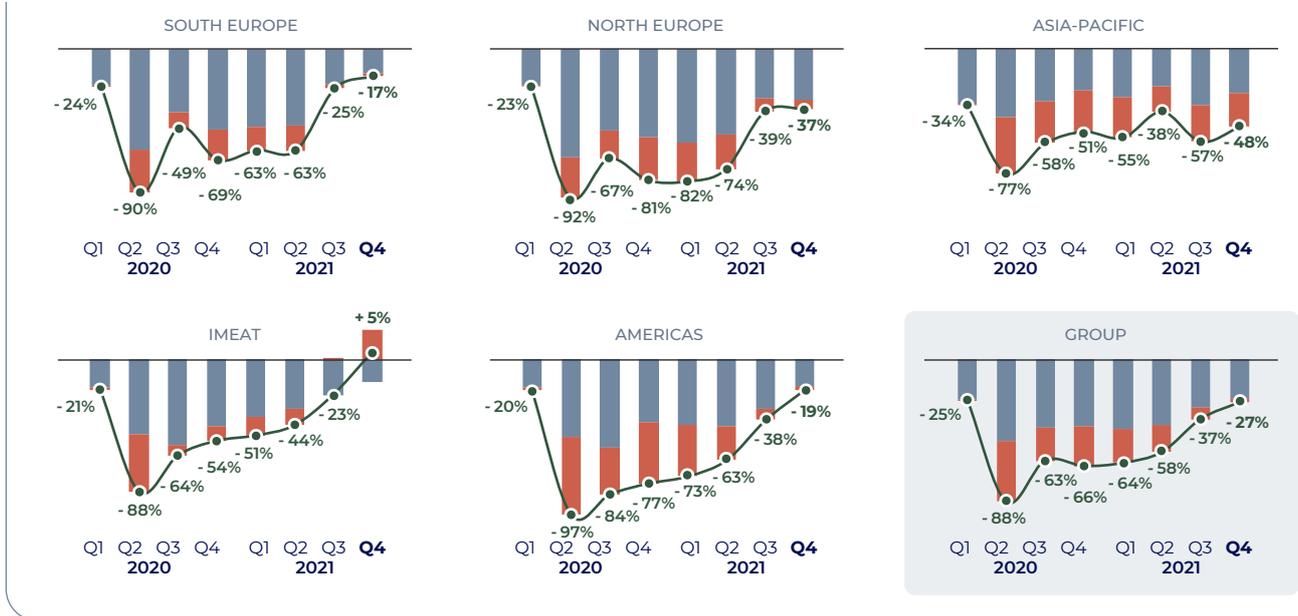
While the tourism and travel sector has weathered crises in the past, none has had an effect on the tourism industry like this pandemic. Over the past 20 years, only the SARS epidemic, in Asia in 2003, and the sub prime crisis in the US in 2007, led to declines in the numbers of international travelers. Unlike the current crisis, these crises, although followed by major economic upheavals in Europe and the US, did not cause major disruptions to travel plans, thanks to the rapid recovery followed by an acceleration in tourist flows in the years following the crises. The restrictions on movement imposed by the current crisis have prompted a clear slowdown in global tourism.

In this context, RevPAR levels (revenue per available room) across the entire industry plummeted like never before. In 2021, they suffered significant volatility and struggled to restore pre-crisis levels on a stable basis.

Naturally, the Group's RevPAR levels also suffered from the consequences of the crisis, although an increase in results was noted over 2021.

Group RevPAR trends by region (%)

■ OCCUPANCY RATE
■ AVERAGE ROOM RATE
● LFL REVPAR VS. FY19



OVER 2021, REVPAR IMPROVED BY 37 POINTS BETWEEN THE FIRST AND THE FOURTH QUARTERS.

After a difficult first part of the year marked by successive waves of the pandemic and restrictive sanitary measures (border closures, limits on meetings and events, etc.), the second half of the year witnessed a recovery in most geographies. As of April 2021, Accor enjoyed a sequential rebound in business, with RevPAR improving month after month. The improvement in demand meant that average room prices came close to or even exceeded pre-Covid-19 levels in many destinations over the end of 2021. Although the effects of this unprecedented crisis linked to the Covid-19 pandemic have not yet

fully disappeared, all of the Group's geographies now appear to be well on the way to enjoying more "normative" levels of business.

Progress in the vaccination campaign combined with an improvement in the health situation and strong demand from leisure guests have also made it possible to reach levels of activity similar to the pre-crisis period in certain destinations.

According to estimates made by Oxford Tourism Economics, the recovery in leisure activities should more than make up for the lag in international business travel in 2023.

World travel spending by segment vs. 2019 (%)

Source: Oxford Tourism Economics.





SECURING guest stays

*Welcoming, protecting and taking care of our guests
is at the heart of what we do.*

Against a backdrop of intense concern on health issues, Accor decided to strengthen its health, safety, hygiene and prevention protocols to ease uncertainty and set the stage for a rapid recovery.

**98% of the Group's hotels were 'ALLSAFE'
certified at end-December 2021**

After joining forces with Bureau Veritas, Accor launched the ALLSAFE label. This project, carried out with doctors and epidemiologists, was designed in close cooperation with hotel owners and industry representatives and has been shared with the French Tourism Alliance and the French ministries for Tourism, Health and Labor to approve the standards identified. This approach has led to the creation of operating guidelines for all those involved in the sector to enable them to ensure strict compliance with the recommendations of the health authorities (WTO, French ministry of health, etc.) for all accommodation, general and restaurant services. The label certifies that the cleanliness, safety and prevention measures implemented by the Group's hotels are in line with the health situation.

Creation of medical assistance offering in partnership with Axa Partners

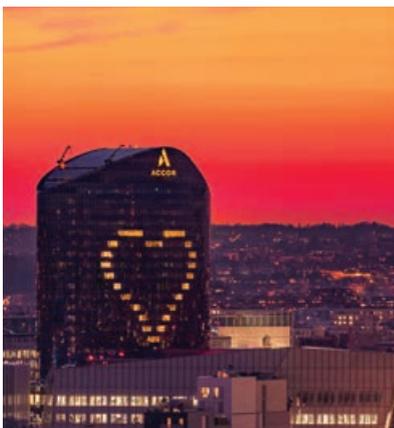
Accor also signed a strategic partnership with Axa Partners, the world leading insurance Group, to offer medical assistance to guests at all its hotels around the globe. Since July 2020, the partnership enables the Group's guests to get the best care through the medical services offered by Axa Partners, the international arm of Axa, specialized in assistance, travel insurance and credit insurance. With this initiative, Accor guests can enjoy the latest innovations from Axa in terms of remote medical services. Guests benefit from its extensive network of medical services covering tens of thousands of company-approved healthcare professionals, as well as free access to medical teleconsultations wherever they may be. All Accor network employees are now able to assist guests and ensure their health and safety during their stays, by transforming each of the Group's hotels into genuine safe havens in the 110 countries where it operates. Welcoming, protecting and taking care of our guests is at the heart of what we do. Together with enhanced cleanliness protocols, this partnership is ever-more important to enable our guests to rediscover the joys of travel and enjoy staying in our establishments.



Rollout of 'Accor Key' to all Group hotels

Accor has rolled out its digital 'Accor Key' solution in all its hotels to offer guests a completely contactless stay through the use of a virtual key. On arrival, they receive a virtual room key by downloading a special app to their smartphone. This provides access to their rooms, meeting rooms and elevators using their smartphone.

SUPPORTING employees, individual partners, fragile people, professionals and hospitals



At the height of the Covid-19 pandemic, in April 2020, Accor and its Board of Directors decided to allocate 25% of the dividend, i.e. €70 million, to the creation of the *ALL Heartist Fund*. With the remit of supporting and helping people in physical and financial distress as a result of the Covid-19 pandemic, the fund is to remain in existence for as long as the lives of its benefactors continue to be dramatically impacted by the consequences of the pandemic.

Since its creation, the *ALL Heartist Fund* has honored almost 98,000 requests for aid and pledged a total amount of more than €31 million.

In particular, this has enabled Heartists to access healthcare (coverage of hospitalization and medical expenses), keep their homes (financial aid for housing) and even pay for their children's school fees.

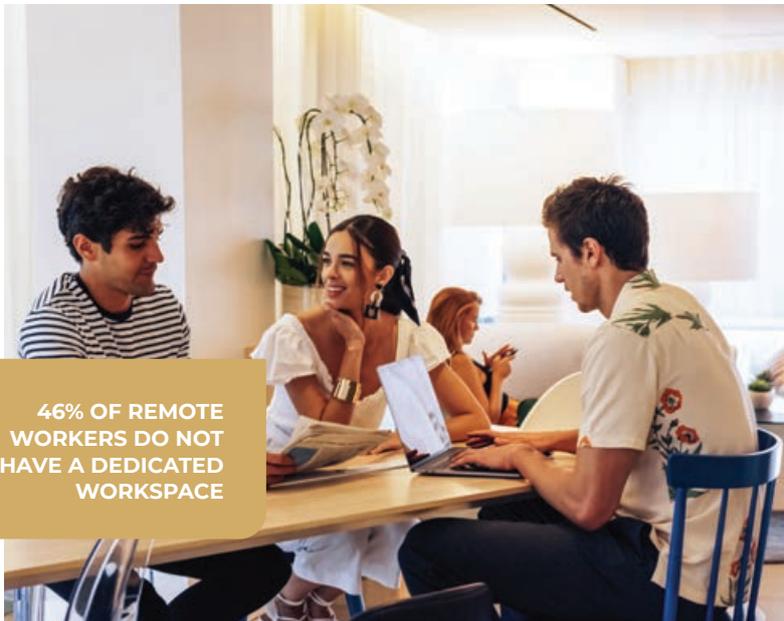
True to its values, Accor has constantly sought to protect, welcome and take care of people in distress during this health crisis, thereby offering them the chance to bounce back from this difficult situation.

THE ALL HEARTIST FUND ALSO PROVIDED ITS HELP TO ALL FRONT-LINE WORKERS IN THE FIGHT AGAINST COVID-19 (medical workers, police, armed forces), BY PROVIDING ACCOMMODATION, SUPPORT AND CARE.



RESPONDING to underlying trends

Achieving work-life balance and autonomy are top of the list of concerns for employees. More and more, people are looking for creative, flexible and innovative spaces. For companies, these spaces are also ideal mobility solutions for their employees.



46% OF REMOTE WORKERS DO NOT HAVE A DEDICATED WORKSPACE

86% of French employees would like to work from home after the health crisis.

Source: Malakoff Humanis study, February 2021.



Accor has been at the cutting edge of these new ways of working for a number of years thanks to its Wojo and Mama Works brands. As the French leader in the *coworking* market, Wojo is currently offering 14 sites in France and over 500 spaces managed by Accor. These lively, communal, creative, accessible and practical spaces within Accor hotels called *Wojo Corners* meet work-life balance needs. In addition to their flexibility, which allows hotels to tailor spaces to its guests' desired workspace specifications, these spaces have original designs and modern installations that are user-friendly. They are designed to fuel interaction, productivity, engagement. They also offer a range of hospitality services providing the necessary comforts to create the best possible working conditions (24/7 reception, high-speed Wi-Fi, printers, catering, gyms, parking, etc.).

In 2021, Accor launched *ALL Connect*, a new hybrid meetings concept supported by Microsoft Teams. This new concept will enable guests around the world to adapt to the new ways of working that are the legacy of the Covid-19 pandemic. Accor's ambitious target is to achieve 100% of its hotels with meeting rooms comply with the new hybrid meetings standard by 2022 across all brands, from economy to ultra-luxury worldwide.

SECTOR FOCUS

An ever-changing and lasting industry



A historically robust sector

Before the Covid-19 pandemic, international tourism had grown continuously over the last 70 years, buoyed by an increase in the number of travelers and their spending, and a diversification of destinations around the world. While the occasional crisis has disrupted this trend in the past, the tourism industry has always made it through these periods of high uncertainty, 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, representing 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 has only affected on a temporary basis.

- 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.

¹ In number of international tourists.

Sector fundamentals intact

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

A 10-year-long underlying trend, growth in traveler numbers around the world over the past 40 years has been driven by a range of structural factors, including the rise of the middle class in emerging countries and the emergence of more mobile younger generations who share a passion for travel.

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

While the surge in international tourism can be attributed to rising living standards, the trend has also been facilitated by open borders in a growing number of countries and by a wider variety of means of transportation (train, car, low-cost airlines, etc.), which are now easier to access (lower prices, Internet, etc.).



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 2020, the global hotel industry represented a total of 45 million rooms, 31% of which operated by hotel chains. 69% 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.

69% of existing hotels worldwide are owned by independent operators.



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. M&A strategies are designed to meet several core objectives:

- acquire new geographic growth drivers;
- deepen local hotel networks in fast-growing regions;
- elevate the brand portfolio, be present in new high value-added segments;
- capitalize on guest loyalty programs;
- leverage synergies and economies of scale;
- expand the range of services on offer;
- 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.

Digital technology intensifies competition

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 tomorrow's guests, 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

Digital players and a number of stakeholders in the sharing economy 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 profile, with an optimal browsing experience. Metasearch engines have a big impact on the competitive landscape and margins, not only for incumbents, but also for digital platforms 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, meeting new consumer aspirations for authenticity and sometimes including 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 guests. 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 have not said their last word, 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. For many years, travelers' chief aspirations have been choice, experience, comfort and personalization. This puts the onus on hotel operators to work on the design, architecture, furniture, and food and beverage options of their venues.

The diverse competitive environment

New distributors

- White-label hotel booking



Online travel agencies/ Metasearch engines

- Private home and restaurant rentals
- Optimized digital experience



Independents hotels

Hotel chains

- Optimized guest experience and retention
- Private home rentals



Digital disruptors

- Hotel advertising and booking
- Voice assistants



Global environmental and societal challenges identified and addressed by Accor



Local communities

Accor's business has deep roots in its host regions. It can deepen them further by involving local communities in its development, as well as by protecting them from the excesses of large-scale tourism and by creating new touchpoints locally.

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



Business integrity

As a major economic player, Accor operates in 110 countries, interacting with many established economic and public partners. It has been expanding its activities in the digital world for several years. An industry leader, it must consistently apply the highest ethical standards in its operations.

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



A responsible employer enabling social mobility

Accor is a people-centric Group, which has the responsibility of taking care of people who work in its business lines and contribute to the professional fulfilment of its employees, of course, but it is also responsible for all of those involved at each stage of the value chain. As an enabler of social mobility, Accor has introduced a number of action plans to tackle local challenges in terms of discrimination in each country where the Group operates. In Australia, for example, the Group has been working to promote the inclusion of Aborigines: direct recruitment strategy, partnership with the government, specific training programs, etc. Since 2017, more than 450 people from aboriginal communities are part of the Accor brand. In 2021, this program was recognized with a Responsible Tourism Award from the World Travel Market. 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: in December 2021, 98,000 requests were funded for a budget of €31.4 million.

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



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 much less meat products, and local and sustainable sourcing, to eliminate food waste.

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



Reducing the environmental footprint

The hotel industry has many global and local 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 reaching carbon neutrality by 2050 (objective validated by the SBTi) and launched its maiden sustainability-linked bond issue indexed on the Group's sustainable development goals. The Group's environmental commitments also target reducing the quantity of waste produced by its hotels. The goal is to reduce food waste by 30% for 2021 and eliminate all single-use plastics in the guest experience by end-2022.

KEY CHALLENGES: Carbon, water, waste, pollution (air, water and sea).



Accor has also identified the main ethical and CSR risks that its activities entail for its stakeholders. They are described in section 2 of the 2021 Universal Registration Document, alongside the measures implemented by the Group to prevent them or mitigate their consequences.





Strengths and strategy

OUR STRENGTHS

A global ecosystem of augmented hospitality services

*A balanced brand catalog with stronger positions in fast-growing segments.
A varied, easily understandable portfolio of experiences.*



An unrivaled brand portfolio designed to deliver augmented hospitality

At the forefront of the hospitality revolution, today Accor is much more than a mere hotel Group. It has become an extensive ecosystem of brands, expertise and solutions, fostering a new approach to how to Live, Work and Play.

Live

constantly evolving, the Accor hospitality brand portfolio is one of the world leaders. From luxury to economy, private rentals and hotel stays, with 40 brands, 5,298 hotels and more than 777,714 rooms in 110 countries, Live provides its guests with an unrivaled collection of inspiring, relaxing, elegant, and personalized experiences.

Work

as well as thousands of spaces for meetings & events and coworking areas in its hotels, Mamaworks and Wojo enable guests to work as and when they please, in the heart of cities. It's working life, Accor style.

Play

with the many entertainment options offered by Accor through Potel & Chabot, Paris Society and Accor Arena, the thousands of restaurants and bars in its hotels, and its partners PSG, IMG and others.

Business Accelerators

Accor delivers performance-enhancing solutions and services in the areas of distribution, operational management and guest experience. Our performance accelerators are all accomplished experts in their fields, ensuring the success of our guests' projects at each stage of their development.

LIVE

Hotels
LUXURY

RAFFLES

Each hotel of the iconic Raffles brand offers service that is at once graceful and discreet, bringing all the delights of luxury to the traveler. Entering a Raffles hotel is a unique experience, with special attention and hospitality that is personalized, generous and faithful to the spirit of the place and the destination. Legendary service since 1887.

Network

20 hotels, or 2,921 rooms, in 14 countries, and 2,649 rooms in the pipeline.

ORIENT  EXPRESS

A cosmopolitan icon for more than 135 years, Orient Express to this day remains the very definition of timeless luxury. This legendary blend of exotic opulence and superlative refinement will soon be transposed to an international collection of Orient Express hotels, offering a new journey to absolute sophistication.

Network

A collection of 10 addresses in 2030.

BANYAN TREE

Banyan Tree hotels are an oasis of peace in some of the world's most beautiful settings, allowing guests to regenerate body and mind. They encapsulate the romance of travel, promising authentic and memorable experiences.

Network

36 hotels, or 4,895 rooms, in 12 countries, and 884 rooms in the pipeline.

SOPITEL
LEGEND

Legendary addresses where heritage meets French *art de vivre*. Exceptional architecture and settings for the ultimate luxury experience. Each stay is a story just waiting to be written.

Network

5 hotels, or 877 rooms, in 5 countries.



Hotels
LUXURY

Fairmont

The iconic Fairmont addresses, all located at the very heart of the destination, offer hospitality imbued with meaning characterized by warm service, a commitment to preserving the environment and holistic well-being experiences. Combining these aspects with unique architecture adds up to the consummate guest experience.

Network

83 hotels, or 32,513 rooms, in 29 countries, and 7,531 rooms in the pipeline.

EMBLEMS

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

1 hotel in the pipeline in Guiyang, China, 60 establishments throughout the world by 2030.

SOFITEL

Imagine luxurious, contemporary hotels where the essence of each destination blends harmoniously with French *art de vivre* to create refined experiences, to let modern travelers indulge in the pleasures of life and toast them in true French fashion.

Network

117 hotels, or 30,023 rooms, in 46 countries, and 8,219 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

30 hotels, or 10,019 rooms, in 7 countries, and 5,797 rooms in the pipeline.

onefinestay



Onfinestay opens the doors to the most beautiful homes and villas around the world, offering superlative service to increasingly discerning guests.

Network

3,500 properties in 2 collections: City and Villa.

Because it's an art, hospitality knows no boundaries. It can happen anywhere, far beyond hotel walls, to provide new sensations and inspiring experiences.

Hotels UPSCALE SEGMENT

mantis

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

23 hotels, or 654 rooms, in 10 countries, and 427 rooms in the pipeline.



M
GALLERY

MGallery is a collection of boutique hotels steeped in history, where guests discover the world and more, designed for delightful and unique experiences.

Network

121 hotels, or 12,938 rooms, in 36 countries, and 7,997 rooms in the pipeline.

Art Series

Each hotel bears the name of a contemporary Australian artist and takes their work as inspiration for an end-to-end artistic experience, with everything from original works on the walls and art books on the shelves to dedicated television channels and visits on artistic themes. Sophistication and bespoke service have found a home with Art Series Hotels.

Network

7 hotels, or 1,834 rooms, in Australia, and 108 rooms in the pipeline.

PULLMAN

Pullman Hotels & Resorts is driving a new tempo in travel and all it brings, providing an inspiring, energizing and enriching experience to new entrepreneurs. Pullman offers its guests the space they need to focus, work and play.

Network

145 hotels, or 42,374 rooms, in 40 countries, and 13,438 rooms in the pipeline.

swissôtel

Contemporary hotels characterized by the excellence and attention to detail typical of Swiss hospitality. Swiss by heart and cosmopolitan by nature, we offer our guests the vitality and peace of mind they need to explore the world and get the best out of life.

Network

36 hotels, or 15,121 rooms, in 20 countries, and 6,419 rooms in the pipeline.

ANGSANA

Angsana whets your appetite for adventure, whatever your age and desire for travel. A successful alliance of local elegance and vibrant and entertaining experiences, Angsana offers a prodigious choice of destinations around the world for you to explore.

Network

18 hotels, or 2,874 rooms, in 12 countries, and 358 rooms in the pipeline.

Hotels
UPSCALE SEGMENT

MÖVENPICK

At Mövenpick, your stay is designed to be a succession of experiences. We know that small things can make a big difference. That's why Mövenpick hotels are passionate about doing ordinary things extraordinarily. Instilled with a culture of Swiss hospitality since the 1940s, Mövenpick offers a unique selection of contemporary hotels around the world, located in cities or resort towns, complemented by a culinary heritage dating back 70 years, with no compromise on quality or authenticity.

Network

111 hotels, or 25,899 rooms, in 30 countries, and 12,406 rooms in the pipeline.

GRAND MERCURE

All over the world, Grand Mercure draws on its contemporary, high-end signature style to revisit and showcase the uniqueness of each culture, to surprise its guests and inspire them to rediscover what makes each one special.

Network

58 hotels, or 13,113 rooms, in 12 countries, and 7,200 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

27 hotels, or 4,743 rooms, in 3 countries, and 343 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

33 hotels, or 2,361 rooms, in 3 countries, and 311 rooms in the pipeline.

Hotels
MIDSCALE SEGMENT

mantra

From hotels to resorts to apartments, Mantra has the perfect spot in the ideal destination.

Network

77 hotels, or 14,863 rooms, in 3 countries, and 352 rooms in the pipeline.

NOVOTEL

Each Novotel is a destination in itself. Their modern, natural and intuitive design gives the hotels both a relaxed and lively atmosphere, making them the perfect place to stay, or simply have a drink, eat, work, play or wind down.

Network

559 hotels, or 108,272 rooms, in 65 countries, and 31,720 rooms in the pipeline.

MERCURE

Each Mercure hotel is a portal to its destination, offering travelers a comfortable stay and immersive local experiences. Each Mercure hotel is unique, an invitation to discover the local culture through design, F&B and craftwork.

Network

899 hotels, or 119,007 rooms, in 61 countries.

adagio

How can you be out of town and still enjoy all the comfort of home, all while discovering a new city? Adagio Aparthotels are functional apartments with hotel services and easy-going hospitality. Located in the heart of cities, the brand offers three ranges: Adagio, Adagio access and Adagio premium.

Network

122 hotels, or 13,795 rooms, in 13 countries, and 4,736 rooms in the pipeline.

Hotels ECONOMY SEGMENT

BreakFree

BreakFree offers spacious apartments and hotels near the most beautiful beaches, urban tourist attractions, or popular entertainment venues for holidaymakers. Families, couples or groups of friends know that BreakFree is the guarantee of unpretentious comfort and laid-back service.

Network

23 hotels, or 3,370 rooms, in 2 countries.

ibis

ibis is a door open to vibrant places where everyone can come to sleep, eat, meet new people and enjoy live music. Possibilities abound in ibis' fresh and flexible spaces fostering interactions and exchanges between guests, travelers and local residents.

Network

1,259 hotels, or 158,427 rooms, in 68 countries, and 17,675 rooms in the pipeline.

ibis STYLES

Creative design and a fun atmosphere are what's in store for travelers when they stay at ibis Styles. With a unique design concept built around a specific theme and a creative and optimistic approach, ibis Styles hotels offer simple, trendy and affordably priced hospitality.

Network

594 hotels, or 63,148 rooms, in 50 countries, and 23,411 rooms in the pipeline.

greet

greet welcomes people looking for meaning in their relationships, their purchases and their way of life. People who each day help make our world a better place, giving a second chance to everything around them.

Network

10 hotels, or 811 rooms, in 2 countries, and 2,123 rooms in the pipeline.

ibis budget

ibis budget is the smart choice for urban adventurers looking for a base camp. Guests can meet to share their passion for smart sport and use the exercise equipment to stay in shape while having fun.

Network

658 hotels, or 66,271 rooms, in 24 countries, and 5,656 rooms in the pipeline.

hotelF1

The brand dedicated to travelers on the road. For more than 30 years, our friendly hotels have been easy to find and affordably priced. With the #OnTheRoad concept, hotelF1 is rethinking comfort, design and service. New *à la carte* services are available to enrich guests' experience.

Network

147 hotels, or 11,391 rooms, in France, and 62 rooms in the pipeline.



ENNISMORE



HEART OF THE NEIGHBORHOOD



The 21c Museum Hotels experience combines contemporary art museums, boutique hotels and restaurants run by leading chefs. The originality, artistic spirit and pioneering visions of Museum Hotels perfectly rounds out the MGallery Hotel Collection offering discrete and creative hospitality to lovers of art, literature and culture.

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



At 25hours, hotels are unique and made to measure. Their personalities are in tune with their vibrant host cities. Every 25hours hotel has its very own soul, inspired by the location and shaped by local art, culture, cuisine and history.

Network
15 hotels, or 2,672 rooms, in 6 countries, and 632 rooms in the pipeline.



Mama is more than just a place to eat and sleep. It's an urban refuge, a place for meeting and sharing. It's like being in your mother's arms – a cozy place where you feel good. Mama takes care of your stomach too, with tasty and unique dishes designed by fantastic chefs. Like a mom, Mama takes care of you!

Network
15 hotels, or 2,148 rooms, in 8 countries, and 1,628 rooms in the pipeline.



The Hoxton is a collection of hotels steeped in culture at the heart of the community. Each hotel reflects its environment, inspired by the diversity and originality of the streets and people in its surroundings. Since we opened the doors of our first hotel, we made our mark with our dynamic and welcoming lobbies, our pragmatic guest experiences which are transparent and with great attention to detail, highlighting the local district thanks to art, design, trade and eclectic events.

Network
10 hotels, or 1,748 rooms, in 5 countries, and 2,132 rooms in the pipeline.

A CULTURAL ICON



Mondrian is in tune with the world's most vibrant cultural scenes. Its hotels provide a unique and offbeat setting where guests and locals can lose themselves in the culture of each destination. Mondrian is another way of traveling.

Network
7 hotels, or 1,444 rooms, in 4 countries, and 1,921 rooms in the pipeline.



Morgans Originals focuses on roots to breathe life into a dynamic brand which adapts to different markets while remaining true to its universe. It is the epitome of luxury lifestyle. Whatever the size, Morgans Originals establishments always rhyme with entertainment. They offer the best from cooking to mixology, design and creativity. More than mere hotels, they are vibrant luxury destinations where it is a joy to get together.

Network
5 hotels, or 959 rooms, in 4 countries, and 659 rooms in the pipeline.

A COMMUNITY WORKSPACE



Since its inauguration in 2006, the comfortable halls of the Hoxton hotels have become the unofficial work places of nomadic workers. Thanks to all that we have learned over many years, we have created a new coworking space, Working From_. True to our transparent policy of no hidden costs, The Hoxton, Working From_ offers excellent value for money, flexible subscription solutions, multiple benefits and spaces that make you feel at home, without any distractions.

Network
3 spaces, including 1 in development.

AN IMMERSIVE EXPERIENCE

DELANO

Delano offers today's travelers the rarest and most coveted experiences. It rewrites the concept of the luxury resort, combining first-class service and personalized experiences that stimulate curiosity and nourish the senses.

Network

1 hotel, or 1,114 rooms, in the United States, and 124 rooms in the pipeline.

HYDE

Hyde hotels, resorts and residences are designed to meet the needs, aspirations and tastes of connoisseurs. A new breed of hospitality born of the spirit of discovery, the fantasy of nightlife and the excitement of encounters, Hyde is more than just a brand, it is a state of mind.

Network

3 hotels, or 736 rooms, in 2 countries, and 1,025 rooms in the pipeline.

SLS

SLS is the quintessence of an extraordinary experience. blending culinary art, theatrical staging and a hint of subversive design. From the giant metal duck to the bar prized as much by saints as by sinners, no other luxury hotel can boast such diversity, such abundance and such a sense of fun.

Network

9 hotels, or 2,448 rooms, in 4 countries, and 1,015 rooms in the pipeline.

SOY

A sparkling cocktail of refinement and style mixed with a burst of slightly offbeat local energy to create an inimitable experience, but also to be surrounded by like-minded individuals.

Network

9 hotels, or 1,408 rooms, in 8 countries, and 528 rooms in the pipeline.

FOR EVERYONE, EVERYDAY

JO&JOE

Designed especially for Millennials and all those who share their spontaneity and their quest for sharing and experiences, JO&JOE is a hybrid hospitality concept, halfway between youth hostel and classic hotel.

Network

4 hotels, or 895 rooms, in 2 countries, and 458 rooms in the pipeline.

TRIBE

Tribe is a new breed of hotels. One that matches the desires and aspirations of today's travelers. A refreshing and disruptive design-driven brand, Tribe pushes back the boundaries, with a revamped hotel experience that puts it firmly at the forefront of the affordable luxury sector. Modern travelers, this hotel is for you. Welcome to Tribe.

Network

4 hotels, or 358 rooms, in 3 countries, and 7,104 rooms in the pipeline.

ONE OF A KIND

GLENEAGLES

Since 1924, Gleneagles has been one of the most emblematic sport resorts in Scotland. Located at the foot of Ochil Hills, it has been a must-visit destination for travelers for nearly a century. Having opened during the Golden Age of travel, this 850 hectares property is an incarnation of the natural beauty for which Scotland is famous. With its magnificent country playground, the hotel has recovered its status in upscale society.

Network

1 hotel, 233 rooms, 1 hotel in the pipeline.

WORK AND PLAY



PARIS SOCIETY

POTEL & CHABOT

Wojo is one of Europe's leading providers of flexible offices and workspaces. More than 600 companies have already set up there, and use the private offices, coworking spaces, meeting rooms, and all the common areas of these new work spaces on a daily basis. These services are also available on an à la carte basis, to support the high demand for flexibility. Wojo is above all a friendly atmosphere in a demanding environment designed for professionals; a strong design and all kinds of services available to (tele)workers and companies.

Network

14 sites, 10 in Greater Paris and 2 in Lyon and 1 in Barcelona. Over 500 spaces managed by Accor, and 900 addresses planned for 2023.

In just under 10 years, Paris Society has become a leader in events, hospitality and entertainment in France. The brand is currently expanding in three areas: CLUBS, flagships of Parisian nightlife; TABLES, exceptional restaurants, laboratories of the new culinary arts; and PLACES, a unique portfolio of event locations. These different yet perfectly complementary businesses allow it to create synergies and capitalize on its immense know-how.

A few exclusive addresses

Apicius, Terminal 7, Paris Longchamp, Monsieur Bleu, Loulou, Raspoutine Paris, Rome & Marrakesh, Le Rooftop, R2 Marseille, Le Domaine de Longchamp and Les Pavillons des Étangs.

Activity

16,000 events organized each year, and 10 prestigious projects in the pipeline.

Potel & Chabot has been reinventing the art of fine dining since 1820. A proud champion of French cuisine, its know-how and excellence are now part of the Accor portfolio. With 5 spectacular sites in Paris and a catalog of 600 addresses in France and abroad, Potel & Chabot can organize events of any size.

A few exclusive addresses

600 prestigious locations throughout the world, in particular Pavillon Gabriel, Pavillon Kléber, Pavillon Dauphine, and Hôtel d'Évreux.

BUSINESS ACCELERATORS

ASTORE

Astore is a global and local team of experts that responds to all hospitality needs with innovative digital solutions to secure and maximize the achievements of hotel operators.

Activity

€2.5 billion in purchases worldwide, 6 product families covering 100% of hotel needs, 3,500 providers worldwide.

d-edge

D-EDGE is an SaaS company offering advanced cloud-based e-commerce solutions covering all stages of hotel distribution. Combining creativity and marketing know-how with technological excellence, D-EDGE brings together a complete hotel technology infrastructure under one brand.

Customer base

17,000 hotel guests in more than 100 countries.

GEKKO

Founded in 2009, Gekko Group combines its commercial expertise and technology to offer innovative digital hotel distribution and loyalty platforms for the travel industry (leisure & business) and large companies.

Activity

6 subsidiaries and program specialized in meeting the needs of corporate clients and travel agencies.

JOHN PAUL

John Paul provides businesses and brands with loyalty solutions for their guests and employees through three complementary programs. John Paul blends the unique know-how and skills of its 250 concierges with its digital platform of ultra-personalized content.

Network

400 talented staff available 24/7 worldwide, 10,000 exclusive partners.

ResDiary

ResDiary is a flat-rate online table reservation system designed by restaurant owners for restaurant owners. A leader in the management of distribution channels, it allows people to make reservations from anywhere, on the venue's own website or social networks, or through other channels such as Google.

Activity

194 million meals served every year in 10,300 restaurants in 60 countries.

VERYCHIC

VeryChic offers its members exclusive deals in exceptional hotels, with discounts of up to 70%. More than 6,000 partner hotels optimize their distribution via VeryChic.

Network

10 million members and 6,000 partner hotels in 100 countries.



Beyond the brands, a wide range of solutions, services and experiences

As part of its augmented hospitality strategy, Accor offers its expertise in a full range of related activities. In this way, Accor enriches the customer experience and offers a wide range of restaurants and events, in a keen quest for excellence and authenticity.

Accor also makes its equipment and expertise available to ensure that its solutions for meetings and business events are always of the highest quality and innovative. Through its Wellness offer, Accor guarantees experiences that recharge and transform.

A full range of related activities. Experiences that recharge and transform.



EVENTS & CATERING

One of Accor's missions is to make its restaurants and bars the heart and soul of its hotels by offering authentic and unforgettable experiences. With 10,000 bars and restaurants, Accor thus creates locations that are lively places for locals and travelers.



BUSINESS MEETINGS & EVENTS

Accor harnesses cutting-edge technological equipment, innovative F&B offerings and tailor-made activities to host more than 700 events each day in its 3,100 seminar hotels, all segments combined, representing more than 18,000 meeting spaces available for its business guests.



WELLNESS

Today's travelers are looking for services and experiences that help keep them in shape. Our teams of attentive and devoted experts are on hand to provide revitalizing seawater therapies, offer a wide range of holistic treatments inspired by local techniques, and share advice on fitness. A network of more than 570 luxury spas, more than 900 fitness clubs and 14 Thalassa wellness centers.



UNRIVALED EXPERTISE IN THE RESIDENTIAL SEGMENT

Apart from its well-known hotel brands, Accor manages hotel service establishments for longer stays and upscale private residences. The [apartmentsandvillas.accor.com](https://www.apartmentsandvillas.accor.com) website is dedicated to rentals and stays of up to 120 days in more than 60,000 apartments, villas and chalets.



INNOVATION

Accor, a resolutely innovative Group

Over the last 50 years, Accor has considerably expanded its footprint and built up an attractive ecosystem around an extensive portfolio of differentiated brands and a wealth of services.

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 guests, 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.

Open innovation, an internal driver for the hospitality of the future

For several years, Accor has been committed to a dynamic of open 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 guests, partners and employees.

The Accor innovation ecosystem aims to:

- stimulate internal innovation, notably through “intrapreneurship” and *mentoring programs*. In 2021, for example, Accor supported the creation of start-up Full Soon, which offers a predictive service for restaurant footfall levels. Currently being tested in several Accor and non-Accor restaurants, the solution is already producing convincing results, with 90% accuracy of forecasts;
- create in-house brands and concepts: greet, JO&JOE, Le Loft, Flying Nest and most recently Emblems;
- acquire new brands in order to penetrate new business sectors and markets, and round out the Group’s expertise (D-Edge);
- develop the Group’s Business Accelerator activities;
- create solid ties with partners throughout the world, especially with other major Groups of international dimension.

A stimulating innovation ecosystem

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

Innovation lab

Steering and catalyzing the Group’s innovation, observing trends, supporting the Group’s transformation, creating new services.

Marketing, digital and e-commerce

Innovation in customer relationships, 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.

Co-innovate alongside the leaders of the future

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-up* 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.



OUR STRATEGY

A simplified, expanded and more agile business model

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 guests and partners.



Over the past three 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, versus 26% in 2018. With its *asset-light* profile, the Group now operates 59% of its network under management contracts and 37% 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.

Management contracts are signed for an average term of 15 years.

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	+	+
Base management	+	-
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.

Franchise agreements are signed for an average term of 15 years. They can, however, be terminated early at the franchisor's request in some special cases, including:

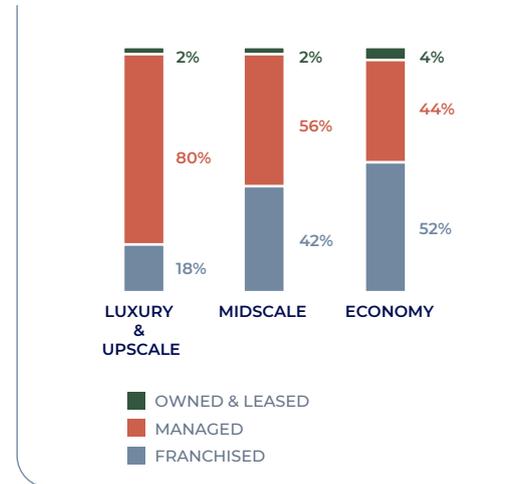
- if the franchisee is legally incapable of performing the activity;
- if the franchisee fails to apply the terms of the contract with respect to the concept or supplies;
- if the franchisee provided false information about him or herself before signing the contract.

When the termination is at the initiative of the franchisor, it is entitled to claim financial compensation equivalent to the total amount of the remaining fees stipulated in the contract.

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 5 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 more profitable 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 9 points vs. 2017).

Hotel portfolio by segment and operating structure at December 31, 2021 (as a % based on number of rooms)



¹ Including acquisitions and partnerships completed in 2018.

Hotel portfolio by brand and operating mode at December 31, 2021

Trademarks	Owned & leased hotels		Managed		Franchised		TOTAL	
	Hotels	Number of rooms	Hotels	Number of rooms	Hotels	Number of rooms	Hotels	Number of rooms
RAFFLES	0	0	20	2,921	0	0	20	2,921
FAIRMONT	1	53	81	32,202	1	258	83	32,513
BANYAN TREE	0	0	2	341	0	0	2	341
SOFITEL	3	675	115	28,680	4	1,545	122	30,900
RIXOS	0	0	16	5,363	14	4,656	30	10,019
SLS	0	0	8	2,151	1	297	9	2,448
DELANO	0	0	0	0	1	1,114	1	1,114
THE ORIGINALS	0	0	4	888	1	71	5	959
REDBURY HOTELS	0	0	0	0	2	356	2	356
SO	0	0	9	1,408	0	0	9	1,408
GLENEAGLES	0	0	1	233	0	0	1	233
EMBLEMS	0	0	0	0	0	0	0	0
FAENA	0	0	2	226	0	0	2	226
Luxury	4	728	258	74,413	24	8,297	286	83,438
HOXTON	0	0	8	1,391	2	357	10	1,748
HYDE	0	0	2	336	1	400	3	736
MONDRIAN	0	0	4	921	3	523	7	1,444
PULLMAN	4	1,830	110	30,937	31	9,607	145	42,374
MGALLERY	1	111	64	7,948	56	4,879	121	12,938
SWISSÔTEL	1	238	26	12,524	9	2,359	36	15,121
GRAND MERCURE	0	0	35	8,693	23	4,420	58	13,113
THE SEBEL	0	0	13	1,201	20	1,160	33	2,361
MANTIS	0	0	21	640	2	14	23	654
ART SERIES	6	1,583	1	251	0	0	7	1,834
PEPPERS	3	380	22	4,259	2	104	27	4,743
MÖVENPICK	1	333	85	20,441	25	5,125	111	25,899
25 HOURS	0	0	15	2,672	0	0	15	2,672
Upscale	16	4,475	406	92,214	174	28,948	596	125,637
NOVOTEL	13	2,277	335	73,544	176	28,131	524	103,952
NOVOTEL SUITES	0	0	21	2,892	14	1,428	35	4,320
MERCURE	2	326	255	42,586	642	76,095	899	119,007
ADAGIO	0	0	62	7,576	12	1,172	74	8,748
MANTRA	20	3,145	47	11,084	10	634	77	14,863
MAMA SHELTER	0	0	15	2,148	0	0	15	2,148
TRIBE	0	0	2	209	2	149	4	358
Midscale	35	5,748	737	140,039	856	107,609	1,628	253,396
Multibrand	1	51	24	3,911	20	1,921	45	5,883
IBIS	41	7,667	460	75,878	758	74,882	1,259	158,427
IBIS STYLES	4	820	107	19,128	483	43,200	594	63,148
IBIS BUDGET	15	3,634	218	27,383	425	35,254	658	66,271
ADAGIO ACCESS	0	0	43	4,459	5	588	48	5,047
HOTELFI	0	0	66	5,836	81	5,555	147	11,391
JO&JOE	0	0	4	895	0	0	4	895
BREAKFREE	1	186	20	3,032	2	152	23	3,370
greet	0	0	0	0	10	811	10	811
ECONOMY	61	1,307	918	136,611	1,764	160,442	2,743	309,360
TOTAL	117	23,309	2,343	447,188	2,838	307,217	5,298	777,714

Hotel acquisitions...

Since 2016, the Group has expanded its portfolio of brands in the luxury and premium segments by investing in names conveying the promise of unmatched experiences executed perfectly. Satisfying demand for bespoke experiences requires the Group to forget standardized services and to embrace high-level personalization as a means of surprising guests, exceeding their expectations and making their stays exceptional.

Accor strives constantly to boost its customer appeal, to secure their preference and stand out from the pack through attention to detail in each service and the special treatment given to guests. The Fairmont, Raffles and Swissôtel brands have greatly improved the Group's skills in this respect, and helped develop the practices of the other differentiated brands in the portfolio.

Following the acquisitions of FRHI and BHG in 2016 and 2017, Accor expanded its brand portfolio further in 2018, taking it into innovative and high-value segments to achieve a broad balance among the identities and positioning of each brand. These acquisitions increased the geographic density of its network and enabled the Group to gain market share in dynamic regions in Asia-Pacific, Latin America and the United States. In total, the acquisitions of Mantra, Atton, Mövenpick and 21c Museum represented an investment of €1.8 billion.

In its search for new markets and diversification, Accor has also entered into various hotel partnerships to broaden its range of hotel offers.



...and hotel partnerships to enhance and densify the network in expanding areas

Over the last five years, Accor has entered into numerous partnerships with Huazhu, Mama Shelter, 25hours, Orient Express, Banyan Tree and Rixos to expand its brand portfolio and diversify its network in terms of geography and segment. Accor's hotel partnerships with other companies generally serve three specific objectives:

- **increase the Group's revenue** by expanding its network (number of hotels, geographic density), i.e., the number of franchise agreements and management contracts, including for non-branded establishments;
- **distribute new concepts** (resort, lifestyle, collections, rentals of private residences) and the brands that house them to cover all the aspirations of travelers;
- **increase its active customer base** by multiplying touchpoints (qualitative approach) and combining its loyalty program with that of other partners (quantitative approach).

Thanks to these operations, Accor's development is very dynamic and represents a real asset at a time when the Group, like all of its competitors, needs to consolidate its market share around the world and extend its leading positions, while raising the bar in terms of the return on investment in development. Accor accordingly continued initiatives in the lifestyle segment, where value-creation potential remains very significant.

An offer of innovative and exclusive services

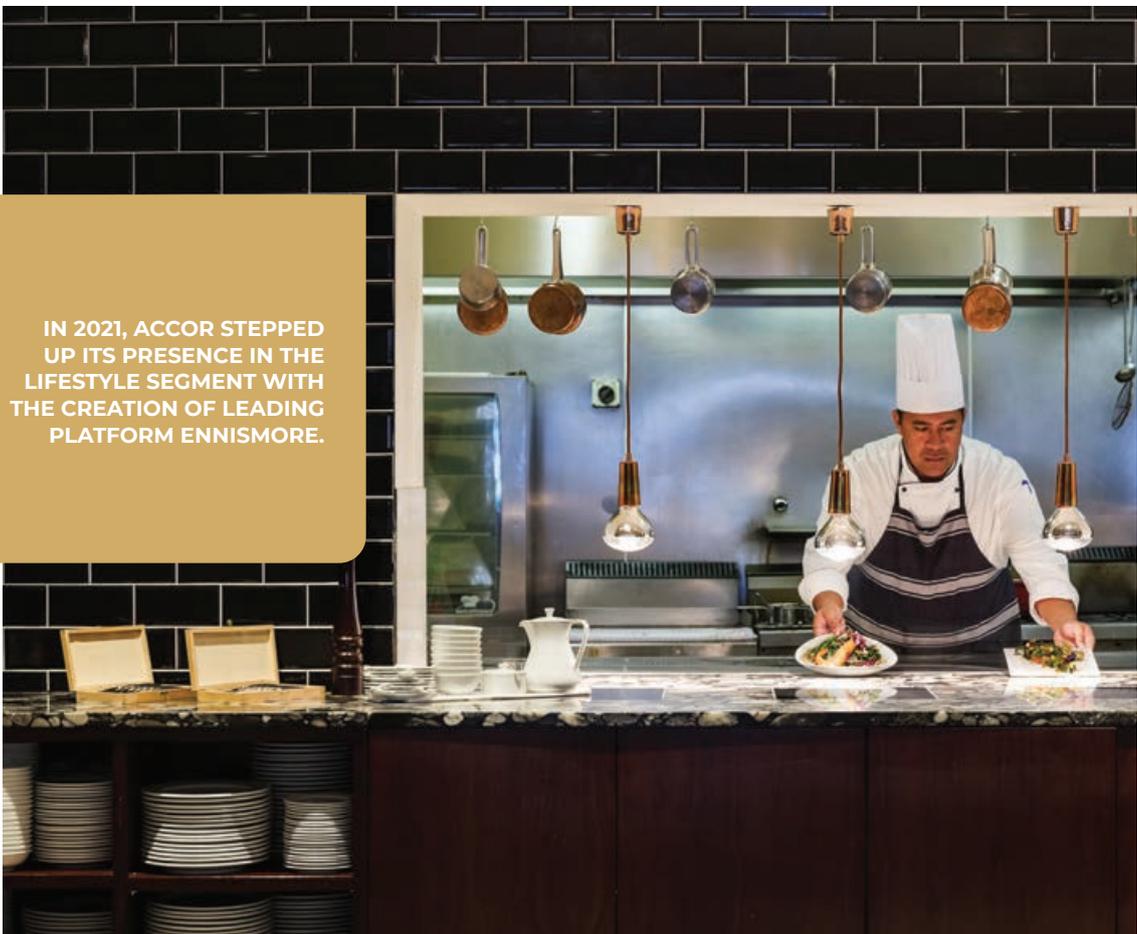
Accor has also enriched its catalog of customized services (John Paul) and other services in events, fine dining and entertainment (Paris Society and Potel & Chabot). The Group has also extended its accommodation activities to the rental of private residences (onfinestay) and coworking spaces (Wojo, Mama Works), and expanded into digital services for independent hotels (D-Edge) and distribution activities such as private sales of hotel accommodation and luxury vacations (VeryChic). In 2018, Accor continued its diversification strategy, acquiring Gekko and ResDiary to extend distribution with business customers and restaurants. In 2019, the Group acquired 40.6% of Ken Group, an upscale sports club operator in Paris.



Reinforcement of the lifestyle brand portfolio

This segment has witnessed the strongest growth in recent years and reflects travelers' aspirations for incomparable experiences. Extremely attractive, the lifestyle segment reflects a way of being, thinking and living for travelers on a quest for meaning in their purchases and their relationship with the world. They want unique and inspiring experiences reflecting their values and lifestyle. Over the past few years, Accor has been seizing every opportunity to invest in this fast-growing segment around the world:

- **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, ACCOR STEPPED UP ITS PRESENCE IN THE LIFESTYLE SEGMENT WITH THE CREATION OF LEADING PLATFORM ENNISMORE.

Strategic partnership with Faena to expand the brand worldwide

Faena is one of the world's most impactful brands in the luxury lifestyle and hospitality industry. Accor has teamed up with Faena to develop the brand in key strategic destinations worldwide, and will manage Faena Buenos Aires and Faena District Miami Beach.

The aim of this partnership is to reinvent lifestyle hotels by rolling out revolutionary concepts, anchored in cultural experiences, making these locations new international cultural epicenters. Faena Districts shift the gravitational centers of the cities where they reside, making a difference in their communities. This endeavor will result in pioneering businesses which specialize in the development of one-of-a-kind, socially responsible, holistic environments, anchored in cultural experiences ranging from residences and hotels, art and cultural spaces.

Alan Faena will work in partnership with Accor to break new ground, developing Faena Districts in select global destinations. These Districts will serve as Accor's model to help achieve its vision and global expansion ambitions. This new venture will strengthen Faena's personal and distinctive approach and should become a catalyst for exponential growth.

New entity Ennismore is now the leading lifestyle hotel operator, boasting the fastest growth worldwide

On 4 October 2021, through an all-share merger, Accor became the majority shareholder in Ennismore, a new entity in which the Group holds 66.67%, with the remaining 33.33% held by Mr Sharan Pasricha.

This new lifestyle platform combines Ennismore's recognized expertise in building meaningful brands, driven by ultra-creative storytelling, unique design and authentic experiences, with Accor's network and distribution strength.

At the same time as this operation, Accor deconsolidated the leased hotel assets into a separate structure, created in partnership with a fund managed by Keys REIM, the majority shareholder with a 51% stake, while the Accor and Ennismore subsidiaries each own 24.5% of the new entity.

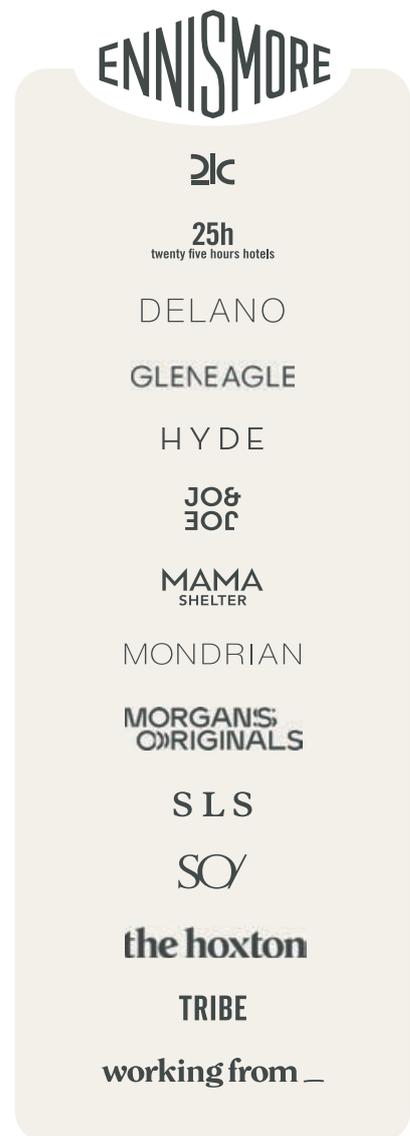
The new *asset-light* entity Ennismore has 14 hotel and co-working brands, as well as a rich and varied collection of over 150 restaurants and nightlife hotspots.

The Ennismore portfolio now includes 87 establishments, with 141 firm plans to open worldwide, under the unique brands 21c Museum Hotels, 25hours, Delano, Gleneagles, Hyde, JO&JOE, Mama Shelter, Mondrian, Morgans Originals, SLS, SO/, The Hoxton, TRIBE, and Working From.

The Ennismore team brings together talented professionals, designers and creators from the hospitality industry and other sectors, including an in-house creative office, an integrated platform for developing restaurant and bar concepts, and a lab dedicated to technological innovations and digital products that collaborate to create brands and invite discovery.

Based on the current network and pipeline the lifestyle platform should generate medium-term EBITDA of over c. €100 million, and capture significant cost synergies of approximately €15 million per year.

Together, these brands reinforce Accor's lifestyle ecosystem and give it one of the industry's most comprehensive brand portfolios.



The Group's development and geographic footprint

Development driven by organic growth

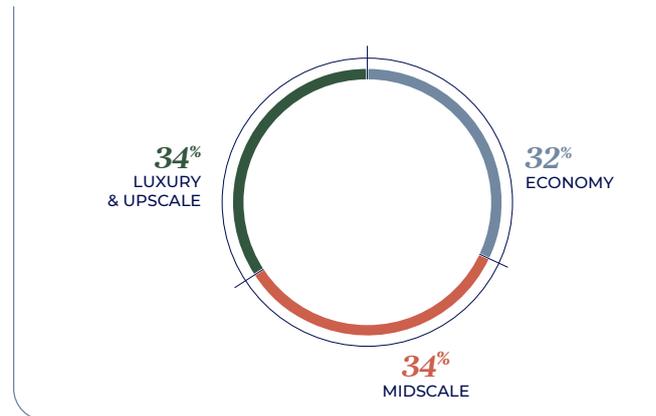
Enjoying strong momentum despite the health crisis, in 2021 Accor saw its network grow by 40,643 rooms (288 hotels) in organic terms and 1,981 rooms (11 hotels) through acquisitions. Accor's development covered all segments, predominantly the midscale (34%) and economy (32%) segments and to a lesser extent, the luxury and upscale segments (34%).

Globally, the Mercure, Ibis and Novotel brands account for 59% of Group development. The luxury and upscale segment grew by 4.7% in 2021, primarily through the Movenpick, Hoxton, Fairmont and Sofitel brands.

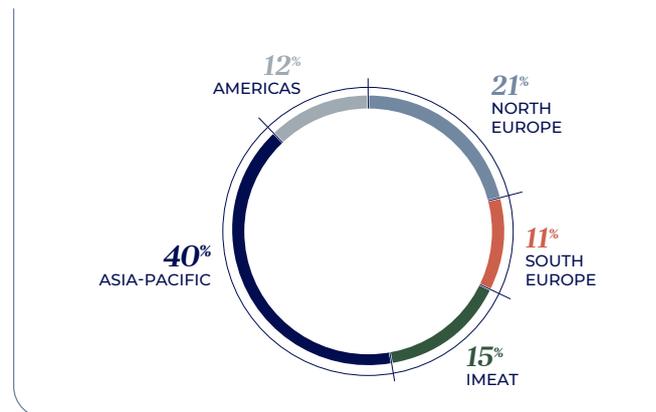
Benefiting from growth of 2.5% over the year, the midscale segment owes 93% of its development to the Mercure, Novotel and Adagio brands, while growth in the economy segment (2.9%) reflects the expansion of the ibis family, which continues to unveil its significant potential across the world.

Geographically, 68% of openings in 2021 concerned regions outside Europe: 40% in Asia-Pacific with the Mercure, ibis, Sofitel and Novotel brands, 15% in India, Middle-East, Africa, Turkey thanks to Movenpick, ibis, Novotel and SLS, and 12% in the Americas with ibis, Novotel, Hoxton and Mercure.

Breakdown of hotel openings by segment at December 31, 2021 (as a % based on number of rooms)



Gross openings by region at December 31, 2021 (as a % based on number of rooms)



Europe accounted for 32% of openings, mainly under the ibis, Mercure, Hoxton and Novotel brands.



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 the United States), 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 3,055 hotels and 342,444 rooms representing 44% of its total portfolio by number of rooms at end-2021. At the same time, Accor has new growth drivers in other parts of the world, such as in Asia-Pacific with 1,285 hotels (31% of rooms), North America, Central America & the Caribbean and South America with 539 hotels (13% of rooms) and the Middle East & Africa with 419 hotels (12% of rooms).

Present in more than 110 countries.



*Leading hotel operator in Europe and Asia-Pacific.**

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 resilient. With a balanced presence globally, each year, Accor strengthens its leading positions.

Hotel chain penetration is still low globally and growth potential is very high, based on projected growth in tourism out to 2030. In 2021, in France, chains only account for 18% of hotels.

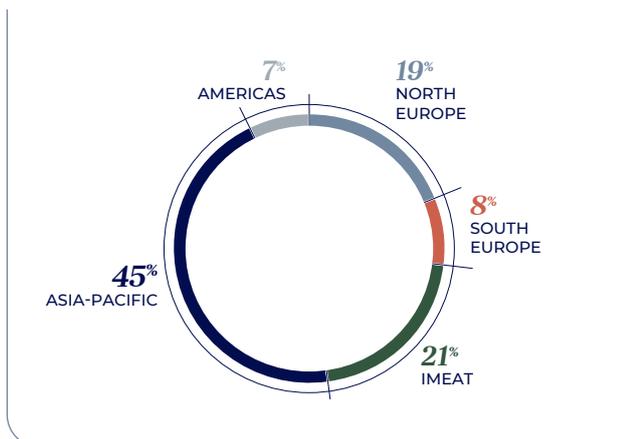
* Excluding China.

Hotel portfolio by region and brand at December 31, 2021

Brands	South Europe		North 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
RAFFLES	2	213	1	106	7	1,319	10	1,283	0	0	20	2,921
FAIRMONT	2	1,028	9	2,277	16	5,203	12	4,152	44	19,853	83	32,513
BANYAN TREE	0	0	0	0	2	341	0	0	0	0	2	341
SOFITEL	14	2,033	12	3,268	27	6,648	53	15,365	16	3,586	122	30,900
RIXOS	0	0	9	1,893	21	8,126	0	0	0	0	30	10,019
SLS	0	0	0	0	1	575	0	0	8	1,873	9	2,448
DELANO	0	0	0	0	0	0	0	0	1	1,114	1	1,114
THE ORIGINALS	0	0	2	354	2	296	0	0	1	309	5	959
REDBURY HOTELS	0	0	0	0	0	0	0	0	2	356	2	356
SO	1	151	3	397	0	0	4	610	1	250	9	1,408
GLENEAGLES	0	0	1	233	0	0	0	0	0	0	1	233
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	19	3,425	37	8,528	76	22,508	79	21,410	75	27,567	286	83,438
HOXTON	2	365	4	733	0	0	0	0	4	650	10	1,748
HYDE	0	0	0	0	1	276	0	0	2	460	3	736
MONDRIAN	0	0	1	120	1	270	1	295	4	759	7	1,444
PULLMAN	14	4,014	13	3,296	16	5,721	90	25,824	12	3,519	145	42,374
MGALLERY	40	3,277	19	2,069	10	1,415	36	4,385	16	1,792	121	12,938
SWISSÔTEL	0	0	7	1,400	10	5,363	15	6,938	4	1,420	36	15,121
GRAND MERCURE	0	0	0	0	8	1,590	42	9,722	8	1,801	58	13,113
THE SEBEL	0	0	0	0	0	0	33	2,361	0	0	33	2,361
MANTIS	0	0	3	114	17	517	1	4	2	19	23	654
ART SERIES	0	0	0	0	0	0	7	1,834	0	0	7	1,834
PEPPERS	0	0	0	0	0	0	27	4,743	0	0	27	4,743
MÖVENPICK	0	0	20	4,312	70	16,489	21	5,098	0	0	111	25,899
25 HOURS	2	410	12	1,828	1	434	0	0	0	0	15	2,672
Upscale	58	8,066	79	13,872	134	32,075	273	61,204	52	10,420	596	125,637
NOVOTEL	143	20,735	127	24,653	61	12,412	144	36,851	49	9,301	524	103,952
NOVOTEL SUITES	22	2,458	7	1,040	3	383	3	439	0	0	35	4,320
MERCURE	308	30,038	277	36,590	31	5,601	223	38,692	60	8,086	899	119,007
ADAGIO	40	4,471	20	2,304	9	1,432	0	0	5	541	74	8,748
MANTRA	0	0	0	0	0	0	76	13,686	1	1,177	77	14,863
MAMA SHELTER	8	1,198	4	702	0	0	0	0	3	248	15	2,148
TRIBE	2	149	1	83	0	0	1	126	0	0	4	358
Midscale	523	59,049	436	65,372	104	19,828	447	89,794	118	19,353	1,628	253,396
NO BRAND	9	637	6	459	7	1,101	22	3,363	1	323	45	5,883
Multibrand	9	637	6	459	7	1,101	22	3,363	1	323	45	5,883
IBIS	453	41,717	283	39,921	80	14,468	263	35,874	180	26,447	1,259	158,427
IBIS STYLES	266	19,955	135	14,642	14	2,658	130	19,387	49	6,506	594	63,148
IBIS BUDGET	383	30,308	159	18,349	4	484	48	5,620	64	11,510	658	66,271
ADAGIO ACCESS	43	4,379	5	668	0	0	0	0	0	0	48	5,047
HOTELFI	147	11,391	0	0	0	0	0	0	0	0	147	11,391
JO&JOE	3	780	1	115	0	0	0	0	0	0	4	895
BREAKFREE	0	0	0	0	0	0	23	3,370	0	0	23	3,370
greet	9	617	1	194	0	0	0	0	0	0	10	811
ECONOMY	1,304	109,147	584	73,889	98	17,610	464	64,251	293	44,463	2,743	309,360
TOTAL	1,913	180,324	1,142	162,120	419	93,122	1,285	240,022	539	102,126	5,298	777,714

At the end of 2021, Accor operated 5,298 hotels (777,714 rooms) around the world and plans to open 1,218 additional hotels (214,000 rooms) within the next five years.

Hotel pipeline by region at December 31, 2021 (as a % based on number of rooms)



A firm footprint in emerging markets

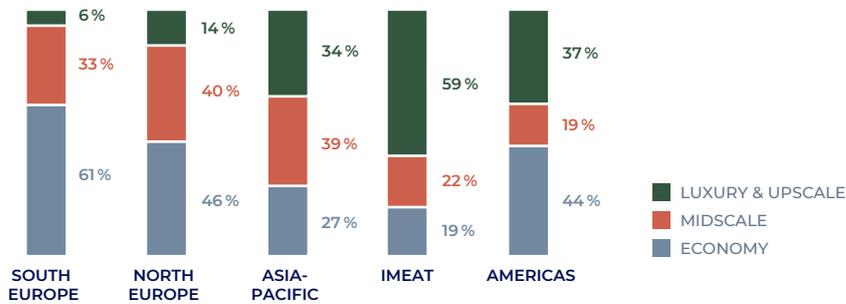
The Accor network has undergone a significant transformation over the past five years as a result of property restructuring between 2014 and 2021, and the expansion of the brand portfolio. At the same time, the Group has focused its organic development exclusively on hotel management and franchising.

Hotel portfolio by region and operating structure at December 31, 2021

	Managed		Franchised		Owned & leased		TOTAL	
	Hotels	Number of rooms	Hotels	Number of rooms	Hotels	Number of rooms	Hotels	Number of rooms
SOUTH EUROPE	483	65,853	1,427	113,081	3	1,390	1,913	180,324
NORTH EUROPE	583	92,660	552	67,874	7	1,586	1,142	162,120
IMEAT	336	76,264	66	13,856	17	3,002	419	93,122
ASIA-PACIFIC	672	152,969	581	81,505	32	5,548	1,285	240,022
AMERICAS	269	59,442	212	30,901	58	11,783	539	102,126
TOTAL	2,343	447,188	2,838	307,217	117	23,309	5,298	777,714

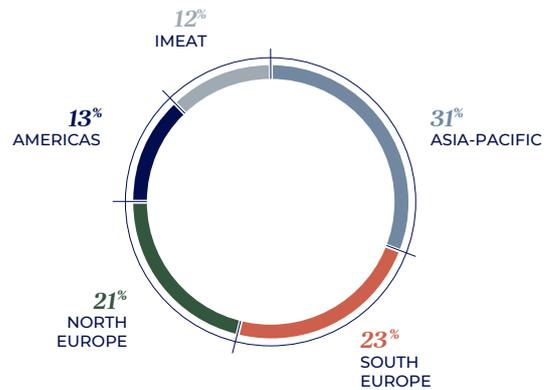
At December 31, 2021, 98% of Accor's hotels in Asia-Pacific were operated under management contracts and franchise agreements. The Americas and IMEAT regions have 88% and 97% of hotels under management contracts and franchises respectively. Whereas Europe had the lowest proportion of hotels under management contracts and franchise agreements before the change in the Group's model, in 2021 the level stood at 99% for both North and South Europe. Europe was the region where the majority of assets were transferred from Accor to AccorInvest.

Hotel portfolio by region and by segment at December 31, 2021
(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, 2021
(as a % based on number of rooms)



In 2021, 45% of the pipeline was located in Asia-Pacific.

A broader footprint in the luxury and upscale segments

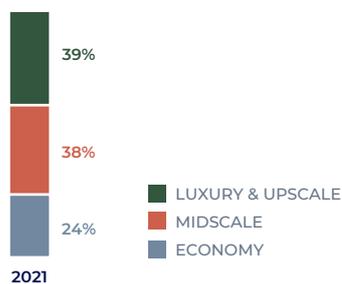
The Group's development has focused on the most profitable segments to increase the weighting of high-value markets in its brand portfolio. Between 2015 and 2021, the weight of the luxury and upscale segments increased by 159%, compared with growth of 52% in the network as a whole.

In December 2021, Orient Express makes a grand return to Italy with La Dolce Vita train. From the luxury rail tourism project signed by Arsenale S.p.A., now in association with Orient Express of Accor Group, comes the Orient Express La Dolce Vita which will welcome its first passengers in 2023. Six trains will embark through several iconic itineraries across 14 regions and beyond, including three international destinations from Rome to Paris, Istanbul and Split.

In November 2021, Accor introduces Emblems Collection, a captivating portfolio of unique luxury hotels.

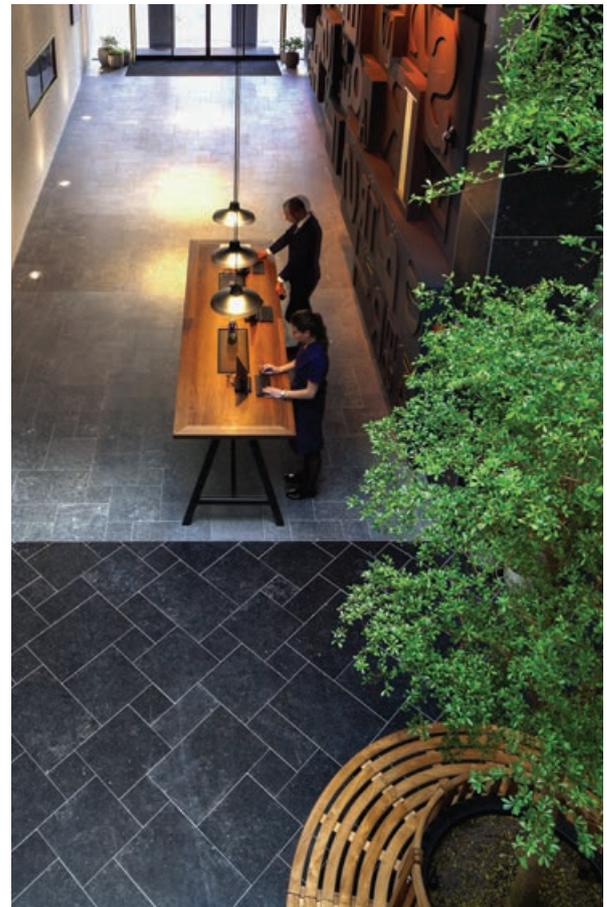
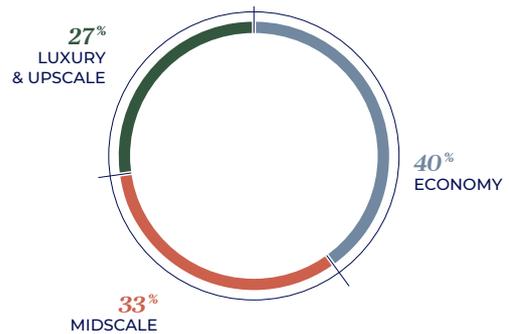
At December 31, 2021, the luxury and upscale segments accounted for 27% of the Accor network, up 1 point relative to 2019. Brands acquired and launched in this segment in recent years are strategic because they have significantly improved the Group's image, its portfolio of offers and the range of its skills, and are more profitable.

Pipeline by segment at December 31, 2021 (as a % of number of rooms)



The range of more than 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 segment at December 31, 2021 (as a % of number of rooms)



Investments to consolidate the Group's digital and retention capacity

Faced with technological advances that are modernizing hotel codes, and the swift change in guests' habits, Accor has spent the last two years developing its ecosystem of offers and services in a comprehensive approach to digital challenges in order to offer personalized assistance, fresh new offers and bespoke experiences.

A strategy focused on the expectations of guests and partners

Reinforced by its *asset-light* model, Accor offers travelers and hotel owners a comprehensive, attractive and innovative ecosystem of offers that can meet all of their expectations. Doing everything possible to encourage this preference in recent years, Accor has invested heavily in:

- increasing its digital capacity to deal efficiently and in a customized way with a growing volume of data and demands from travelers.
- implementing high-quality support consisting of multiple distribution channels optimizing footfall in hotels, and the best solutions for optimizing their revenue,

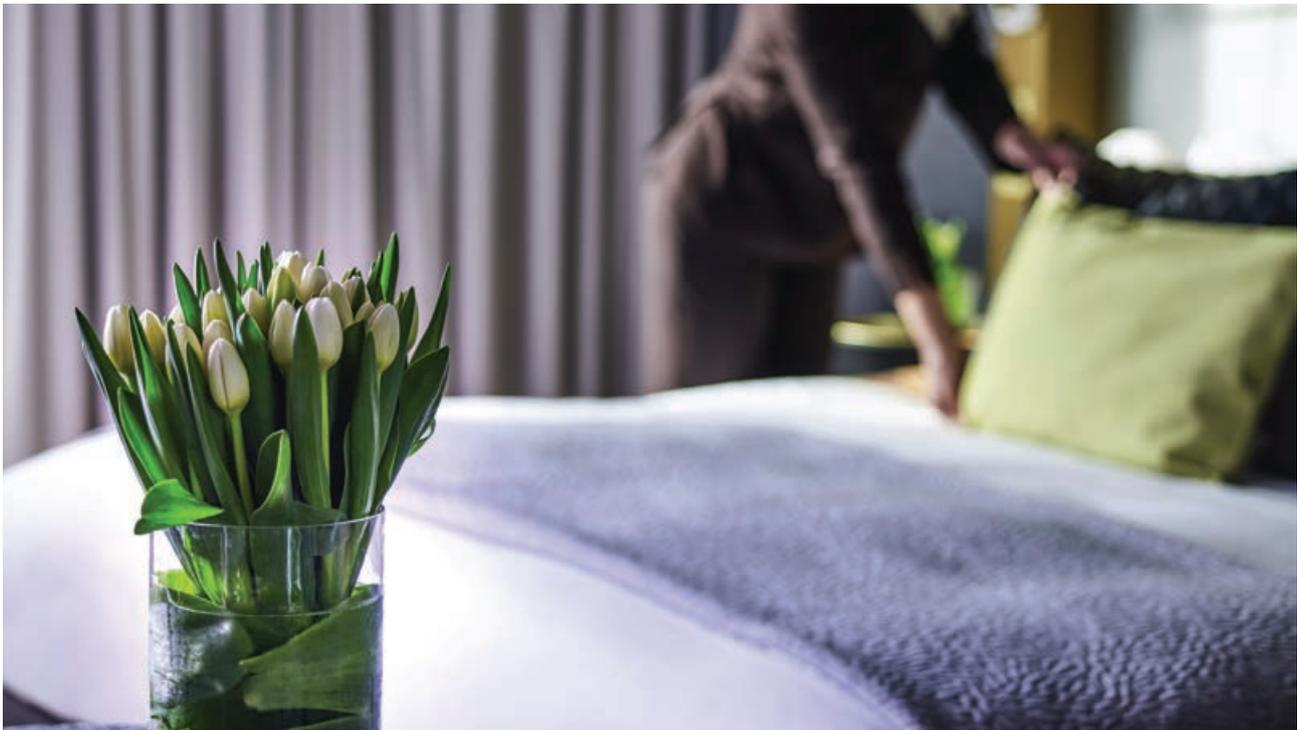
performance, profits, asset management and the personalization of experiences.

Accor subsidiary D-Edge, a supplier of reservation systems for hotels, and dailypoint, a customer data management solution, decided to join forces in 2019 by combining the D-Edge CRS and the dailypoint CRM and customer data management platform to offer an integrated data management solution, dedicated to hotel operators.

PARTNERSHIP BETWEEN D-EDGE AND DAILYPOINT

Now key for operators, CRMs have become the benchmark in terms of customer management. The partnership gives D-EDGE access to unique expertise

in creating a centralized, automated customer profile, using the industry's most sophisticated data cleansing algorithms. In addition, specific artificial intelligence-driven processes provide unique information about guests at all possible touchpoints. This fully integrated solution allows hotel operators to manage their guests' entire travel journey while significantly improving their sales through personalized and efficient customer data management. Holding the promise of fluidity, digital technology heightens Accor's relational and organizational efficiency.



The challenges of digital transition

Increased competition from digital players and new consumption patterns of travelers in one of the most digitalized sectors poses many technological challenges. A prolific vector of innovation, digital technology pervades all of the Group's activities, from its range of services to its IT and booking infrastructure and communication methods... It also enhances the comfort of hotel rooms, brings the Group closer to travelers through tailor-made solutions, thereby optimizing their experiences.



STRONGER DISTRIBUTION CAPACITIES

To keep up-to-date with the latest market innovations available and enable its guests to take advantage of them, Accor collaborates with technology partners who are leaders in their areas. For the past few years, Accor has been customizing its offerings by applying the power of deep learning to its databases in order to accurately identify future buyers of its offers and to control the marketing pressure exerted on them by adapting to their needs and tolerance of marketing drives. The Group uses artificial intelligence to maximize the overall performance of its marketing campaigns, which must be personalized and efficient. Its messages, whether they concern destinations, lifestyle themes or niche products such as luxury hotels, have gained commercial efficiency, and guests have better experiences with brands thanks to carefully dosed marketing pressure.

PARTNERSHIP WITH ALIBABA TO DEVELOP JOINT INITIATIVES TO DIGITIZE GLOBAL TOURISM

In 2019, Accor entered into a strategic partnership with Alibaba for the development of a range of digital apps and loyalty programs aimed at improving the consumer and traveler experience. The partnership leverages nearly 700 million consumers across the various Alibaba marketplaces by offering Chinese travelers better access to Accor's international offers.

PARTNERSHIP BETWEEN THE RUGBY WORLD CUP FRANCE 2023 ORGANISING COMMITTEE AND RESAEVENTS

Developed for Rugby World Cup 2023, the company relies on operational teams from the hotel world and uses an innovative booking platform to market this major sporting event.

Under the guidance of the organising committee, ResaEvents will operate the official hotel booking platform for the entire event, building on a new platform developed in collaboration with Gekko, subsidiary of Accor, a B2B specialist in hotel distribution and loyalty platforms.

Thanks to its thorough operational and financial monitoring ability, hoteliers marketed on the platform can maximize their revenue and occupancy rates during the tournament. More than 700 independent and chain hotels are already listed on the platform.

The technology developed by ResaEvents for Rugby World Cup 2023 will in the future benefit other major event organisers, notably due to its fast interface with existing IT environments and its ability to enhance guest-hotel relationships.

LAUNCHING OF AN INSTANT BOOKING SOLUTION FOR GROUPS

Accor and Groups360 announced the international launch of GroupSync, Groups360's cloud-based technology solution for meetings and events, to provide instant online booking for groups, a simplified RFP process, and housing solutions across Accor's global portfolio. Accor will offer the instant online booking solution for group rooms on GroupSync to the majority of their more than 5,200 properties worldwide. Accor properties are also showcased in the GroupSync Marketplace for streamlined digital RFPs and instant group bookings.

Accor goes further by giving its properties the opportunity to choose GroupSync Optimize for room-block management solutions and housing packages. GroupSync Optimize will also power voucher and gift certificate packages for Accor brands in select markets. Early adopters who have used GroupSync Optimize for housing and voucher sales have seen a 25 percent increase in revenue with little to no extra effort.



STRONGER CUSTOMER RECOGNITION AND PERSONALIZATION

In 2018, Accor started rolling out the Accor Customer Digital Card database, which enables all group hotels to share their knowledge of guests (consumption habits, special expectations in terms of reception, service, etc.), creating a powerful tool to personalize its relationship with them by understanding their aspirations.

A UNIFYING LOYALTY PROGRAM ALL-ACCOR LIVE LIMITLESS

For several years now, loyalty club members have wanted more from their programs: simplicity, immediacy, variety and tailor-made offers.

To strengthen its distribution, build its guests' loyalty and give its brands an indelible impact throughout the world, Accor unveiled a new promise in February 2019. The new "ALL – Accor Live Limitless" program will combine the Group's distribution platforms with a new experiential loyalty program. Program members access a comprehensive range of services and experiences that represent more than just a night's stay, combined with advantages partnerships with other players, including AEG, IMG, the Paris Saint Germain football club, etc. These partnerships, applauded by the Group's guests, formed with some of the biggest names and guaranteeing high exposure, are designed to increase the international visibility of Accor's loyalty program and brands, and to augment the efficiency of its distribution networks.

INTEGRATION OF THE FAIRMONT, RAFFLES AND SWISSÔTEL LOYALTY PROGRAMS

The integration of the Fairmont, Raffles and Swissôtel loyalty programs into the Accor program increased the opportunities to earn points and extended the range of privileges, rewards and exceptional experiences offered to members.

PARTNERSHIP WITH HUAZHU TO STRENGTHEN TIES WITH CHINESE TRAVELERS

In addition to Accor's development in China through Huazhu since 2014, the strategic alliance between the two Groups strengthens the Accor distribution system and loyalty program among Huazhu's Chinese customers.

**PARTNERSHIP WITH AIR FRANCE-KLM
TO TARGET THE AIRLINE'S CUSTOMERS**

Serving people who travel by air and stay in hotels, Accor and Air France-KLM decided to strengthen their partnership by offering their respective members a dual reward system in Points and Miles during their travels and their stays. Points and Miles, allow members to capitalize on both Groups' international geographic footprints.

**PARTNERSHIP WITH AEG WITH ACCESS
TO AEG SPORTING AND CULTURAL EVENTS**

Accor and AEG, the world leader in sporting events and concerts, strengthened their partnership following an agreement covering a number of AEG-operated venues, festivals and events. This partnership comes on the heels of the 10-year naming contract concluded with the AccorHotels Arena in Paris in 2015, and gives Accor access to AEG's various international assets.



**PARTNERSHIP WITH GRAB FOR EASIER ACCESS
TO GRABREWARDS ADVANTAGES**

Accor concluded a strategic partnership with Grab, the largest loyalty program in south-east Asia, to offer both ALL and Grab members access to various rewards and benefits when traveling. Grab offers a range of services via its super app, including ride-hailing, deliveries, digital payments, etc. Thanks to this partnership, Grab members can use their GrabReward points to access the full range of Accor offers: hotels, bars, nightclubs, sporting events, entertainment and food festivals. Similarly, ALL members will have access to the numerous GrabRewards benefits.

**PARTNERSHIP WITH VISA AND BNP PARIBAS,
OFFERING NEW PAYMENT POSSIBILITIES**

Around the world, card payments are expanding rapidly, especially with the advent of “contactless” payment for small value amounts and e-commerce transactions. In response to changing banking practices, Accor is meeting customers' needs and supporting their everyday lives by launching a payment card through its loyalty program.

The ALL-VISA payment card is a real driving force for strengthening the Group's “Augmented Hospitality”, a holistic vision of hospitality and bespoke services for everyday life that extends beyond hotel stays. The card represents a key asset for Accor in customer engagement, where new services shall further leverage the position of the Group's ALL loyalty program as a lifestyle companion with new services. This partnership with BNP Paribas puts one of the cornerstones of Accor's loyalty-building strategy into practice. The launch of this payment card will also diversify the Group's revenue streams.

BUSINESS MODEL

A business model designed to deliver augmented hospitality



A sustainable value-creation model, based on multiple growth drivers

Accor's business model is unique in the travel industry. Operating 5,300 hotels in 110 countries, the Group is the leader everywhere in the world other than the United States 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*.

Accessible via a single platform, the ALL ecosystem combines the full range of offers from the Group and its partners. Its aim is to increase touchpoints with guests as a means of inspiring lasting loyalty to the products and services it offers.

Promoting guest loyalty is an opportunity for Accor to get to know its guests better and to align its offers as closely as possible with their individual expectations. 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 etc.

A pillar of the Group's growth, the loyalty of its guests boosts its appeal with hotel owners. It supports its organic development, but also the appeal of its brands and the growth of its fees, and helps attract the most value-creating business partners.

BUSINESS MODEL

A business model designed to deliver augmented hospitality

RESOURCES

HUMAN CAPITAL, HIGHLY DIVERSE AND INCLUSIVE



- **232,000** employees
- Talent & Culture Expertise
- Corporate culture breeding innovation
- Accor Academy
- Inclusion and diversity

NETWORK, LEADERSHIP IN EUROPE AND EMERGING REGIONS



- **5,298** hotels, **777,714** rooms
- **110** countries
- **3,500** private residences & **10,000** bars and restaurants

FINANCIAL CAPITAL



- Optimized balance sheet and sound financial structure
- **€3.4bn** in cash and equivalents
- More than **€2bn** in revenue

EXPERTISE



- **114** million night stays
- Recognized expertise in hotel development and management
- More than **40** brands across all segments:
 - hotel activities (luxury and upscale, midscale, economy)
 - Workspitality
 - Travel businesses
 - Digital services
 - Service companies

STRATEGY

**Augmented
hospitality**

**Live
Work
Play**

*at the service
of a unique guest
experience and
sustainable
tourism*



Megatrends

UNIQUE EXPERIENCES

NEW LIFE BALANCE

Three levers

To maximize value creation by Accor



STEP UP GROWTH WITH THE ASSET-LIGHT MODEL

- Network growth
- Increase in fees
- Greater exposure to luxury and lifestyle
- Dynamic and attractive brands
- Strengthening loyalty & distribution



PROMOTE POSITIVE HOSPITALITY

- Preserving natural resources and biodiversity
- Protecting employees and local communities
- Promoting local culture, assets and heritage



ATTRACT AND RETAIN

A loyalty program with unique brand powerhouse



- Talent acquisition, development and retention
- Address new trends
- Create tomorrow's experiences

VALUE CREATION

FOR EMPLOYEES

- €1.3bn in wages and staff costs in 2021
- €70m pledged to the ALL Heartist Fund and more than 200,000 direct and indirect beneficiaries of Accor Solidarity
- 2.7 million hours of training

FOR THE PLANET

- Planet 21 Acting Here program
- Carbon strategy
- Plastic commitment
- Plant for the Planet program: 7.4 million trees planted

FOR SHAREHOLDERS AND INVESTORS

- Value creation and dividends policy

FOR SUPPLIERS

- €3bn of purchases by Accor hotels
- €0.7bn of purchases by Accor head offices

FOR LOCAL COMMUNITIES

- Job creation and social climbing
- Local services and offers
- €0.1bn to public authorities
- Training and insertion of local population

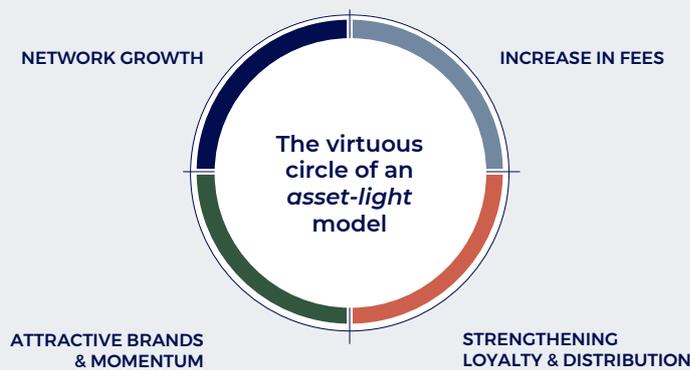
DIGITALIZATION

SUSTAINABLE TOURISM

STEP UP GROWTH WITH THE ASSET-LIGHT MODEL



The ongoing optimization of Accor's model is synonymous with optimizing the cost structure to suit the *asset-light* model, and identifying key resources to meet future challenges.



ACCOR'S RESPONSE

A transformation plan designed to streamline the Group's organization was put in place at headquarters and at the regional bases, as well as in Europe, in order to bring resources into line with identified needs.

For hotels and their owners, the challenge is to increase the effectiveness and profitability of the hotel management model the Group offers them, notably with the following solutions:

- offering operating solutions to improve service quality, increase employee commitment and boost the appeal of the employer brand.
- reducing staff turnover.

ACCOR'S RESPONSE

- The *Heartist*® project and the employer promise to value the role of the employee;
- new tools and processes for talent management and training;
- mobilization of teams around societal projects as well as development of new recruitment methods such as through social inclusion;
- a new procurement platform and a revised referencing policy with, in particular, the pursuit of greater sales volumes *through* partnerships – to reduce procurement costs;
- programs to eliminate food waste, cut energy and water consumption and laundry costs;
- optimization of technical and design processes, as well as optimization of the workings of brand standards, to make them more flexible, and less costly to implement.

Streamlining the Group's organization

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 helps streamline management structures. The Sales, Marketing, Distribution and Loyalty (SMDL) division also agreed to renegotiate its multiple service agreements, especially in the IT sphere. The Group's target is to generate €200 million in recurring savings by 2022. After a positive EBITDA impact of €20 million in 2020, the incremental impact was €110 million over the full year in 2021. This figure shows an improvement on the initial target of more than €70 million thanks

to implementation of the staff redundancy plan and tight control of consultant costs. In 2022, completion of the plan should have a positive impact on EBITDA of €50 million.

To become more agile and efficient and to better track progress on savings within the chosen timeframe, the Executive Committee was also refocused on the regions, around eight regional hubs, to ensure a better flow of information between operations and central functions.

The development of the hotel network has a decisive influence on Accor's revenue growth. Two drivers have traditionally been used:

- network growth, both organic and through acquisitions;
- Growth in the RevPAR ratio, by moving towards the most profitable segments (luxury, lifestyle, resort, etc.) and types of contracts (management), and by increasing the profitability of hotel floor space through concepts and services that generate revenue.

ACCOR'S RESPONSE

Highly dynamic organic growth ensuring the expansion and visibility of the Group's network in key destinations, in particular in emerging markets where growth is strongest; a strategy covering all segments, specifically the most profitable (luxury, lifestyle, resort, etc.); facilitating the conversion of hotels to accelerate its development; acquisition of hotel networks and signing of partnerships to strengthen regional leadership and its brand portfolio (FRHI, Mövenpick, Mantra, Atton, SBE, BHG, Ennismore, etc.).

With this strategy, Accor is consolidating its leading positions in the regions and segments in which it operates, accelerating its expansion in high growth regions, such as China, thanks to Huazhu, and penetrating the US market in a targeted way through appropriate acquisitions in terms of brands and segments.

The intensification of development involves careful work on the pipeline to increase the number of hotels in the network, as well as their quality, which leads to higher fees per room.

ACCOR'S RESPONSE

A diversification of its revenue base through the acquisition of travel activities, broadening the Group's distribution and giving it access to new segments (VeryChic, Gekko, ResDiary); acquisition of digital services (D-Edge) allowing hotels and restaurants to increase their online visibility and booking levels, or optimize their procurement costs (Astore); acquisition of private home rental platforms (onefinestay), that offer alternatives to hotel stays; acquisition of personalized concierge services thereby improving guest experiences (John Paul); acquisition of entertainment services in the food (Potel & Chabot) and nightlife spaces (Paris Society).



STEP UP GROWTH WITH THE ASSET-LIGHT MODEL

Another growth driver within the Group is the rapid increase in touch points within its ecosystem. This involves both increasing the frequency of guest interaction and achieving sources of growth that are not linked to hotel fees.

ACCOR'S RESPONSE

Whether through its hotel brands, restaurants, coworking offers and private home rentals, its concierge, convenience and entertainment services, its travel or digital services, or indeed its open innovation strategy designed to identify and test pilot concepts and invest in the most promising start-ups, all these services attract guests with very different expectations who are not necessarily aware of the other services offered by the Accor ecosystem, and can thus be made aware of them. The more varied and frequent opportunities for interaction with guests, the more likely it is that the Group will be able to transform these visits into service requests.

Lastly, Accor's loyalty program is a key driver of its business model. Encompassing all the Group's offerings, it is intended to sustainably increase the number of loyal guests and their average spend in order to secure a growing percentage of Group revenue.

ACCOR'S RESPONSE

As a commercial portal, *ALL* allows members to explore what Accor has to offer in terms of hospitality and mobility. Launched in December 2019, it is intended to build a relationship of trust with them, better understand their tastes, their interests and their hopes in order to spur them to explore other compatible offerings, regardless of how they have come to the ecosystem. *ALL* is a remarkable growth driver, enabling the Group to both attract new guests and make new suggestions given the wealth of its global offering while retaining members through attractive benefits and fostering their engagement over time.

ALL also regularly partners with other players in the leisure, travel, entertainment (PSG, IMG, AEG, Accor Arena) or loyalty spaces. These partnerships enhance the experience of members and offer them the benefits of other loyalty programs. Such partnerships also benefit Accor because the members of those programs spend within *ALL*, thus generating additional revenue (Eurostar, Air France, Grab, Alibaba, Visa, etc).



PROMOTE POSITIVE HOSPITALITY



Accor can make a positive contribution to society in two big ways: by developing and connecting people, and by creating environmentally friendly hospitality experiences. Moreover, its overriding belief is that its activities must be developed with the greatest integrity.

ACCOR'S RESPONSE

Its Ethics & CSR Charter, applicable in all hotels and all Group activities; Planet 21, Accor's sustainable development program; the diversity and inclusion program; Solidarity Accor, the endowment fund to fight exclusion; the compliance policy and tools (see details in section 3 "Corporate Responsibility").

2021 was hard hit by health restrictions imposed throughout the world. Given the critical economic situation experienced by the Accor Group, a very significant number of programs or projects related to the Ethics & CSR approach have been suspended or slowed down. Accor has nevertheless shown its responsiveness and willingness during this extraordinary period to reallocate resources and to firstly target the health and social needs created by the pandemic, and by staying on the path of sustainability.

Thus, in March 2021, Accor was the first international Group in the hospitality sector to define an approved carbon trajectory backed by scientific data and aligned with the goals of the Paris Agreement. In this way, the Group has committed to net zero carbon emissions by 2050.

In November 2021, Accor also signed the Glasgow Declaration on climate action in tourism, launched by the UN's World Tourism Organization with the ambitious target of reducing absolute Scope 1 and 2 emissions by 46% and Scope 3 emissions by 28% by 2030, compared with the 2019 reference year.* Furthermore, right from the start of the outbreak of the pandemic a solidarity fund, the *ALL Heartist Fund*, was set up. So far, the fund has supported 98,000 requests of employees working at head offices or in hotels under the Accor banner.



Despite the circumstances, and thanks to the hard work of the teams, Accor was able to stay true to its commitments and efforts on major issues with:

- completion of the climate strategy submission to SBTi (Science Based Targets Initiative). This carbon trajectory meets the target of the Paris Agreement to keep global warming under 1.5°C. With the target of achieving carbon neutrality by 2050, Accor set out the trajectory using a roadmap that combines an internal shift to a low-carbon culture across all the Group's businesses, partnerships with energy experts to improve the energy efficiency of buildings, procurement of energy from renewable sources and carbon offsetting. Details of this roadmap can be found chapter 3 of the Universal Registration Document 2021;
- ongoing efforts to eliminate single-use plastic from the guest experience by end-2022, despite the tendency to use single-use products for health reasons;
- the implementation of an *ALL Heartist Fund* solidarity program for employees most affected by the pandemic.

* GHG Protocol.

ATTRACT AND RETAIN



Launched in December 2019, *ALL – Accor Live Limitless*, Accor's lifestyle loyalty program, is the cornerstone of the conquest, attractiveness and loyalty approach taken by the Group for its guests and partners. Strengthened by the long list of benefits available through the *ALL* partnerships, and the extremely wide range of hospitality services on offer, *ALL* aims to increase the long-term loyalty of its guests and to win new ones. The program's challenges are simple and key to the Group's long-term growth:

- meet the hospitality and mobility needs of travelers, workers and local residents by offering them the broadest range of attractive benefits and services;
- inspire them to explore other Group offerings regardless of their point of entry into the ecosystem, thanks to a single portal ensuring a seamless browsing experience;
- getting to know each guest through a personalized direct, relationship, building loyalty over time;
- forging partnerships that provide even more benefits and rewards for *ALL* members, and generate additional footfall and revenue (e.g., Eurostar, Air France, etc.), via partner loyalty programs.

MORE choice and offering

ACCOR'S RESPONSE

Augmented hospitality, or how to leverage more offerings for guests to cover both a wider variety of accommodation and concepts [lifestyle, resort, youth hostels and private homes, etc.]; coworking spaces of all sizes, differentiated brands, and the implementation of an 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 meaningful and unique experiences

ACCOR'S RESPONSE

Iconic partnerships (IMG, AEG, PSG, Visa and BNP Paribas, Grab, Accor Arena) and premium statuses (Diamond and Limitless) 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 more fully reward brand loyalty.



MORE personalization

ACCOR'S RESPONSE

Both technological, harnessing the power of big data and AI to better grasp and anticipate guests' needs (ACDC)*, for instance, and at the same time profoundly human, transforming our management methods to encourage individual initiative aimed at providing guests with a tailor-made experience throughout their stay (*Heartist*[®] program).

MORE fluidity, flexibility and safety

ACCOR'S RESPONSE

Continuous improvement of the security and robustness of booking systems and the browsing experience on the distribution website, especially for mobile applications (in all.accor.com); capacity to switch seamlessly between digital and physical experiences, with reception counters replaced by check-in on mobile tools. Commercial flexibility for guests, rates, postponements and cancellations. Ease of conversion for partner hotel owners looking to switch brands. Certification of hotels that comply with the 'ALLSAFE' enhanced health and safety protocol and introduction of medical assistance to protect guests during their stays.

In an *asset-light* model where brands are essential assets, it is vital to invest in them to unlock their full potential. This increases brand equity, grows hotel RevPAR by heightening brand appeal and facilitates the development of the network by offering compelling brands to owners.

ACCOR'S RESPONSE

An extended brand portfolio; in-depth work on the brands' positioning and value propositions, especially in their sustainability dimension to match the growing aspiration of consumers for purpose-driven brands contributing to society.

In 2019, a portion of the marketing spend was focused on boosting the international reputation, visibility, appeal and impact of the brands—especially the most value-accretive—through targeted advertising campaigns and partnerships with front-ranking players worldwide. 90% of the Group's marketing spend goes to seven global brands (Raffles, Fairmont, Sofitel, Pullman, Mercure, Novotel and Ibis).



GROUP COMMITMENT

Accor, a Group committed to its people and its communities

The commitment of its people has allowed Accor to deliver robust growth over the last 50 years, becoming a global leader in the hotel industry. Accor's 232,000 employees are central to its daily operations in all their diversity. Hospitality is synonymous with a human touch, and that is why the Group's people are its most valuable asset.



Accor's ethical commitment in favor of communities

Beyond the ALL Heartist Fund created during the pandemic, the Group's commitment to solidarity is supported by the Accor Heartist Solidarity Fund, formerly known as Accor Solidarity. In 2021, the Group's annual donation was maintained at €1 million. In parallel, more and more stakeholders are rallying to the fund raising effort in collecting donations. In an effort to engage with employees and guests, Accor Heartist Solidarity has diversified and digitalized its collection methods without changing its scope of operations, which has proven effective for more than 10 years. Accor Solidarity aims to fight against the economic and social exclusion of disadvantaged people through vocational activities, by supporting projects together with local organizations and NGOs. After

more than 10 years of commitment and contact with the associations at the heart of the projects, the endowment fund has developed real expertise in these areas of action that it now wants to reinforce and complement. The fund also acts in emergency situations and provides assistance to local populations to help deal with the immediate and long-term consequences of natural disasters. Since 2018, the fund has extended its support to projects that respond to other types of humanitarian crises, especially in major cities. Whether they concern extreme poverty, isolation or the conditions for supporting the most disadvantaged populations, they still must deal with the same problems as humanitarian emergencies, which generate economic and social exclusion.

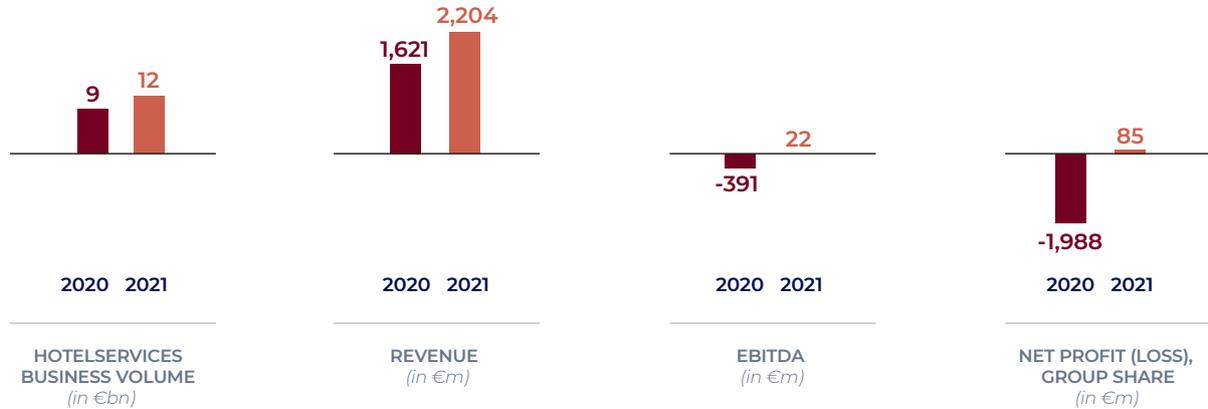
In 2021, despite the health crisis, teams were still extremely active, helping nearly 15,000 people across the globe.

Promoting diversity and inclusion is one of the Group's key drivers of performance, innovation, and ensuring job satisfaction. This has been the Group's long-standing and proactive policy and one of the founding principles of managerial ethics to combat discrimination and promote equal opportunities across the organization. We have been implementing our diversity and inclusion approach since it was created back in 2008. Since then, numerous projects have been set up to support and steer these commitments with our head office, owned, leased and managed hotel employees.

In terms of diversity and inclusion, the Group's initiative covers four challenges:

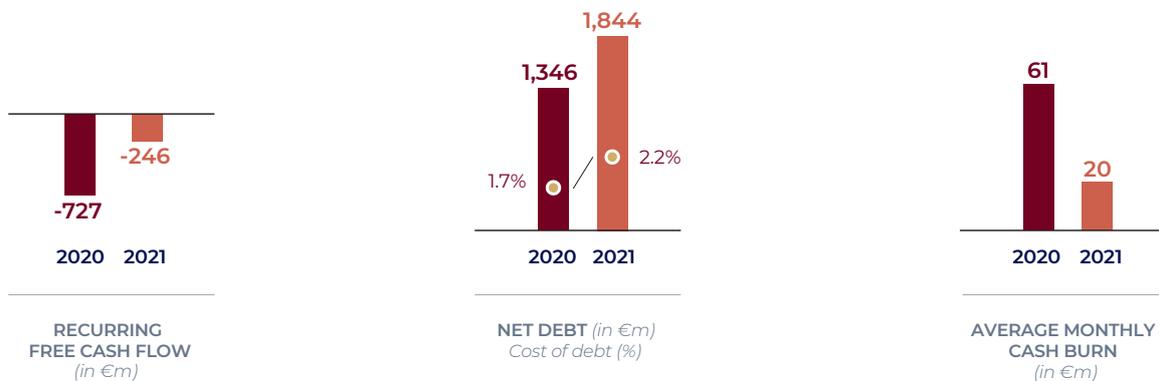
- social responsibility: Accor, as a responsible employer, has a duty to reflect the diversity of the communities in which it operates; thus, for example (as presented on page 29), in Australia, Accor works to promote the inclusion of Aborigines with a specific inclusion and training program in Group hotels.
- employer appeal: Accor is proud of its differences and promotes a positive image externally;
- business performance: making diversity a priority helps Accor design customized solutions to meet guest expectations; For example, in 2021, Accor signed up to the Valuable 500 commitment, to reach two goals: train and raise awareness of Excom members and increase representation of employees and guests with disabilities in the Group's communication campaigns;
- operating performance: inclusiveness and social cohesion are important factors for well-being in the workplace and to secure the commitment of all employees.

Financial performance and ratings



€7.5bn

Stock market capitalization as of December 31, 2021



ACCOR'S FINANCIAL AND NON-FINANCIAL RATINGS:

S&P: **BB+** with negative outlook
Fitch: **BB+** with stable outlook

CDP Carbon rating: **A-**
CDP Water rating: **B**
CDP Supplier engagement rating: **B**
ISS ESG rating: **Prime**
Ecovadis rating: **Gold level**
Sustainalytics rating: **ESG Risk Rating: 18.3, Low risk**
Gaia rating: **75/100**
MSCI rating: **A**
Vigeo rating: **67/100**

Accor joins the IMPACT platform and takes part in its launch by publishing its ESG indicators.

Accor, CSR champion in its sector for non-financial agencies:

#1 CDP Carbon
#1 ISS-Oekom
#2 Vigeo
#2 Sustainalytics
#3 MSCI





Governance and risk management

GOVERNANCE

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 or indeed hospitality) enable the Board to properly identify and understand the challenges facing the Group's activities and facilitate their development.

MEMBERSHIP OF THE BOARD OF DIRECTORS AT DECEMBER 31, 2021

Sheikh Nawaf Bin Jassim Bin Jabor Al-Thani,
End of term – 2022 AGM



Aziz Aluthman Fakhroo
End of term – 2022 AGM



Sébastien Bazin
End of term – 2023 AGM



Iliane Dumas
End of term - 05/02/2023



Sophie Gasperment
End of term – 2022 AGM



Qionger Jiang
End of term – 2022 AGM



Iris Knobloch
End of term – 2023 AGM



Bruno Pavlovsky
End of term – 2023 AGM



Nicolas Sarkozy
End of term – 2022 AGM



Christine Serre
End of term - 01/27/2024



Isabelle Simon
End of term – 2022 AGM



Sarmad Zok
End of term – 2022 AGM



40%
Women
directors

54
Average
age

60%
Independence
of the Board

AUDIT, COMPLIANCE & RISKS COMMITTEE

COMMITMENTS COMMITTEE

APPOINTMENTS, COMPENSATION AND CSR COMMITTEE

INTERNATIONAL STRATEGY COMMITTEE

Independent

Directors chairing a Committee

Director representing employees.

Vice-Chair and Senior Independent Director

Not-independent

Work of the Board and its Committees in 2021

Board of Directors

- Monitoring the health crisis and its consequences for the Group
- Monitoring the implementation of the emergency plan and the Reset permanent cost savings plan
- Monitoring of work done by the *ALL Heartist Fund*
- Issue of a €700m Sustainability-Linked Bond
- Creation of a Special Purpose Acquisition vehicle Accor Acquisition Company of which Accor is the sponsor
- Creation of a lifestyle platform Ennismore
- Review of the composition of the Board and proposal to appoint a new independent director
- 2020 parent company and consolidated financial statements and 2021 interim financial statements
- Review of the independence of directors and consideration of potential conflicts of interest
- Approval of an interim plan
- Notice of the Annual Shareholders' Meeting

11 meetings
in 2021

93%
attendance rate



Board Committees

Commitments

5 meetings

- Review and monitoring of various proposed acquisitions and disposals
- Review of the planned *Sustainability-Linked Bond* issue
- Review of the investment made by Accor as a sponsor of the SPAC Accor Acquisition Company

International Strategy

1 meetings

- Review of recent international issues (particularly monitoring the consequences of the health crisis) and their impact the on Group's operations

Audit, Compliance & Risks

4 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

Appointments, Compensation & CSR

5 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
- External assessment procedure regarding the operations of the Board
- Review of candidates for the appointment of an independent director

Work of the Board of Directors and its Committees in 2021

All information relating to the Company's governance is provided in the corporate governance report in section 4 of the 2021 Universal Registration Document.

The Executive Committee is composed of 19 members representing all businesses and regions in which the Group operates and helps manage and anticipate major challenges. It implements the strategic objectives approved by the Board of Directors, reviews key matters and tracks the operating performance in the light of the targets set.

COMPOSITION OF THE EXECUTIVE COMMITTEE AT THE DATE OF THIS UNIVERSAL REGISTRATION DOCUMENT



Sébastien Bazin
Chairman and
Chief Executive Officer



Jean-Jacques Morin
Deputy CEO and
Chief Financial Officer



Floor BLEEKER
Chief Technology Officer



Alix BOULNOIS
CEO Digital Factory



Fabrice CARRÉ
Chief Strategy Officer



Steven DAINES
Chief Talent & Culture Officer



Patrick MENDES
Group Chief Commercial
Officer in charge of Sales,
Marketing, Distribution
and Loyalty (SMDL)



Brune POIRSON
Chief Sustainability Officer



Agnès ROQUEFORT
Chief Development Officer



Stephen ALDEN
CEO Raffles
& Orient Express



Maud BAILLY
CEO South Europe



Gaurav BHUSHAN
CEO Lifestyle
& Entertainment Accor
and Co-CEO Ennismore



Sarah DERRY
CEO Pacific



Thomas DUBAERE
CEO Latin America



Heather McCrory
CEO North & Central America



Duncan O'Rourke
CEO North Europe



Gary ROSEN
CEO Greater China



Garth SIMMONS
CEO South East Asia



Mark Willis
CEO Middle East & Africa



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 2021 Universal Registration Document.

Compensation policy for the Chairman and CEO

The Company's compensation policy for its Chairman and CEO 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 comprehensiveness, consistency with the company's other executives and employees' compensation policy, comparability, motivation, comprehensibility of the rules and measurement, while ensuring that a balance is maintained between the various compensation elements. In making its recommendations, the Appointments, Compensation & CSR Committee, uses compensation benchmarks conducted by external consultants of the practices of 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 2022 along with the items of compensation paid or awarded to him in respect of fiscal 2021 will be subject to the approval of shareholders at the Company's 2022 Annual Shareholders' Meeting and are presented in section 4 of this Universal Registration Document.

Summary of the overall structure of the Chairman and Chief Executive Officer’s compensation package proposed for 2022

Components	Criteria and objectives	Amount/Weighting
ANNUAL FIXED COMPENSATION	<p>Determined by the Board of Directors based on the recommendation of the Appointments, Compensation & CSR Committee, taking into account:</p> <ul style="list-style-type: none"> • Experience; • Responsibilities; • Market practices. 	<p>€950,000 Unchanged since January 1, 2016¹</p>
ANNUAL VARIABLE COMPENSATION	<p>Annual variable compensation that varies depending on performance in relation to the following objectives:</p>	<p>The annual variable compensation will represent between 0% and 150% of a reference amount set at €1,250,000, representing between 0% and 197% of his annual fixed compensation</p>
	<p>Quantitative objectives: (80% of annual variable compensation):</p> <ul style="list-style-type: none"> • financial: actual versus budgeted consolidated EBITDA for 2022, actual versus budgeted free cash flow (excluding disposals and acquisitions) after change in operating working capital, achievement of RESET plan savings relative to 2022 budget • non-financial: organic growth in number of rooms (net of transfers from one brand to another) in line with 2022 budget, CSR criteria: percentage of managed and franchised hotels having eliminated single use plastic (except for drinking water bottles) in the guest experience, percentage of women on Management Committees worldwide and percentage of hotels with a carbon emissions measurement tool in place 	<p>Each qualitative objective, depending on the degree to which it is met, may trigger the payment of between 0% and 160% of the share of variable compensation it represents</p>
	<p>Qualitative objectives (20% of annual variable compensation):</p> <ul style="list-style-type: none"> • agility and operating adaptation of the business model and talent development 	<p>This objective may trigger the payment of between 0% and 120% of the share of variable compensation it represents</p>
LONG-TERM COMPONENTS	<p>Performance share subject to the achievement of performance conditions set by the Board of Directors and conditional to continued presence in the Group</p>	<p>The grants represent a maximum of 250% of annual fixed compensation, determined by the Board of Directors</p>

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.



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.



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.

Since the end of 2020, risk governance has been based on a new, broader model of consultation and decision-making through a Group Risk Committee that 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.

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



Section 2



Control environment and risk factors

2.1 <i>Control environment</i>	82	2.2 <i>Risk factors</i>	90
2.1.1 Risk management governance	82	2.2.1 Risk management approach	90
2.1.2 Internal control	83	2.2.2 Risk factors	92
2.1.3 Financial control	86	2.2.3 Prevention and protection	100
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2.1 Control environment

2.1.1 Risk management governance

The 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, whose composition and objectives were reviewed in December 2020, is tasked with:

- contributing to the identification, evaluation and prioritization of major risks at Group and Hub levels;
- ensuring that Group risks are managed in line with its profile, tolerance and strategy;
- considering trends, innovations and potential change factors to identify emerging risks and ensure that the organization seizes all opportunities;
- 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 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.

The following functions are represented in the Group Risk Committee: Finance, Legal, IT, Purchases, Communication, Sustainable Development (Social and Environment), Transformation, Distribution & Loyalty, Talent & Culture, Internal Audit, Strategy, Marketing, Development, Internal Control, Hub representatives (in rotation), Risks.

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

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 Group's major risks and contributes to the process of identifying and assessing risks in Group's various Hubs and functions. It is also responsible for overseeing the proper implementation and consistency of Group's risk maps (see section 2.2.1 "Risk management approach");

- 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 Group's hotels. It also ensures that these procedures are properly implemented by 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 Chairman and Chief Executive Officer, is responsible for defining Group-wide safety and security policies and coordinating the crisis management system for Accor.

It helps devise the Group travel policy by producing recommendations, circulating security and safety-related information and supporting the deployment of training initiatives and the development of dedicated tools. It also frames employee travel to countries considered unsafe.

The Safety & Security Department is responsible for deploying, coordinating and monitoring measures aimed at preventing malicious damage in Group hotels. Its duties include consulting, performing audits and providing operational support to protect employees, guests and infrastructure.

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

The Safety & Security Department tracks and analyzes the global safety and security situation on a continuous basis (geopolitical, public health, extreme weather events, social unrest, etc.).

Participation in the Group Accor Board of Directors' Audit, Compliance & Risks Committee and the Ethics, Compliance & Sustainable Development Committee

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

- The Board of Directors' 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 SVP Risks & Insurance attends this Committee on a quarterly basis.

- The Ethics, Compliance & Sustainable Development Committee, whose membership and remit are described in section 3.2.2.4, oversees the result of mapping related to ethics and compliance issues as well as social, societal and environmental responsibility. The SVP Risks & Insurance 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 (COSO). 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 the 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, the internal control system 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. In this respect, its Ethics and Corporate Social Responsibility Charter provides a clear framework for the responsible conduct that the Group expects in terms of ethics, integrity, legal compliance and overall corporate social responsibility. In 2021, the Group pursued its Compliance program designed to tackle compliance risk, particularly bribery-related and anti-trust risks (3.2.3 - Compliance Program). In 2020, the Group enhanced its internal control system with an Internal Control Book that underlines the main forms of control to be conducted by process.

Overall organization of internal control

Scope of internal control

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

Internal control procedures are regularly reviewed to ensure that they are appropriate and aligned with the Group's objectives, particularly in view of the 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 Internal Control Department.

The internal control system is monitored on the following three fronts:



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

Audit, Compliance & Risks Committee

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

- it reviews the risk management policy and ensures that adequate systems are in place;
- it is informed every year of the updates to the risk map and the results of the monitoring processes carried out for the Group’s main risks;
- it obtains assurance concerning the effectiveness and efficiency of the Group’s internal control system, 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 comprises the Chairman and Chief Executive Officer, the Deputy Chief Executive Officer and Finance Officer, members of the Executive

Committee (see the section 4.12 in this Universal Registration Document) and the Director of Group Internal Audit. 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 (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 of the operating departments and support functions. The membership of the Committee is detailed 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 audits of the Accounting Control pillar of the anti-corruption framework. Henceforth, this document will serve as the framework of the Group in terms of Internal Control.

En 2021, 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.

This Department works closely with the Risk, Legal & Compliance, Financial and Internal Audit Departments. It is associated with business experts to implement the Group's key projects.

Group Finance Department

The Group's Finance Department is responsible for the general supervision of Group Financing and Risks. It 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. As part of their certification 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, establishing and implementing procedures and policies for cash flow and financing. It coordinates the different actions carried out to optimize the Group's taxation and strengthen the Group's leadership position through acquisitions, equity investments, the creation of joint ventures and disposals of businesses, interests or assets.

Group Internal Audit Department

Reporting functionally to the Audit, Compliance & Risks Committee and falling under the responsibility of the Chairman and Chief Executive Officer, the Group Internal Audit Department is the cornerstone of the internal control system. Internal Audit carries out various types of assignments (see list in the "Internal audit assignments" section) and relies notably on the use of internal control self-assessments, addressed annually to Group entities and hotels.

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

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

Internal control self-assessments

Every year, the country head offices, the New Businesses and the hotels undertake a self-assessment with the aid of questionnaires available in the specific IT tool known internally as ADICT. These questionnaires are aligned with the internal control reference system and existing procedures. The system helps spread the internal control culture across the Group and is a means of assessing the level of internal control in place to cover operational and functional risks. The results are analyzed centrally by the Internal Control Department to identify areas of improvement and the action plans to follow for each region.

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:



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

The Group Financial Control Department 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. This information must be presented in compliance with the formats 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 consolidation packages has been prepared and sent to the employees concerned.

As part of their certification 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 regularly reviews 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.

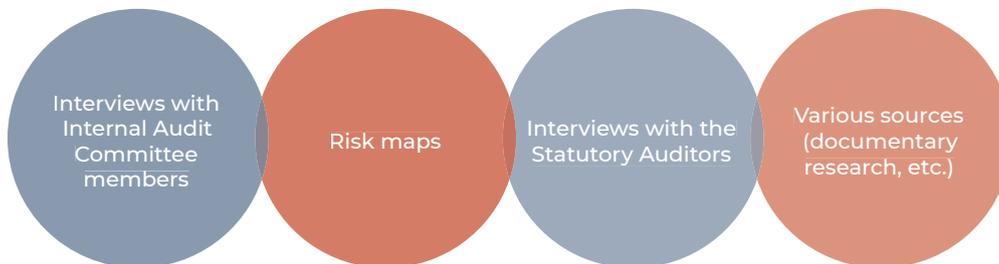
Internal audit

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 the risks identified by the Group Internal Audit Department, based on the following:



Internal control self-assessments

Internal procedures have been prepared and disseminated for the main businesses. They are implemented under the direct responsibility of the operating departments and support functions and form part of a continuous process of identifying, assessing and managing risks. The application of these procedures is notably monitored using internal control self-assessments.

The Group places special emphasis on preparing, disseminating and monitoring internal control self-assessments, which have now been rolled out at the majority of hotels managed by the Group, hotel head offices and new businesses. These assessments interconnect with the Group's existing internal control standards and processes and are based on an analysis of the internal control risks inherent in each business and the identification of key control points.

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.

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.

- **Organizational and procedural audits**, which are aimed at helping head office to optimize and adapt its procedures and operating processes, notably when rolling out cross-functional projects that lead to a change in organizational structures.
- **Specific and/or theme-based audits**, which are audit assignments that comply with the ethical and professional standards applicable to internal auditors and fall within their remit. These assignments may 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.
- **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 Information Systems Security Department, which reports to the Group Information Systems Department, and in some cases in response to queries raised by the Group Internal Audit Department.

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 assessment of the Compliance system's efficiency, 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 delocalized Internal Audit Departments. These departments, situated in the various regions, are now hierarchically linked to the Group Internal Audit Department and report 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.

Follow-up audit of actions 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

After each internal audit, a draft report specifying observations, identified risks and the corresponding recommendations is formalized and sent to the management of the audited unit. Based on this draft report, an action plan is established by the General Management of the audited entity where so 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.

The reports prepared by the local Internal Audit Departments are systematically centralized by the Group Internal Audit Department. A summary of the work performed by these departments is presented to the Internal Audit Committee and the Audit, Compliance & Risks Committee.

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

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

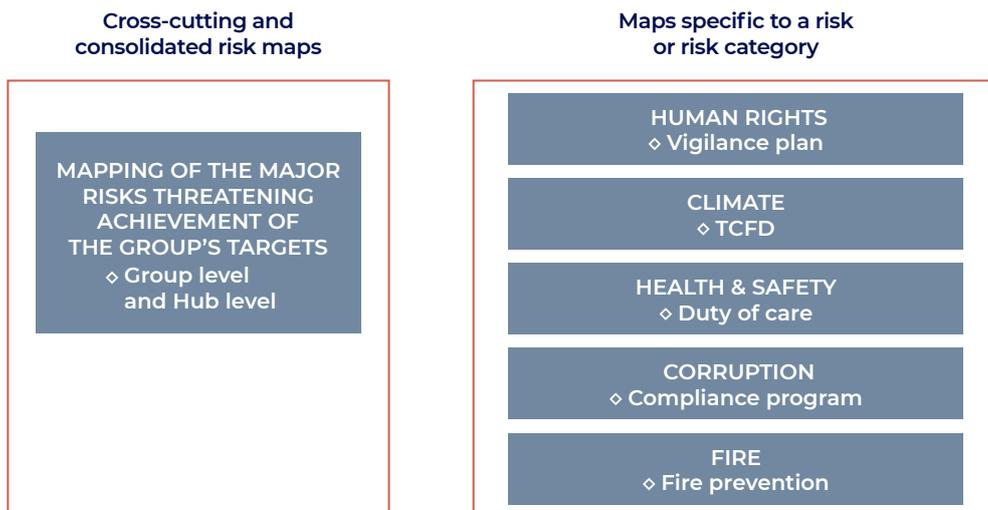
2.2 Risk factors

2.2.1 Risk management approach

Risk management architecture

The Group's risk management system is built around:

- mapping of major, cross-function and consolidated risks at the Group and Hub levels, 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 risk categories to which the Group is exposed. The results are presented each year to the Executive Committee and the Audit, Compliance & Risks Committee, as well as the Group Risk Committee. 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 operating divisions and corporate functions.

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. In other words, likelihood and impacts 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 likelihood 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. It nevertheless seems necessary to discern the key trends, which differ from the traditional risks outlined in the major risk map.

The 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 the Group.

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 ethics and CRS risk map, managed with the Sustainable Development Department;
- the corruption and influence peddling risk map, managed with the Compliance Department;
- the supplier risk map, managed with the Group Procurement Department;
- the fire risk map, managed with the Group Risk Management Department;
- the climate change risk map, managed with the Sustainable Development Department.

Ethics and CSR 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 the 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 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.

For each of the risks assessed, a list of around 20 countries especially exposed enables the rollout of local and specific action plans. For a country whose *Verisk Maplecroft* rating is particularly low in the hotel sector, risk is identified as a priority irrespective of the number of hotels under the Accor banner in the country.

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.

Corruption and influence peddling risk map

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 are 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 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 results drawn from the interviews were the subject of a consolidation and analysis phase, followed by a phase of reporting to the Group's governing bodies (Ethics, Compliance and Sustainable Development Committee, Executive Committee and the Board of Directors' 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. The next update is planned for the first quarter of 2022.

Supplier risk maps

To meet the commitments made in the Planet 21 program, the Group devised a plan for more effective control over its nominated supplier solutions.

Accor is committed to identifying and managing the environmental, societal and social risks that may arise from its business relationships with its suppliers. The Purchasing department, together with the CSR department, lists the Group's exposure to the risks of supplier practices that do not comply with its ethical and CSR commitments through a mapping of Purchasing risks. This risk mapping covers 100% of referenced suppliers and lists them in 3 risk levels according to their category ("standard", "at risk", "high risk"). A risk management process is defined allowing the triggering of specific controls with its referenced suppliers according to their level of identified risk.

From 2022, the CSR risk mapping of suppliers is evolving and is now based on a method carried out by an external third party.

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 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, 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 hotels to be visited by experts with a view to enhancing their safety. 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.

Climate change risk map

A first, in-depth and detailed map of risks related to climate change was established in 2021 to (i) inform the Accor Group of consequences of climate change on its business, and (ii) improve financial transparency concerning the climate according to recommendations of the Task Force on Climate-related Financial Disclosure (TCFD).

This work enabled a study of 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). At present, the planet is situated in a scenario of global warming of 2.7°C by 2100 while the COP26 conference held in 2021 managed to obtain a pledge from the countries present to restrict this increase in temperature to between 1.8°C and 2.4°C.

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 implications of climate change on the Group’s business and to implement suitable measures in good time.

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

2.2.2 Risk factors

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



Risks are presented below in descending order of criticality.



Deterioration in the geopolitical, health or economic environment

Description of the risk

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

The outbreak of the Covid-19 pandemic is an extreme example of a global event causing deep and lasting disruption to economic activity. Some fundamentals linked to tourism and movement of people, for whatever reason (work or leisure), have been called into question and will remain uncertain for some time. The hotel sector was harshly affected in 2020 and 2021, and the risk for 2022 and the following years, although tangible, remains unknown in terms of scope and duration. As such, Covid-related government protocol differs from one country to another and can change rapidly (lockdowns, curfews, tests, quarantines, etc.). The uncertainty surrounding various vaccination strategies (vaccine access, priorities, pace of vaccination campaigns) as well as the effectiveness of the vaccines over time and the presence of variants will prove to be decisive factors in the resumption of our activities.

In terms of geopolitical risk, current disruption linked to the Covid-19 health crisis could lead to greater instability, and potentially topple governments or lead to regional conflict. 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

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 the 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.

In addition, 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.

In order to limit the impact of the risk of a deep and lasting deterioration of these macroeconomic factors, Accor launched a plan at the end of March 2020 to reduce its central costs, as well as the rationalization of other cost centers (Sales, Marketing, Distribution and Loyalty, Hotel Assets and New Businesses). Secondly, the Group carried out a granular and disciplined analysis of its organization to adapt it to its new asset-light model. This analysis led to the implementation of a recurring savings plan of at least 200 million euros. In addition, the Group has a stable financial structure, with a net cash and cash equivalents position of €1,658 million as of December 31, 2021. Taking into account the maturities of financial debts, and on the conservative assumption an operating cash consumption equivalent to that of 2021, the Group's net cash and cash equivalents position is largely sufficient to cover at least twelve months of operation, and thus cope with a possible prolongation of the crisis. The Group also has two undrawn bank credit lines for a total amount of €1,760 million. On November 15, 2021, the Group favorably rearranged the terms of its €1,200 million bank credit line, maturing in June 2025. The initial financial leverage covenant, which had been suspended until June 2022 in context of the health crisis, will thus only be reinstated from June 2024. Only a minimum liquidity covenant will apply in 2022 and 2023. In addition, on April 15, 2021 and October 27, 2021, the Group exercised the two renewal options of six months each on the 12-month renewable bank credit line of 560 million euros, concluded in May 2020, thus extending the maturity to May 2022. This line does not include any covenant.

In addition, the long-term financing of AccorInvest has been secured (Company in which Accor holds an interest and which owns more than 15% of Accor brand hotels).

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.

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.



Description of the risk

The IPCC report published in 2021 confirmed the reality and acceleration of climate change. Through the organization of the various COP conferences, the United Nations has obtained several consensus between nations. Thus, in 2015, during the COP 21, 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 the 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 criteria (Environment, Social, Governance). The taxonomy, the SFDR (Sustainable Finance Disclosure Regulation) as well as regulations to come in both Europe and the world's main financial centers are strong restrictive factors.

The climate risk mapping conducted in 2021 highlighted the following risks and opportunities for the Group:

- 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 hotels and governments of countries in which hotels are located.
 - Approximately one-third of hotels could see a threefold increase in extreme heat waves compared to 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. Indeed, companies that are themselves committed to a carbon reduction trajectory will be forced to reduce the amount of business travel undertaken by their employees.
 - The diversity of Accor hotels' geographic locations provides good mitigation of the risks associated with changes in the behavior of leisure customers, although this category of travelers is likely to become more selective in their choice of hotels and travel destinations.
 - The carbon tax could be implemented in the hotel sector and significantly revalued from its current level, with inevitable consequences on hotel costs and ultimately room rates.
- 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 will 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 will 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 will reduce the impact of carbon tax costs and energy costs. This difference can create a positive competitive effect on room rates.

Mitigation measures

In 2021, Accor committed to principles of the Science Based Target Initiative to achieve carbon neutrality by 2050 and to reduce its carbon emissions by 46% by 2030. The Group also issued a financial bond based on ambitious ESG targets, with intermediate thresholds at the end of 2025, and joined the CAC 40 ESG index this same year.

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

Since its creation, Accor has always worked to promote sustainable development and the environment and has implemented action plans with ambitious targets through its Planet 21 program.

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

The Accor 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. The data could be the target of a malicious attack, originating 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 significantly impact owners of the data stolen or disclosed. 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. As an example, the data protection regulation recently changed in China.

Mitigation measures

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

The Information Systems Security Department is tasked with securing all of the IT infrastructure, systems and applications necessary for the Group's operations. Its role consists of (i) preventing intrusions, viruses and attacks by administering a suite of dedicated systems security hardware and software and performing regular intruder tests and application code reviews, and (ii) conducting awareness campaigns and training seminars for employees, for example on phishing. Despite the adverse effect of the crisis on revenue in 2020 and 2021, Accor has maintained all planned budgets related to cyber risk prevention. Similarly, for 2022, Accor has earmarked a substantial budget in an effort to align IT security levels in recent acquisitions with the Group's requirements.

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 the risks to which they are exposed and, where necessary, establishes and implements mitigation plans.

The Group also has a specific audit team reporting to Group 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.



Unavailability of digital operating data

Description of the risk

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

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

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

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

Mitigation measures

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

The Information Technology (IT) Department is tasked with managing 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.).

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 is to administer a set of hardware and software dedicated to risk prevention (firewall, antivirus, etc.) and intrusion detection (incident probe and response, etc.). It steps in if the IT contingency plan is activated.

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

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

If an incident were to occur despite these preventive measures, a back-up system and redundant infrastructure have been put in place to guarantee continuity of service within 24 hours, which would only affect the Group's business to a small extent. A large-scale crisis exercise is planned for 2022 to test the Group's ability to react to an 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** *Talent attraction and retention risk*

Description of the risk

By shifting its business model to an asset-light model, the Accor group 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 a job market under pressure 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.

Finally, the rapid changes in working methods linked to the Covid-19 pandemic and the Group's transformation could affect employee involvement.

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 skills required for its operations and development.

A number of initiatives have therefore been implemented to attract best talents, including communication campaigns to promote the hotel industry and the employer brand, with 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 (INES platform).

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.



Integration of acquisitions

Description of the risk

The hotel sector is the focus of continuous consolidation. The aim for hotel groups is on the one hand to strengthen their presence in the fastest-growing areas and to enrich their portfolios with new concepts, brands and services, and on the other hand to generate synergies, to capitalize on their loyalty programs and to pool best operating practices.

In recent years, Accor has focused part of its growth strategy on acquisitions of hotel chains (FRHI, Mövenpick, SBE, Ennismore etc.), distribution channels (Gekko, VeryChic, ResDiary), new services (John Paul, D-Edge) and new spaces to stay, play and work (onefinestay, Wojo).

Accor's performance largely depends on its capacity to swiftly and efficiently integrate the newly acquired companies and achieve the anticipated synergies.

This exposes the Group to risks resulting from the business plan and synergies being only partially carried out and slowed or inefficient integration attributable to the insufficient involvement of the operating teams, notably during the due diligence phase.

A description of the Group's main acquisitions can be found in section 1.4.3

Mitigation measures

The Group has a specific team to spearhead integration projects. Its key responsibilities are to structure, support and monitor the integration of the Group's acquisitions, from the acquisition phase to integration.

Its support is based on a single methodology and tools shared within the Group to harmonize practices, increase the speed and efficiency of integrations, and identify and monitor risks.

The department has also set up formal integration reporting to the Executive Committee, to which the relevant departments contribute (Finance, Human Resources, Operations, etc.).

**SNFP** *Non-compliance with standards, laws and regulations***Description of the risk**

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

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

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

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

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

Mitigation measures

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

In the field of personal data, the Group has set up an organization dedicated to ensuring the Group's compliance with PCI DSS and the GDPR, but also to supporting Accor-banner hotels brands in their own compliance. This organization, described in section 3.2.2.5, 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.

Led by the Chief Compliance Officer, the Compliance function described in section 3.2.3 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 & CSR Committee and the Committee of the Board of Directors in charge of compliance matters (see section 3.2.2.3 "Governance, compliance and societal responsibility integrated into the Board of Directors' committees).

In 2021, 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 maintenance and inspection program that includes preventive measures has helped to combat the development and spread of legionella bacteria, with samples and analyzed by certified outside laboratories;
- lastly, as regards food hygiene, kitchen health inspections are performed using the Hazard Analysis & Critical Control Points (HACCP) system.

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

Safety and security, protecting guests and employees

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

- monitors and assesses the security situation in the Group's host countries and the regions targeted for expansion;

2.2.3.2 Protection

Crisis management

The Group has set up a structured, aligned crisis management organization with specifically designated teams for its head office and for the operating units in the more than 110 host countries in order to quickly ensure the safety of guests, local employees, expatriates and onsite service providers in the event of a crisis.

The Safety & Security Department operates a 24/7 crisis hotline.

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)

- 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 recommends improvements where necessary;
- frames employee travel to countries considered as unsafe;
- 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 Products & Services audits in order to (i) obtain assurance concerning the hotels' compliance with the Group safety and security policy and (ii) deploy the necessary action plans to ensure consistency across the network.

In an environment where the risk of terrorist attack is high, 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 and the Group is constantly alert to hotels needs in terms of advice and training.

The support provided to employees during business travel is being constantly upgraded to become more interactive and more responsive.

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

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.

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 increasingly 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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3.1 Statement of non-financial performance and Accor Group vigilance plan

The health crisis that began in 2020 continued to significantly impact hotel and hospitality in 2021. Once again, the Group's business was hard hit by the health restrictions, the world over. The combination of this additional year with the sharp slowdown already observed in 2020 weighed even more considerably on the Group's operations. Our employees continued to show professionalism, commitment and responsiveness

but it remained difficult to achieve some of the targets initially set in a "normal" health situation. However, despite the fact that the sector's activity is still adversely affected with operations conducted at a slower pace, Accor has successfully addressed the health and social emergencies arising from the crisis in its operations and head offices, while maintaining its path to sustainability.

3.1.1 Summary table of risks identified as part of the statement of non-financial performance

The business model of the Accor Group is presented in the section 1 Integrated report of this Universal Registration Document.

The table below presents the CSR 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.

The methodology for identifying risks and the governance of Group risk management, including CSR risks, are described in section 2.2.1 "Risk management" of this Universal Registration Document.

Designation of risk	Description	Policies and measures implemented to control risk and results of risk management
Climate risk	2.2.2 Group risks	3.7.1 Achieving neutrality for all Accor-branded hotels by 2050 SNFP
Malicious harm to the integrity of digital personal data	2.2.2 Group risks	3.2.2.4 Policies and measures implemented to guarantee availability, protect the integrity and confidentiality of personal data and results of such measures and policies SNFP
Talent attraction and retention risk	2.2.2 Group risks	3.3.2. Delivering an attractive employer promise SNFP 3.3.3 Supporting employees throughout their careers SNFP
Non-compliance with standards, laws and regulations	2.2.2 Group risks	3.2.3 Compliance program SNFP 3.2.5 <i>Planet 21 – Acting Here</i> , roadmap for 2021 SNFP 3.3.3.3 Prevention of corruption and influence peddling risks SNFP 3.4.2 Favoring eco-responsible products SNFP 3.5.2 Policies and measures implemented and results obtained <i>Planet 21 commitment</i> : deploying our Ethics and CSR risk management process among 100% of our partners by 2021 SNFP 3.5.2.1 Policies and measures implemented and results obtained <i>Planet 21 commitment</i> : deploying our Ethics and CSR risk management process among 100% of our partners by 2021 SNFP 3.6.2 Protecting children from abuse SNFP 3.7.1.4 Climate indicators, targets and commitments SNFP 3.7.2 Reducing water consumption in hotels SNFP 3.8 Eliminating food waste and favoring sustainable food SNFP

3.1.2 Accor Group vigilance plan

3.1.2.1 Introduction

In accordance with its international commitments and France's law of March 27, 2017 respecting the duty of vigilance, Accor has established a vigilance plan. The latter includes measures to identify risks and prevent serious abuses of human rights and fundamental freedoms, health and safety as well as the environment. The Group takes account of its various operating structures by integrating the activities of its owned and leased hotels and hotels operated under franchise and management agreements into its vigilance plan.

Different categories of people work, directly or indirectly, for the Accor Group. These include people directly

employed by the Group, people employed by managed hotels and people employed by franchised hotels. HR, Ethics and CSR policies apply differently to each of these categories. As such, the actions implemented under the duty of vigilance also differ. Accor's social model and the application of its policies are outlined in chapter 3.3.1.1.

The responsible procurement policy addresses the risks associated with tier 1 suppliers and subcontractors, specifically temporary staff and subcontractors who work in laundry services, housekeeping, landscaping, and call centers.

3.1.2.2 Vigilance plan governance and management

As an extension of the Group's commitment to the duty of care, the Group has implemented a vigilance plan under the aegis of the Sustainable Development, Talent & Culture and Legal & Compliance departments. These departments are also members of the bureau of the Ethics, Compliance and Sustainable Development Committee.

This committee is tasked with advising the Accor Group in compliance with its ethics and compliance commitments, as well as assuming its social, societal and environmental responsibility. It provides recommendations to the Group's Executive Committee. The Committee represents the

challenges of vigilance and comprises representatives from each geography. It also plays a role in guiding and monitoring the vigilance process [for more information on this Committee and Ethics and CSR governance, see chapter 3.2.2.3]. The committee conducts a biannual progress review with respect to commitments to the duty of vigilance.

The Sustainable Development, Talent & Culture, Procurement, Risk and Insurance, Internal Audit and Compliance Departments contributed to the monitoring and drafting of this vigilance plan.

3.1.2.3 Risk mapping

Accor head offices, owned, leased, managed and franchised hotels

People's human rights and health and safety

In 2019, the Group methodically mapped the risks to which it is exposed regarding health and safety and compliance with human rights. The methodologies used to produce these maps are outlined in section 2.2.1. "Risk management" of this Universal Registration Document.

The result of this mapping was transferred, in a consolidated manner, in the Ethics and CSR risk mapping, the methodology of which is provided in the "Risk management" section. This mapping is a management tool that complements the two pre-existing tools in the Group: the materiality matrix and the environmental footprint.

Environmental challenges

At the same time, an environmental footprint study updated in 2020 with data for 2019 provides an overview of the Group's main environmental impacts, from which two major challenges stand out: the management of the environmental impacts of its building stock and

the promotion of sustainable food in its restaurants. The main results are presented in sections 3.7.1.4, 3.7.2 and 3.8.3.3.

Lastly, in response to the requirement under Article 173 of the French energy transition law for green development, the Group has conducted a detailed climate risk analysis presented in section 3.7.1.3.

Suppliers and contractors

Accor pledges to identify and manage the environmental, societal and social risks that can result from its business relationships with its suppliers. The Procurement Department, together with the Sustainable Development Department, lists the Group's exposure to the risks of supplier practices that do not comply with its Ethics and CSR commitments through a mapping of procurement risks. This risk mapping covers 100% of listed suppliers (see section 2.2.1 "Risk management") and classifies them into three risk levels according to their procurement category ("standard", "at risk", "high risk"). 17 procurement categories are identified as "at risk" and 11 at "high risk".

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

As of 2022, CSR risk mapping for suppliers has changed and is now based on a methodology undertaken by an external third party who has re-assessed procurement categories in relation to the risks inherent in the families of products or services provided and the countries

3.1.2.4 Risk prevention measures

Measures to prevent serious abuses by the activities of the Group and its hotels

The Group's vigilance plan is based on a series of initiatives, commitments and policies summarized in this section. The progress of these initiatives in 2021 is included in the summaries of these measures. The relevant monitoring indicators are available to read in the "Monitoring systems" section.

Accor Group's Ethics and CSR commitments

Ethics and CSR Charter

In its Ethics and CSR Charter, Accor confirms its commitment to respecting fundamental principles, particularly human rights, health and safety of individuals, and the environment. The Charter provides guidance to employees on the appropriate behavior to adopt and actions to take in this regard. It applies to all Accor Group employees worldwide. In particular, the Charter has been revised in 2019 to take into account the law on the duty of vigilance.

Accor promotes and implements its values and commitments through a dedicated governance, outlined in section 3.2.2.

In 2021:

- The Ethics and CSR Committee was expanded, becoming the Ethics, Compliance and Sustainable Development Committee in an endeavor to strengthen governance related to Ethics and CSR;
- 92% of Accor entities report that they regularly raise awareness of the commitments of the Ethics and CSR Charter among employees at head office and in the hotels within their scope.

Planet 21 – Acting Here program

The Planet 21 – Acting Here program is built around commitments and targets that directly address the social, environmental and societal issues identified by the Group. It is reflected in a roadmap for hotels, which includes initiatives such as films for awareness and e-learning, on subjects regarding the duty of vigilance. The roadmap for this program can be found in section 3.2.5 while duty of vigilance commitments are listed below.

This sustainable development program ended in 2021. A new roadmap will be presented in 2022. [See 3.2.1 Environmental and social roadmap].

(including and excluding local sourcing), cross-referenced with data specific to Accor's business (internal feedback, procurement category assessment versus the hotel business).

With this new methodology, 80% of suppliers are now identified as "at risk" and "high risk" and subject to assessment by EcoVadis.

Human rights challenges

The Sustainable Development and Talent & Culture Departments oversee the Group's human rights approach. Commitments are set out in the Ethics and CSR Charter. The Group is committed to:

- 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 its employees and guests;
- respect the privacy of its employees and guests.

These issues are assessed on a country-by-country basis through human rights risk mapping. Compliance with these commitments is factored into the monitoring procedures of the Ethics and CSR Charter [see 3.1.2.5 Monitoring procedures].

In 2021, the Group joined the *Sustainable Hospitality Alliance*⁽¹⁾ initiative and took part in the Human Rights Working Group.

As part of a strengthened approach, a program of initiatives has been defined for 2022. It includes:

- the publication of a human rights policy, approved by the Executive Committee, aimed at specifying the Group's commitments and defining the resources deployed to ensure that these commitments are respected;
- the Group's support for countries considered "at-risk," outlining action plans adapted to local challenges;
- the deployment of a training and awareness-raising plan for employees and professions specifically responsible for the application of human rights issues;
- the definition of targeted commitment and monitoring actions for franchised hotel practices, taking into account the specific nature of the contracts and relationships with these hotels;
- the formalization of a responsible recruitment program;
- the strengthening of risk management related to the construction of new hotels;
- increased dialogue with union representatives regarding the vigilance plan, through regular discussions with the Group's European Works Council.

(1) The Sustainable Hospitality Alliance is a voluntary initiative for hospitality companies. As of February 2022, its 15 members make up 25% of the global hotel industry by rooms. The Sustainable Hospitality Alliance drives collaborative action and develops free practical resources and programs to enable the wider industry to operate responsibly and grow sustainably. Members commit to pilot continued actions on a range of social and environmental issues including human rights, youth employment, climate action and water stewardship.

Risk management related to Accor's activities in Myanmar

Accor's top priority is the safety of its employees and guests. The Group has regular discussions with the managers of its nine hotels in Myanmar against a background of increased risk due to political instability. These hotels are kept open because they are key to welcoming foreigners staying in Myanmar. In this regard, hotel team members may be accommodated on site as a security measure.

Since it has been operating in Burma, the Group has created many employment opportunities for the local population. In this way, it is helping to improve the standard of living of those involved in the hospitality industry. It is committed to continuing its presence in the country and supporting both the local population and its local staff, subject to compliance with legal obligations.

Sexual harassment policy and combating violence against women

Accor is committed to eliminating all forms of workplace harassment, including bullying and sexual harassment as well as violence against women. Since 2018, Accor has been pursuing its commitment to the United Nations' (UN) HeForShe solidarity movement as well as the #StOpE initiative. Committed to the cause, this community of companies and managers seeks to share and promote best practices regarding the fight against everyday sexism at work in addition to harassment and domestic violence [see section 3.3.5.2 on combating violence against women].

The whistleblowing system, in operation since 2018, is available in 29 languages and allows any head office or hotel employee to report a sexual harassment incident [see also section 3.1.2.6 on the "Whistleblowing mechanism"].

In 2021:

- the Group deployed an e-learning program to raise awareness of sexual harassment in 13 languages;
- UN Women Worldwide selected the Accor Group as the leader of the "Gender-based Violence" Coalition, as part of the new "Generation Equality" program;
- the Accor program to combat violence against women scooped the special jury prize and the Golden award for D&I initiative from the Grand Prix for the Good Economy, not forgetting second prize awarded by the Victoires des Leaders du Capital Humain.

Gender equality and diversity

Accor has shown a long-standing commitment to gender equality and diversity. In particular, the Group has set ambitious objectives and action plans for equal representation of men and women in management and for equal pay. Furthermore, in 2015, Accor Group signed the Women's Empowerment Principles, championed by the UN in favor of women's independence [see section 3.3.5.2 Promoting gender equality and diversity].

In 2021, Accor set new targets that apply to the entire Group (including franchised hotels and new acquisitions) to promote gender diversity and equality:

- 30% of women on the Executive Committee before end-2022 and 40% in 2025;

- 40% of women on Executive Committees of the regional hubs and business segments in 2022 and 45% in 2025;
- 35% of women hotel managers before end-2021 (the 2020 target was pushed back to 2021 due to the health crisis).

The Group is also committed to raising awareness and motivating its men employees to promote gender equality. Accor also aims to promote a change in attitudes by combating gender stereotypes.

Combating discrimination

The Group Diversity commitment, deployed in 2011 and translated into 13 languages, clearly defines Accor's diversity and inclusion and anti-discrimination policy. Combating all forms of discrimination on the basis of ethnic, social or cultural origin, gender, age, physical characteristics, disabilities, religion, language, marital status, union membership, sexual orientation or other characteristics is one of the sub-commitments that serves as the foundation of the Group's Diversity & Inclusion policy.

The Group, which is supported by a network of Diversity & Inclusion representatives in each of the regional hubs. It has developed awareness-raising and training tools. The latter include the Diversity & Inclusion Intranet, the Diversity & Inclusion Glossary, the Recruitment Charter, the Disability Guide, the International Labor Organization (ILO) Business & Disability Charter, and the guide for recruiters and managers "Recruitment_without_discrimination" [see section 3.3.5.1 Governance and tools].

Initiatives to combat discrimination are implemented across hotels based on local issues. These include inclusion programs for Aborigines in Australia, actions in favor of refugee employment in Latin America and the UK as well as participation in the diversity barometer in France [see section 3.3.5.4 Promoting diversity and combating discrimination].

Accor has demonstrated a long-standing commitment to the integration of people with disabilities. The Group is a pioneering member of the International Labor Organization (ILO) Global Business and Disability Network launched in June 2011. In 2015, the Group signed the ILO "Global Business and Disability Network" Charter [see section 3.3.5.3 Integrating people with disabilities].

In 2021:

- Accor signed a global partnership with the leading organization dedicated to advancing LGBTQ+ tourism, the International Gay & Lesbian Travel Association (IGLTA). Together, Accor and IGLTA will strive to ensure that hospitality is a safe and inclusive space for all. The partnership also reflects Accor's commitment to increase momentum in welcoming and valuing LGBTQ+ team members, guests and communities [see section 3.3.5.4 Accor strengthens its commitment to the LGBTQ+ cause].
- Accor committed to training and raise awareness of disability among its Executive Committee members through the Valuable 500 initiative signed by Sébastien Bazin, the Group's Chairman and Chief Executive Officer. Accor will also pay close attention to the way it represents its team members and guests, in order to improve the inclusiveness of its advertising and communications campaigns.

Protecting children from abuse

Since 2001, Accor has steadfastly committed to combating sexual exploitation of children in the tourism and travel sector. In this spirit, the Group became the first hotel group to sign a partnership with expert NGO, End Child Prostitution, Pornography and Trafficking of Children for Sexual Purposes (ECPAT). Initial training programs for employees got underway from 2002.

Created by Accor in 2012, the We Act Together for Children (WATCH) program helps country organizations and hotels put procedures in place to detect cases of sexual exploitation and take the appropriate response. It is based on a set of training and educational resources and intended for Hotel Managers, team leaders and employees, [see section 3.6.2 Protecting children from abuse].

In 2021: 99% of hotels committed to protecting children through team training sessions (knowing how to detect and respond to sexual exploitation scenarios or exploitation of minors in an establishment).

Environmental challenges

This paragraph summarizes actions with respect to environmental challenges. For more details on the environmental impacts, management measures and monitoring indicators, refer to chapter 3.7 Transitioning to net-zero carbon buildings and 3.8 Eliminating food waste and promoting healthy and sustainable food.

Reducing carbon emissions

Accor commits to a 46% reduction in absolute scopes 1 and 2 greenhouse gas emissions by 2030, from a 2019 baseline. The Group also commits to a 28% reduction in

all relevant scope 3 emissions categories (purchased goods and services, energy not recognized in scopes 1 and 2 and franchised hotels) by 2030, from a 2019 baseline. The targets covering greenhouse gas emissions from Accor operations (scopes 1 and 2) are consistent with reductions required to maintain global warming at 1.5°C (Paris Agreement) and are also aligned with the *Science-Based Targets initiative* (SBTi) methodology. Accor's targets have been revised and validated by the SBTi. In 2020, Accor joined the Business Ambition For 1.5°C program and committed to set a long-term target to reach net-zero carbon by 2050 for all of scopes 1, 2 and 3.

Monitoring hotel water performance is based on:

- energy consumption reporting using the OPEN 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.

Reducing water consumption in hotels

The hotel network is the Group's biggest driver of water consumption. Accor has a duty to promote and support the implementation of water efficiency measures of hotels operated under its banner.

Monitoring hotel water performance is based on:

- energy consumption reporting using the Gaia 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.

Reducing and recovering waste

The Group's activity generates more than one million tons of waste per year.

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, hospitality products, food, etc. – for which the priority is to reduce volumes at source and limit waste from hotel operations and guests in an effort to increase the proportion of sorted and recycled waste.

To achieve its target of 65% waste recovery by 2021, in 2016, Accor drafted its waste policy, in a document intended for hotels to recap on the challenges. The policy set out three priorities:

- priority 1: ensure 100% of hazardous waste is treated in appropriate facilities;
- priority 2: reduce the volume of the largest waste categories namely food waste, packaging waste, paper waste;
- priority 3: sort and recover the main waste generated by Group activities through materials recovery, reuse, and recycling (excluding incineration, including energy recovery).

With respect to the management of renovation and construction waste, Accor's policy is as follows:

- compliance with regulatory requirements (concerning for instance construction site waste or extended producer responsibility) and the application of waste targets in standard certifications (HQE, etc.);
- the use of circular economy both upstream (choice of products made from recycled material) and downstream (furniture donations, etc);
- actions or innovations to drive forward the circular economy from product design, notably led by the Design team and the Technical Department.

Reducing food waste

Reducing food waste is an economic, environmental and ethical issue. Accor has defined a simple four-step strategy to achieve its 30% food waste reduction target by 2021:

1. measure food waste;
2. reduce food waste in the kitchen;
3. interact with guests to reduce food waste;
4. resell unconsumed food at low prices or donate it.

To monitor the commitment to reducing food waste by 30%, an indicator that is applicable to and comparable across all the hotels has been defined: the cost of food waste related to the restaurant business (revenue before tax).

Monitoring Ethics and CSR risk management in supplier and subcontractor relations

Accor pledges to ensure that its listed suppliers uphold its commitments and values. The Group sets out these requirements in its Procurement 21 Charter, containing a uniform and standardized list of its expectations and commitments in terms of compliance with international

standards and norms. The goal is to raise awareness and secure commitment from the Group's listed suppliers on the following topics: labor and human rights, health and safety, environmental management, ethics and fair trade, and responsible consumption. The Charter is available externally on the Accor website.

The risk management process, which enables specific controls to be triggered for listed suppliers according to their identified level of risk, is based on the CSR risk map, implemented in 2017, and which classifies the 100 procurement categories into three risk levels (standard risk, at risk, high risk) based on a score calculated on the following weighted criteria:

- purchase volumes;
- environmental and social risks;
- exposure to guest risks;
- Accor leverage on suppliers.

The controls implemented are:

- the signing of the Procurement 21 Charter, which is appended to all calls for tender when suppliers are selected, and then appended to contracts;
- the integration of CSR criteria throughout the tendering process and a CSR clause in the referencing contracts;
- assessment of referenced suppliers identified as at-risk via a self-assessment platform managed by a third party (EcoVadis);
- on-site CSR audits of referenced suppliers identified as high risk, based on the SMETA international standard;
- delisting in the event of an identified major non-compliance that is uncorrected by the supplier [see 3.1.2.5 Monitoring procedures].

The entire process of managing ethical and CSR risks in supplier relationships is described in section 3.5.2.2. A table describes the measures to be implemented throughout the purchasing process, according to the level of risk of the purchasing categories.

In 2021, the supplier control system was strengthened to include the following initiatives:

- a control plan specific to responsible subcontracting was implemented in Southern Europe with a view to strengthening the risk management of cleaning services;
- a new 2022-2025 risk management action plan has been defined based on external risk mapping and allowing an increase in the number of assessed suppliers;
- the *Know Your Counterparty (KYC)* process was digitalized with the rollout of the new tool (STEELE) and strengthened by a process specific to listed suppliers.

3.1.2.5 Monitoring procedures

Monitoring and control procedures covering the Group and managed and franchised hotels

Internal audits

The Internal Audit Department, whose organization is described in section 2.1.4, plays an important role in the identification and prevention of risks. Through its missions and due diligence, the Internal Audit team ensures compliance – by the hotel head offices, the new businesses and the owned, leased and managed hotels – with the principles and procedures set out in the Group's Ethics and CSR Charter, particularly those designed to prevent acts of bribery and those covered by the vigilance plan.

In head office audits, the key aspects of the Ethics and CSR Charter are systematically reviewed. These audits include the following: verification of the proper distribution of the Accor Group's Ethics and CSR Charter both in the hotels belonging to their scope and among other stakeholders; verification of compliance with best practices in procurement and hotel development; and initiatives for raising awareness of the Ethics and CSR commitments among head office employees. Moreover, all hotels (owned, leased and managed) complete a self-assessment questionnaire on an annual basis, factoring in compliance and awareness of the Ethics and CSR Charter commitments.

The Risks and Insurance Department coordinates major-risk mapping, the results of which are presented each year to the Audit, Compliance & Risks Committee. By mapping all internal and external risks using a common framework, the degree of exposure perceived by General Management and by each entity can be quantified.

In addition, internal control risks are mapped with support from the Internal Audit Department, as well as on the basis of self-assessment. These analyses, which highlight the points that need to be prioritized for corrective actions, can be found in the relevant Internal Audit team reports and are presented in the form of periodic summaries to the Internal Audit Committee and to the Audit, Compliance & Risks Committee.

Lastly, the Internal Audit team monitors the performance and effectiveness of the internal control system implemented within the Group.

In 2021:

- 96% of head offices have stated that their employees are regularly notified of CSR commitments and the Ethics and CSR Charter;
- 88% of Hotel Managers (owned, leased and managed hotels) have stated that they regularly conduct awareness campaigns for managers as regards commitments to the Ethics and CSR Charter.

Monitoring and control of the Planet 21 – Acting Here program

As part of the Planet 21 – Acting Here program, several indicators have been put in place covering all the Group's owned, leased and managed hotels, and franchised hotels. There are two types of indicators: monitoring of the action implementation rate; performance indicators (energy, water, waste, commitments, etc.).

These indicators enable the Group to monitor and control the application and effectiveness of the adopted measures. [See paragraph 3.10.3.2 "Gaïa, an online application for comprehensive and thorough management"].

Monitoring indicators

In recognition of the Group's vigilance challenges, the following performance indicators are considered relevant for monitoring the vigilance plan.

Target: Each country implements a health/well-being at work program.

- 2021 results: 79% – In 2021, commitment levels remained stable overall despite the considerable impact of the health crisis on employee working conditions.

Target: 35% of hotel General Managers are women by 2021.

- 2021 results: 32% of General Managers are women (managed and franchised hotels scope). The health crisis explains the low promotion rate in the hotels.

Target: 30% of women on the Executive Committee before end-2022 and 40% in 2025.

- 2021 results: 26% of women members of the Executive Committee (30% on February 10, 2022).

Target: 40% of women on the regional hubs' and business segments Executive Committees in 2022 and 45% in 2025.

- 2021 results: : 37.6% of women on these Executive Committees (hubs and segments).

Target: 100% of hotels implement our program to protect children from sexual exploitation

- 2021 results: 99% [The WATCH program is clearly identified by the hotels, which hold an annual awareness session for the teams to maintain their vigilance in the fight against sexual exploitation of children. Only 20 hotels had not stated their commitment to child protection on the closing date (i.e., 1% of the Group's hotels). The reasons for their non-validation of this initiative were the lack of communication to guests and/or training for employees.]

Target: -5.6% of energy consumption per room relative to 2019.

- 2021 results: -18%

Target: -4% of water consumption per overnight stay relative to 2019.

- 2021 results: -27%

The health crisis had a spectacular impact on energy and water consumption in 2020 (and on greenhouse gas emissions). After these exceptional circumstances, Accor expects its consumption and emissions to increase again as economic activity gradually returns in the various geographical areas. Accor is continuing its efforts to minimize the rebound and to consider 2019 as the "peak" of its environmental footprint.

Target: 65% of waste from hotel operations is recovered.

- 2021 results: 58% (data based on 805 hotels) [The rollout of the program and waste management tools continued within our hotels, albeit at a pace that did not meet the specified target. Despite the crisis, the Group notes an increase in the number of hotels actively involved in reliable reporting.]

Target: -30% of food waste

- 2021 results: -21% (data based on 493 hotels) [At end-2021, 1,607 Accor-brand hotels implemented the “Introducing a program to combat food waste” initiative. An increasing number of hotels are specifically tracking food waste volumes: 493 at end-2021 versus 282 at end-2018. 30% of these hotels attained the target of -30%. 55 hotels use connected scales and have reduced food waste by 63%.]

Monitoring indicators

	2019	2020	2021
Number of listed suppliers ⁽¹⁾	3,599	3,480	3,316
Share of suppliers among which the Ethics and CSR risk management process is deployed ⁽²⁾	69%	76%	93%
Number of suppliers who signed the Procurement 21 Charter	3,329	3,446	3,316 (100%)
Number of identified at risk or high-risk listed suppliers that completed an EcoVadis assessment	920	975	1,225 (85%)
Number of audits on production sites considered most at-risk	313	336	449 (92% of high risk suppliers)
Number of suppliers who do not abide by contractual CSR clauses	0	0	13
Delisting	0	0	13

(1) A supplier listed by several country procurement offices is accounted for as the same number of different suppliers.

(2) Charters signed for all procurement categories; documentary assessments and action plans monitored for the “at-risk” and “high-risk” categories; external audits for “high-risk” categories.

3.1.2.6 Whistleblowing mechanism

Accor’s Ethics and CSR Charter has already long provided that any Group employee may, at any time, raise questions, concerns or doubts with their supervisors, or with the Talent & Culture or Legal Departments in their country and more recently with the Ethics and CSR Compliance Officers.

To offer enhanced protection to its employees and to encourage disclosure, the Group decided to set up a whistleblowing hotline for ethical, compliance, health and security, human rights and environmental issues. Launched in May 2018, the whistleblowing hotline was gradually implemented and accessible at end-2019, for all employees of the head offices, owned and leased hotels, and new activities and AccorInvest hotels. This whistleblowing system can now be accessed by employees of other managed hotels as well as the franchised hotels in some regions. It will be extended to the entire Group in 2022.

This whistleblowing system is based on an Internet platform accessible 24/7 in 29 languages.

The alerts received are processed by the dedicated representatives (health & safety, human rights, environment & compliance) following the policy concerned that alerts anonymously and confidentially.

In 2021:

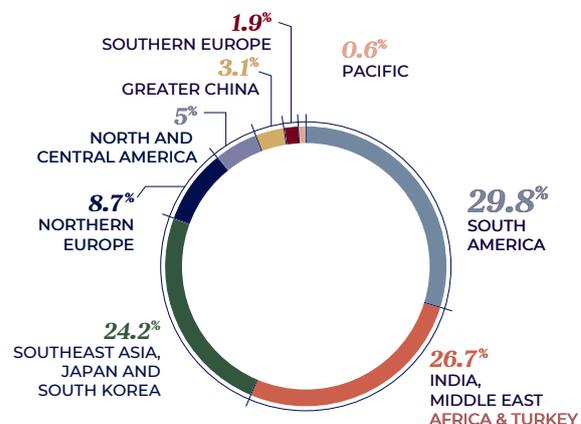
- the whistleblowing hotline was gradually implemented for employees of the managed and franchised hotels;

Monitoring Ethics and CSR risk management in supplier and subcontractor relations

The Ethics and CSR risk management process consists of 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, and delisting if any major non-compliance is detected. All Ethics and CSR risk management processes with respect to supplier relations are outlined in section 3.5.2.2.

- the whistleblowing management policy was updated and the platform that collects and manages whistleblowing information was upgraded;
- 84% of Accor entities state that they have notified head office and hotel employees of a whistleblowing hotline within their scope of consolidation.

Whistleblowing hotline



In 2021, 82% of received whistleblowing information concerned duty of vigilance issues, and specifically human rights (harassment, discrimination, inter-individual relations, etc.).

3.2 Management of the ethics, compliance and CSR approach

3.2.1 Environmental and social roadmap

Accor Group's sustainable development 2016-2021 Planet 21 program ended in 2021. The resulting progress is summarized in section 3.2.5 and outlined in full in sections 3.3 to 3.7.

In recent decades, the world has experienced an unprecedented health crisis. During this crisis, many governments have made significant efforts to mitigate the negative impacts on society and the economy. At the same time, citizens are urgently calling for concrete action to address the cornerstone issues of the twenty-first century; first and foremost, the ecological transition and the fight against social inequalities. With this in mind, companies are called upon to lead by example as they find solutions to these challenges.

Establishing a new model for contributory hospitality

Against this background, Accor's ambition is to transition to a contributory business model in which the Group gives back more to society and the environment than it takes. In this spirit, Accor will use its business to help tackle today's social and environmental issues.

Since its creation, Accor has prioritized the well-being of its guests and employees as well as that of its hotels' local communities.

Stepping up commitment with an ambitious roadmap

In 2022, Accor will unveil an ambitious new roadmap for sustainable development, serving the contribution from hospitality. It is focused on the Group's four main action drivers:

- playing a role of **social elevator**;
- **preserving biodiversity** through the Charter for healthy and sustainable food;
- **maximizing the use of natural resources** in the design of hotels and planning of stays. The Group is already moving toward this transition. In March 2021, Accor became the first international hospitality Group to define a science-based carbon trajectory aligned with the overall objective of the Paris Climate Agreement. In November 2021, Accor also signed the Glasgow Declaration on Climate Action in Tourism, launched by the United Nations World Tourism Organization with the ambitious goal of achieving a 46% reduction in its absolute emissions by 2030;
- **enhancing the quality of hotel community** relations in a spirit of solidarity. This involves the preservation of nature and biodiversity in their direct natural environment, which are key tourist strengths for many hotels. In this regard, Accor also intends to engage with its guests by increasing their awareness and encouraging them to join in the initiative.

Preparing fully to lead a sustainable transformation

Accor has set up a governance structure to guarantee that its ambitions are reflected in tangible results. For the first time in the Group's history, a member of the Executive Committee has full responsibility for this area. In May 2021, Brune Poirson — who previously held the position of France's Secretary of State for the Environmental Transition-joined Accor as Chief Sustainability Officer. Brune's role is to define, drive and monitor the commitments, the strategy and the rollout of the Accor's action plans in terms of sustainable development.

Among the Board of Directors' committees, the Appointments, Compensation and CSR Committee specifically reviews the strategy and performances of Accor's CSR policy. The Committee is tasked with preparing the decisions of the Board of Directors relating to social, environmental and governance issues.

To succeed in this transition, Accor has set out exacting requirements for its rollout:

- **create a culture of sustainable development** by training employees to become a protagonist of change, since sustainable development is everyone's business;
- affirm the transformation by **aligning its financial and sustainable development strategy**. In 2021, Accor successfully completed its first bond issue indexed to targets to reduce its carbon footprint;
- **initiate and play an active role in international coalitions that foster the emergence of shared solutions to major societal problems**, such as climate change and social inequality. At COP 26, along with the 13 other members of the Sustainable Hospitality Alliance, Accor announced the launch of the Pathway to Net Positive Hospitality initiative. Supported by the World Travel & Tourism Council, this initiative provides a practical framework for hotels to reduce their environmental impact;
- **mobilize all Group functions** to create a series of hotel-ready tools, and in doing so, accelerate the deployment of solutions to combat global warming, biodiversity loss and social inequalities.

As a world-leading augmented hospitality group, Accor has locations in 110 countries and actively operates across all continents. The Group is in charge of 5,000 hotels, both directly and indirectly ranging from luxury to economy brands, with a portfolio of 40 brands.

The Group aspires for each regional hub, brand and hotel to develop its own ambitions, acting as a local catalyst for sustainable development.

3.2.2 Governance: Ethics, Compliance and CSR

3.2.2.1 Accor Group Ethics and CSR Charter

The Accor Group's Ethics and CSR Charter expresses the values of the Group, promotes its ethical, social and environmental commitment and serves as a framework for its responsibility process. All of the Group's non-financial policies derive from the Charter.

This Ethics and CSR Charter, initially drafted in 2015, was completely revised in 2019 to account for new applicable regulations (duty of vigilance, France's Sapin law, the law

on influence peddling, etc.) and bring it into compliance with the requirements made to a corporate Code of Conduct. This new edition has also been designed in a spirit of education: the definitions are more precise, the undesirable situations are described, the behaviors to adopt are detailed as well as the solutions that the Accor Group proposes to its employees when they find themselves confronted with these undesired situations.

3.2.2.2 Deployment and supervision of the Ethics and CSR Charter

The Ethics and CSR Charter applies to all Accor Group employees throughout the world, i.e., all full-time and part-time employees of the Accor company and the companies that it controls. This Charter also applies to the full-time and part-time employees of the establishments operated under the Group's brands.

Rolled out in all of the Group's active locations, it is available internally on the various Group Intranets and externally on the Accor website: <https://group.accor.com/en/commitment>.

Directors are responsible for promoting the values and commitments to their teams and carefully tracking its application. A network of Ethics and CSR officers hand off the deployment of the Charter in the countries.

After its latest update, the Ethics and CSR Charter was distributed to Group employees in June 2020 with an introduction by Sébastien Bazin, Chairman and Chief Executive Officer of Accor.

In 2021, 92% of Accor entities reported that they regularly raise awareness of the Ethics and CSR Charter commitments among head office and hotel employees within their scope.

3.2.2.3 Governance, Compliance and Corporate Responsibility incorporated into the Board of Directors' committees

In matters of compliance, the Audit, Compliance & Risks Committee:

- reviews the organization and implementation of the Company's compliance program and stays informed of the introduction of any compliance policies;
- reviews ethical issues raised by the Board or its Chairman or that it may address or of which it may have knowledge.

The **Audit, Compliance & Risks Committee** holds at least three meetings a year. Each one is an opportunity for an update, if necessary, on the rollout of the compliance program, the anti-corruption policy and the whistleblowing system. During its meetings, the Committee regularly reviews the progress of the bribery prevention program, the deployment of the whistleblowing hotline or the improvement of the counterparty risk identification process. Lastly, each year, it reviews and discusses the Group's risk mapping, as well as the bribery risk map.

In terms of governance and CSR, it is the **Appointments, Compensation and CSR Committee's** responsibility to make sure that the corporate governance principles in place are properly applied and to prepare the decisions by the Board of Directors relating to social and environmental responsibility. In this capacity, it reviews the CSR policy guidelines and reviews the results thereof.

The Appointments, Compensation and CSR Committee holds at least two meetings per year. In 2021, the Committee held a meeting entirely dedicated to CSR, during which it reviewed Accor's sustainable development strategy of the Group's diversity and inclusion policy. In addition to this specific session, the Committee regularly monitors strategy implementation with regard to CSR topics.

3.2.2.4 Ethics, Compliance and Sustainable Development Committee

In 2021, the Ethics and CSR Committee, which has existed since 2014, was repurposed and renamed the Ethics, Compliance and Sustainable Development Committee. The Committee is responsible for guiding the Accor Group through the delivery of its ethics and compliance commitments and in upholding its social, societal and environmental responsibility.

The Office of this Committee consists of the Group General Counsel & Board Secretary, the Chief Talent & Culture Officer and the Chief Sustainability Officer. Office members will chair the Committee on a rotating basis. The Office includes the following members who not only represent the Committee, but also the Group's various functions and geographical hubs:

- *Chief Commercial Officer*, South Europe;
- *Chief Compliance Officer*;
- *Chief Operating Officer*, Canada, Caribbean, Mexico and Central America;
- *Senior Manager, Business Excellence*, Greater China;
- *Senior Vice President Group Risk & Insurance*;
- *Chief Procurement Officer*;
- *Senior Vice President Development*, North Europe.

This Committee's role and scope of activity were repurposed for the Group's new organization. It serves as both a platform for discussion and recommendations and an advisory body to the Group Executive Committee.

Its missions are as follows:

- providing recommendations to the Group Executive Committee and following up on action plans;
- ensuring compliance with the principles and practices set out in the Ethics and CSR Charter and all resulting commitments and procedures;
- discussing any issues relating to ethical business conduct;
- analyzing any shortcomings and recommending specific additional controls if necessary;
- overseeing the implementation of the Group's ethics, compliance and sustainable development procedures;
- monitoring the management of ethics-related whistleblowing and following up on related action plans, if and where necessary;
- reviewing and monitoring the ratings obtained by the Group from non-financial rating agencies.

This Committee, which is intended to meet on a quarterly basis, met in December 2021.

3.2.2.5 Policies and measures implemented to guarantee availability, protect the integrity and confidentiality of personal data and results of such measures and policies **SNFP**

The risk of malicious harm to the integrity of digital personal data is outlined in section 2.2.2 Group risks.

Policies and measures implemented and results obtained

Management of risk of harm to the availability, integrity or confidentiality of personal data focuses on showing compliance with the applicable regulations on personal data protection, particularly the European Union (EU) regulation – the General Data Protection Regulation (GDPR). For the Accor Group, this means ensuring that Accor SA, its business units, and new businesses are brought into compliance. It also involves assisting the Accor-banner hotels with their own compliance. Measures have been implemented at each level in response to the specific challenges of delivering compliance.

Information systems security policy and processes

The Accor Group has defined an information systems security policy, broken down into guidelines, operational procedures and controls. This information systems security policy (ISSP) has five components:

Governance: at the corporate level, the Chief Information Security Officer (CISO) reports to the Chief Technical Officer, member of the Accor Executive Committee. The governance component of the ISSP encompasses the definition and dissemination of security policies, risk analysis, awareness-raising among teams, the systematic

inclusion of security in projects, and the principle of data protection, whatever the nature of the systems concerned: operated by the Accor Group or by third parties. Within the Group, the IT team is in charge of implementing the ISSP, rolling out control programs and sharing best practices. Approximately 5% of the IT budget is dedicated to data and information systems security.

Protection: design, implementation and operation of security solutions for the protection of the network, servers and workstations and applications, management of monitoring and deployment of security updates, remote access management, strong authentication, application security, encryption of sensitive data, etc. The Accor Group's ISSP requires audits and intrusion tests to be conducted on all the Group's data processing systems, with particular attention paid to guests' personal data. Approximately 150 security tests are conducted on an annual basis and Accor calls on the most recognized market players to provide security solutions and to assess its level of security in relation to the state of the art. In particular, the PCI-DSS certification is renewed annually via an independent audit (see below).

Threat detection: coordination and execution of intrusion tests, code reviews, monitoring of the dark web, vulnerability scans, intrusion detection probes, advanced threat protection, anti-phishing programs. The creation of a Security Operation Center (SOC), a cyber-threat monitoring center, is under development.

Incident response: traceability of operations and privileged access, definition and testing of incident response procedures. Accor is developing its ability to intervene to quickly detect and respond to any attack.

Compliance: the Accor Group is committed to deploying the organizations and processes required to comply with applicable regulations, with a particular focus on the GDPR and the PCI-DSS regulation (see below). The features of the information systems security system are reviewed by the statutory auditor as part of a multi-year audit plan.

From 2019 to 2021, Atos conducted a comprehensive security audit of the Accor Group's information systems. The findings were presented to the Group's Board of Directors in December 2021. Action plans will be implemented in 2022 and 2023.

Guest Personal Data Protection Charter

The Guest Personal Data Protection Charter – public and available on the website at www.all.accor.com – presents the Group's commitments in this area and describes how the Accor Group uses personal data. This Charter is based on 10 key principles:

1. **Legality:** the Accor Group uses personal data only if this is lawful. This refers to the fact that the Group has obtained the person's consent, or if such use is necessary for the performance of a contract to which the person is a party, or if such use is necessary for compliance with a legal obligation, such use is necessary to safeguard the vital interests of the person, and lastly if the Group is pursuing a legitimate interest by using personal data and such use does not infringe the person's freedoms and interests;
2. **Loyalty:** the Accor Group explains how the personal data it collects is useful;
3. **Determined purposes and data minimization:** the Accor Group only collects the personal data it needs;
4. **Transparency:** the Accor Group informs the persons concerned of the way in which it uses their data;
5. The Accor Group facilitates **the exercise of their rights** by data subjects: access to data, rectification and deletion of data and opposition to data processing;
6. **Data retention periods:** the Accor Group only retains personal data for a limited period of time. Data retention periods are defined for each type of data in the Guest Data Protection Charter based on the principle of minimizing retention periods;
7. **Integrity and confidentiality:** the Accor Group ensures the security of personal data, *i.e.*, their integrity and confidentiality;
8. If a **third party** must use personal data, the Accor Group ensures that it is able to protect personal data;
9. If personal data must be **transferred** outside the European Union, the Accor Group ensures that this transfer is governed by the appropriate legal frameworks;
10. If personal data is compromised (lost, stolen, damaged, unavailable, etc.), the Accor Group notifies the competent data protection authorities and the persons concerned of the **violation** if the violation is likely to generate high risks for the **rights and freedoms of individuals**.

Measures implemented and results obtained

The list below presents the main measures maintained or implemented in 2021:

- maintaining a central data protection team: Data Protection Officer (DPO), Deputy DPO, Data Protection Manager and IT Compliance Officer;
- maintaining and upgrading the page dedicated to information on personal data protection on the Intranet dedicated to "Compliance";
- maintaining the network of Regional Data Protection Coordinators (RDPC) in each business unit;
- internal communication initiatives on "data" compliance monitoring indicators (processing of guest requests, incident management, relations with the authorities, etc.);
- maintaining a GDPR e-learning course, including new material in 2022;
- awareness training in the owned and leased hotels by the central teams and assistance provided in creating their GDPR compliance program;
- overhaul of the support area available to guests on the all.accor.com website to improve the management of their personal data requests: creation of a FAQ on "Privacy & Security" and forms to facilitate the exercise of rights (access, rectification, deletion, opposition);
- improvement of the tool used to analyze data processing activities and establish the processing register. The tool has become more robust for a better follow-up of processing updates;
- deployment of an IT solution to manage anonymization and pseudonymization mechanisms for personal data in data environments;
- update of the legal instruments allowing data transfers outside the European Union, as a result of major developments in the area;
- completion of the Hotel Compliance Platform design, which provides hotels with methodology and tools to monitor their own data protection compliance. In 2021, platform deployment began for AccorInvest hotels. The rollout for other managed and franchised hotels is scheduled for 2022;

- update of the Guest Personal Data Protection Charter to factor in recent changes to national and local regulations. The changes in the rights management processes caused by these regulations have been carried out and the relevant teams have received training;
- compliance of the Group's sites to take into account changes in the collection of consent for the use of "cookies".

In 2021, the Group renewed its annual compliance with the Payment Card Industry Data Security Standard (PCI DSS) for its central systems and all the services it provides to local teams in the countries where it is established. The Payment Card Industry Data Security Standard (PCI DSS) is a data security standard that applies to the different players in the monetary chain. This program, initiated centrally at Accor and in the head offices of the countries, must be supplemented by

certification of hotels when they complete an e-learning module and receive training on operating procedures before confirming their PCI DSS compliance through a self-assessment questionnaire. More than 52,000 employees in the hotels completed this PCI DSS e-learning module in 2021.

PCI GDPR Management Committee

Since 2020, the Accor Group is in the maintenance phase of the GDPR compliance processes. The PCI DSS GDPR Management Committee is tasked with ensuring that processes are kept up to date. It serves as the primary body tasked with identifying and analyzing regulatory and ethical issues surrounding data use encountered by the Group, whether it involves the protection of personal data or compliance with competition rules or ethical principles defined by the Accor Group for itself.

3.2.3 Compliance program **SNFP**

Non-compliance with standards, laws and regulations is described in section 2.2.2 Group risks.

In 2016, the Accor Group adopted a Compliance program to prevent any conduct within the Group or through its partners that could intentionally or unintentionally expose it to legal action, damage its reputation, or jeopardize its business.

The Compliance program is divided into seven parts:

- a dedicated organization;
- major-risk assessment;
- the implementation of policies and processes to prevent such risks;

- awareness-raising and training for employees and partners on the Compliance program;
- a whistleblowing system to report and address any violation of the program;
- policies and process checks and audits;
- disciplinary action for violations of the Compliance program by the Group's employees.

While its compliance program is intended to cover all the rules governing business ethics, the Accor Group has identified four priority areas: preventing active or passive bribery, preventing violations of the right to compete, preventing conflicts of interest and fighting against money laundering. The Group's goal is to establish a uniform compliance culture across all functions and regions.

3.2.3.1 Overseeing and implementing the compliance process

This Compliance program is operated by a network of Compliance Officers, under the authority of the Chief Compliance Officer (CCO), who reports directly to the Group Chief Legal Officer; and has direct access to the Chairman and Chief Executive Officer of the Group.

The network consists of 15 experienced legal experts based in each region where the Group operates. Since 2020, this network is adapted to the Group's new organization with Hub Compliance Officers in charge of implementing the compliance program in their region (or regional ⁽¹⁾ "hub").

The role of Compliance Officers is essentially twofold:

- fostering the culture of compliance in their area, specifically by discussing the Compliance program in general and related policies and procedures both inside and outside the organization and providing

training to all the employees affected. In addition, they ensure that operational activities are in compliance with the applicable business ethics rules and with the Compliance program;

- acting as a privileged contact for all matters of compliance and business ethics, above and beyond the policies and procedures covered by the Compliance program. The job of each Compliance Officer is to provide advice and specific, appropriate answers to everyone who asks, whether or not they are employees or partners of the Group. They can be contacted at any time by anyone within the Group, especially if an employee should want to report a concern or disclose a potential violation of the program.

The Compliance program is deployed in conjunction with the Ethics and CSR Committee, under the supervision of the Audit, Compliance & Risks Committee.

(1) The Accor Group's new organization is structured around eight geographic hubs designed to strengthen proximity to guests and owners. These hubs are in direct contact with the central functions and cover the Group's key markets, strategic geographies and those with the highest growth potential. These eight hubs are: North Europe, South Europe, the Pacific, China, Southeast Asia, Africa & Middle East, North/Central America and the Caribbean and South America.

In 2021, the Accor Group stepped up the rollout of its compliance program with a focus on:

- the update of the **Know Your Counterparty** (KYC) policy, the deployment of a new tool and the completion of an internal process audit (see also section 3.5.2.2);
- provision of the **whistleblowing hotline** to employees of managed hotels (Group employees and all employees of AccorInvest hotels worldwide have access since 2019), updating the whistleblowing management policy and improving user experience (option to anonymize whistleblowing information after it has been processed, whistleblowing archive management, integration of a confidentiality commitment for witnesses and investigators, option to close whistleblowing information in the event of inaccurate or insufficient evidence or failure to provide a relevant response to additional questions);
- update of the **Gift and Invitation policy**; presented to the Ethics, Compliance and Sustainable Development Committee in 2021, scheduled for publication in 2022;

- formalization of a **anti-competitive practice prevention policy**; approved in 2021, scheduled for publication in 2022;
- internal communications for “Compliance Week” (recap on policies and whistleblowing hotline) and “International Anti-Corruption Day” (recap on policies, whistleblowing hotline and anti-corruption e-learning).

These new documents and procedures will strengthen the Group's compliance program. They are distributed to Group employees on the compliance Intranet. This Intranet was completely redesigned in 2020 to become the reference portal within the Group. Employees can also find a link to the whistleblowing system and a social network to discuss compliance issues.

Lastly, the annual self-assessment campaigns conducted by the Internal Control department factored in issues relating to the operational controls conducted by the teams to fully respect the compliance system in the course of their activities.

3.2.3.2 Prevention of bribery-related risks and influence peddling **SNFP**

Non-compliance with standards, laws and regulations is described in section 2.2.2 Group risks.

Bribery risk map

The methodology for mapping bribery risks is presented in Part 2.2.1 “Risk management”.

Bribery risk prevention system

Accor's approach in terms of combating bribery of public officials and private corruption is based on a principle of zero tolerance. The Group ensures that no gratuities, commissions or other payments are made, directly or indirectly, to public officials or elected representatives, as part of its contracts or relationships with public authorities.

Similarly, the Group ensures that corruption and bribery risks are prevented within both its procurement and sales procedures. To this end, clear principles and prohibitions are set out in the Ethics and CSR Charter, as well as in the corruption and bribery prevention policy, both of which are updated to strengthen compliance with anti-corruption laws.

Since 2015, the Group has adopted a gifts policy whose main principle is that an employee should not receive or give gifts as part of a business relationship. This gifts policy, updated in fiscal 2021, provides a framework for exceptions to account for common business practices and specifies the behaviors to adopt according to situations encountered.

The Group has a dedicated system to prevent and detect bribery and influence peddling.

This system relies on the commitment of the Group's management bodies for its implementation and is based on eight pillars:

- the Code of Conduct represented by the Group's Ethics and CSR Charter, which defines and illustrates the behaviors that could constitute acts of bribery and influence peddling through various examples drawn from the Group's activities, specifying the conduct to be adopted in such a scenario;
- a mapping of bribery risks (see 2.2.1 “Risk management”);
- the internal whistleblowing system implemented by the Group as part of its Compliance program;
- a system of training on risks of bribery and influence peddling, based both on a general e-learning module for all Group employees and on a classroom-style in-person training module for staff more specifically exposed to these risks;
- a full overhaul of counterparty valuation procedures (KYC procedures) in 2021;
- internal and external procedures of accounting controls, including the use of tools for automatic detection of abnormalities and fraud in accounting or financial records or flows;
- a control framework based on internal control and internal audit procedures, which together contribute to the prevention and identification of risks of corruption and bribery through controls on certain processes or instruments considered to be potentially more exposed; two audits of the GDPR system and the whistleblowing system were conducted;
- and a system of disciplinary action specified by the rules of procedure to which the Ethics and CSR Charter is appended.

This risk prevention and detection system was defined in 2016. In 2017, following the entry into force of France's Sapin II law, it was deployed in accordance with its requirements. Since then it has been subject to a regular review aimed at strengthening and improving the

Group's main risks in the course of its activities. This review gives rise to an annual action plan with a view to permanently strengthening existing processes and/or applying additional controls.

3.2.4 Other compliance policies

3.2.4.1 Accor Group Tax Policy SNFP

The Tax Policy applies to all Accor Group entities conditional on its approval and adoption, in compliance with local regulations. It defines the governance principles, values and guidelines applicable to the decision-making process with regard to tax issues.

The Policy complies with the values and principles of commitment, team spirit, integrity, respect, openness and diversity as well as the Accor Group Corporate Social Responsibility Policy and Code of Ethics.

As a multinational company, Accor must apply the laws and regulations in force in the countries in which it operates and pay tax amounts in line with such activities. Its first responsibility is to pay taxes and file related tax declarations in compliance with the deadlines established by the different tax authorities, in compliance with the laws and regulations of each country.

Accor considers that the tax the Group must pay in the different tax jurisdictions significantly contributes to the progress and development of these countries. The Accor Group Tax Policy 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.

This Tax Policy, which is mandatory, ensures that the Group complies with the tax regulations in force. Moreover, the Policy seeks to reduce tax risk and define the guidelines and governance framework applicable to all Accor Group entities, subject to approval in compliance with local regulations.

In this respect, and as part of the Group's Corporate Social Responsibility approach, Accor favors a responsible attitude to taxation, taking into account the interests and the sustainable economic development of the territories in which it operates. To this end, Accor also ensures implementation of best tax practices.

The Accor Group Tax Policy is based on four concepts:

- tax compliance;
- tax risk management;

- operational support;
- tax transparency.

Tax Policy

To promote responsible tax practices, Accor assesses its tax exposure in terms of potential economic and reputational impacts in the short- and long-term, taking account of its shareholders, guests and employees.

By meeting its tax obligations, Accor seeks to maintain co-operative and satisfactory relations with the Tax Authorities in the countries where it operates.

To promote compliance with these commitments, which include the above Action Principles, the Accor Group has adopted the following procedures:

Tax compliance

Worldwide, Accor's business generates significant taxes of various kinds. In addition to corporate income tax, the Group is required to pay other taxes in its various host countries, such as local taxes, customs duties, stamp duties and social security contributions.

Accor ensures that the Group's various entities comply with all international laws, regulations and treaties. This involves filing the necessary tax returns and paying the taxes due on time.

Recourse to the use of artificial structures without connection 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 the Accor Group.

Furthermore, Accor constantly monitors changes in regulations.

Certain complex issues are also formally approved by the use of external, independent, recognized and reputable tax advisors and, when possible and necessary, by correspondence with the relevant tax authorities (i.e.: use of advanced rulings or approval procedures).

Tax risk management

The Tax Department is managed by the Chief Tax Officer, who reports to the Deputy Chief Financial Officer. The latter reports to the Chairman and Chief Executive Officer and the Chief Financial Officer.

The Accor Group's 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 Code of Ethics and its procedures.

They all commit to upholding the laws and tax regulations of the countries where Accor operates business activities and they apply the highest quality standards.

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. Thus, any reform that has an impact on the Group's business is analyzed;
- closely monitoring tax audits and disputes.

The Audit Committee also examines how fiscal policy could impact the Group and its stakeholders.

The Audit Committee is responsible for the quality and completeness of financial reporting and for managing the Group's risk exposure. It has oversight to ensure that the tax risks are fully understood. It is therefore periodically informed of the Group's tax risks.

Accor also publishes information concerning ongoing disputes with certain national tax authorities, on page 356.

The Accor Group complied with the new rules for consolidation related to IFRIC 23.

Operational support

The Accor Group tax policy reflects the Group's business and development. For example, the Tax Department is organized around a central team which works closely with the operational teams.

In this supporting role, the Tax Department ensures that the most relevant tax options are implemented in accordance with the various regulations. As such, Accor promotes the analysis of financial, legal, accounting and

commercial impacts that may arise pursuant to recurring and extraordinary operations through the introduction of appropriate means of communication between the different departments. In particular, the Accor 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 commits to complying with documentary and declarative obligations as regards transfer pricing in accordance with the provisions of the different tax legislation. Equally, Accor ensures that its transfer pricing policy is regularly updated and reviewed in compliance with regulations in force and operating circumstances.

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

Tax transparency

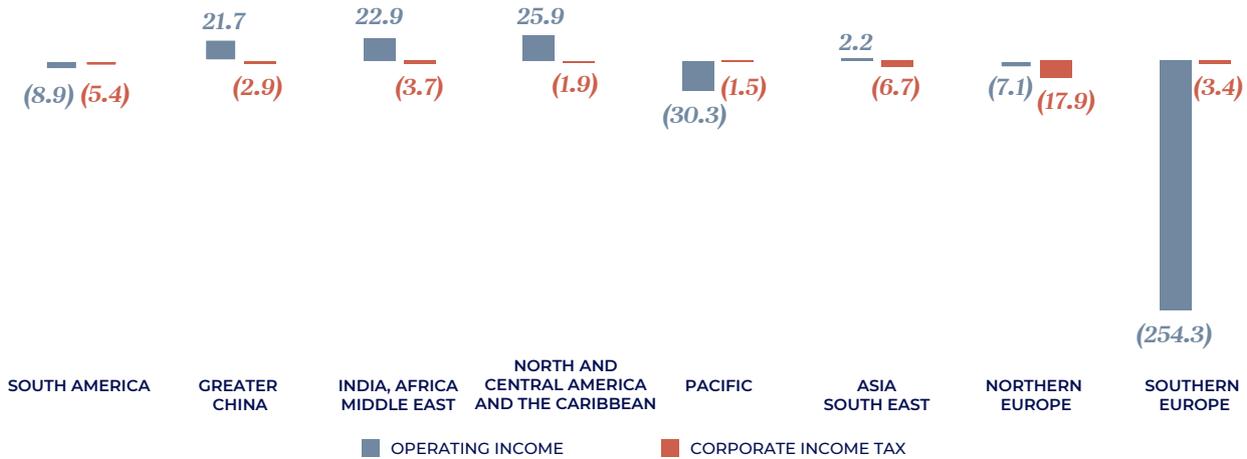
Accor complies with the international tax standards established by the OECD and ensures that its intercompany transactions comply with European regulations on the Group's activities with the arm's-length principle.

Furthermore, the Group meets its Country-by-Country Reporting (CBCR) obligations and sends the required information to the French tax authorities in accordance with the 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. Accor 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 €m)



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 generated tax income of €69 million in 2021, i.e., an effective tax rate of -31.6%. In 2020, the tax gain totaled €62 million, i.e., an effective tax rate of 3.6%.

Lastly, Accor publishes the overall amount of its tax on page 350 of the Universal Registration Document.

As well as corporate income tax, the Accor Group pays many other taxes, duties and levies, most of which are deducted from the profit generated by Accor and in turn profit subject to corporate income tax.

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.

Either directly or via professional organizations, Accor participates in initiatives with legislators or government and national and international organizations which strive to improve legal security and foster sustainable growth.

Governance and structure

The Accor Group's Tax Department is responsible for coordinating the above tax best practices by introducing the appropriate audit mechanisms and internal guidelines to ensure compliance with the regulations in force. These practices can be applied by departments that directly or indirectly perform tax-related functions.

This mission 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.

3.2.4.2 Responsible lobbying policy

In general, the Group's lobbying actions must comply with OECD guidelines. They are developed in line with the principles underpinning its strategic actions and its sustainable development policies.

Accor has relationships with the government and public authorities and institutions in most of its host countries. Thanks to these relationships, it can make a constructive and transparent contribution to public policy in the areas which concern the Group's business. The goal of this contribution is to influence the public decision-makers. In 2021, Accor continued to set up emergency housing systems for vulnerable groups (women victims of violence, homeless women) and front-line healthcare workers in the face of the Covid-19 pandemic, and pursue negotiations with the government and organizations to ensure emergency aid for the commercial tourist accommodation and commercial catering sector severely impacted by the epidemic. On the European level, Accor remains profoundly attached to defending regulation of the digital sector through the Digital Markets Act. The Group would also like to play a key role in promoting tourism after the health crisis and enhancing the appeal of its businesses.

Lastly, Accor is 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 CSR.

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 Accor Group's positions are always expressed by Sébastien Bazin, Chairman and Chief Executive Officer, the members of its Executive Committee, or by the international (WTTC, ITP, HOTREC, etc.) and domestic (UMIH-GNC, etc.) professional groups or organizations of which it is a member.

In France, in compliance with the law of December 9, 2016 on transparency, combating bribery and economic modernization (the "Sapin II law"), Accor has 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.

The principal cash contributions paid by the Accor Group to industry organizations or professional federations are presented in the table below.

The Accor Group does not make any payments to political parties.

	Industry organizations or professional federations that receive funding	2019 amounts	2020 amounts	2021 amounts
France	Union des Métiers et des Industries de l'Hôtellerie – Groupement National des Chaînes Hôtelières (UMIH-GNC)	€276,000	€351,316	€320,000
	Alliance France Tourisme (network of companies from the tourism sector united to promote France as an attractive destination)	€30,000	€20,000	€20,000
Europe	European Hotel Forum	€120,000	€120,000	€60,000
World	World Travel & Tourism Council (WTTC)	€36,972	€40,000	€40,000

3.2.5 Planet 21 – Acting Here, the roadmap for 2021 SNFP

3.2.5.1 Key progress indicators on the Planet 21 roadmap

Accor launched the Planet 21-Acting Here program 10 years ago and relaunched it in 2016 with targets initially for 2020. This deadline was extended to 2021 given the pandemic context and associated travel restrictions. With this far-reaching program, Accor acted for positive hospitality and successfully engaged its teams in more than 5,000 hotels and over 40 brands in 110 countries. The slogan “Acting Here” was intended to emphasize action, placing sustainability at the heart of the hotels’ initiatives. The sustainability program was structured around four audiences (employees, guests, partners, communities) and two priorities (food & beverages and buildings). The hotels were fully committed through a roadmap of actions, some of which were mandatory and others which allowed them to progress towards an ever higher level of commitment.

Despite the pandemic context of the past two years, Accor has successfully deployed its ethical and CSR risk management process with its partners. A focus on local and responsible sourcing has also become increasingly important in the catering experience of the Group’s brands. In terms of buildings, Accor has made significant progress in terms of water and energy consumption as the Group moves towards net-zero carbon buildings.

It should be noted that some of the results below do not reflect the actual commitment of the hotels. Indeed, in an effort to continuously improve the transparency of its reporting, the Group has taken the Northern Europe hub (representing 17% of responding hotels) as a pilot for a new reporting methodology, where any undocumented response is considered negative.

In 2022, Accor will present an ambitious new roadmap for sustainable development. Global limits are a worldwide reality and tourism is responsible for 8-11% of greenhouse gas emissions ⁽¹⁾. As a global player in the hotel industry, Accor must reinvent its business model. The expectations of the various stakeholders, such as investors, shareholders, regulators, owners, partners, the press, NGOs and guests, are constantly changing. The Group must anticipate these changes and help its various partners in this transformation. A true cultural transformation must take place at Accor, by changing mindsets both internally and externally. Note that in 2021, CSR-related criteria represented 10% of the CEO’s target bonus. For 2022, the Group is considering increasing this amount to 15% and applying these criteria to all members of the Executive Committee.

Topics	2021 targets ⁽¹⁾	2019 results	2020 results	2021 results	Trend	Comments
 Acting as an inclusive company for our employees	The employee engagement index increases every year ⁽²⁾	81%	ND	79%	⏸	Despite the health crisis’ substantial impact on employees’ working conditions, the commitment rate remains high. However, Accor is not in a position to consider this a target attained, considering the very moderate decline in 2021.
	Each country implements a health/well-being at work program	83%	74%	73%	⏸	Based on the eight hubs that answered the questionnaire, 70 countries reported they had implemented and deployed a health and well-being program corresponding to the criteria defined by the Group.
	35% of women hotel General Managers by 2021	29%	29%	30%	⏸	The Group recorded an increase of 1 point in 2021 for subsidiary and managed hotels in a period when very few promotions were able to take place due to the health crisis. Within the overall Accor scope, i.e. including franchised hotels, the rate was 32%.
	Employee awareness of the Group’s high level of CSR commitment is growing ⁽³⁾	86%	ND	85%	⏸	The rate remained stable in 2021. Note that the CSR index was the second highest after Safety. Within the commitment survey, the issue of recognizing diversity obtained the highest score of affirmative responses from employees.

(1) Source: WTTTC.

Topics	2021 targets ⁽¹⁾	2019 results	2020 results	2021 results	Trend	Comments
 Engaging our guests in a sustainable experience	Driving forward one key innovation per year to focus our guest interaction on sustainable development ⁽⁴⁾	Accomplished	Accomplished	Accomplished	☑	In 2021, Accor deployed the Net Zero Carbon Calculator for its sales teams and BtoB guests. The fully integrated tool caters to the needs of guests seeking to identify, reduce and offset greenhouse gas (GHG) emissions generated by their stays and events in the Group's hotels.
	100% of our hotels implement the 10 mandatory actions of Planet 21 In Action	93%	93%	96%	☑	Approximately 500 new hotels achieved the bronze level in 2021, making it possible for the Group to make significant progress and consider this target attained. The hotels that had achieved the Bronze level in 2020 also continued to grow with 62 hotels reaching the Silver level, 93 the Gold level and 48 the Platinum level. There was a drop in the reporting rate (from 82% to 76% of hotel respondents) due to a new data reliability process in North Europe (17% of hotel respondents). In this respect, certain actions not documented by the hotels could not be considered valid.
	The 10 key hospitality product categories are eco-responsible	7/10	7/10	6/10	✗	At the end of the program, the Group did not meet its target but will step up efforts to deliver a greener guest experience. In 2021, most of the green solutions already deployed will continue. However, the implementation rate for the Single-use product family: "toilet paper/ hand towels/paper towels/garbage bags/ cardboard cups/plastic cups" was down (from 63% to 59%) due to a new data reliability process in North Europe, whereby certain actions not documented by the hotels could not be considered valid. This decline explains the dip in Group results regarding the number of eco-responsible product families in use. The target would have been reached with a rate of 60%.
 Co-innovating with our partners to open up new horizons	Driving forward one key innovation per year to develop alternative and responsible models ⁽⁴⁾	Accomplished	Accomplished	Accomplished	☑	As part of its partnership with VivaTech, Accor rewarded two startups and deployed their solutions: Orbisk, a tool based on artificial intelligence with a connected scale that reduces cooking waste, and MapLab, a tool that improves the impact and quality of life of employees through teleworking.
	Our "Ethics and CSR risk management" process is deployed among 100% of our partners – Suppliers section ⁽⁵⁾	69%	76%	92%	🌞	This target was practically met at end-2021, with 94% of referenced procurement volumes audited by a third party (representing 92% of suppliers). The remaining 6% of suppliers to be audited are mostly small organizations which will undergo an adapted control plan in 2022. These suppliers have already been audited through the EcoVadis assessment.
	Owner section	ND	ND	ND	🌞	In 2021, Accor formalized a new Know Your Counterparty (KYC) Policy. The process is digitalized and includes the use of a platform connected to external databases. 96% of Accor entities report that they apply the KYC process as defined by the Group policy.

Topics	2021 targets ⁽¹⁾	2019 results	2020 results	2021 results	Trend	Comments
 Working hand-in-hand with local communities to deliver positive impact	100% of our hotels engaged in a citizen or solidarity project	82%	82%	76%	✗	The clear decline in 2021 was due to a new data reliability process introduced in North Europe (17% of hotel respondents), whereby certain actions not documented by the hotels could not be considered valid. This result is not a true reflection of the hotels' historically high levels of commitment. Accor's ambition is to continue making progress in this area.
	100% of our hotels implement our program against children sexual exploitation	98%	98%	99%	✓	Each year the WATCH program, clearly identified by the hotels, organizes an awareness session for the teams to maintain their vigilance in the fight against the sexual exploitation of children. With only 20 hotels not having validated this action due to a lack of guest communication and/or training of employees in the pandemic context, this action is considered to have been achieved. Going forward, the Group will ensure that hotels remain mobilized.
	10 million trees planted with our "Plant for the Planet" program by 2021 ⁽⁴⁾	7 million	7.2 million	7.4 million	⏸	As the funds raised by the hotels for Plant for the Planet are directly correlated to the number of guests staying in the hotels, 2021 was affected by a plunge in available funding for agro-forestry projects supported by the Group. Despite this, 1,318 hotels contributed, making it possible to finance the planting of 244,021 trees. The program has delivered significant ecosystem benefits in support of biodiversity. The goal is to further strengthen the commitment to biodiversity with a new dedicated program.
 Targeting net-zero carbon for our buildings	-5.6% in energy consumption per room ⁽⁶⁾ (in brackets, change in total absolute consumption)	Reference year	-29% (-29%)	-18% (-16%)	✓	The health crisis had a spectacular impact on energy and water consumption in 2020 and 2021 (and on greenhouse gas emissions). After these exceptional circumstances, Accor expects its consumption and emissions to increase again as economic activity gradually returns in the various geographical areas. Accor is continuing its efforts to minimize the rebound and to consider 2019 as its peak environmental footprint.
	-4% of water consumption per overnight stay ⁽⁶⁾ (in brackets, change in total absolute consumption)	Reference year	+44% (-41%)	+34% (-27%)	✓	Note that the performance of consumption intensity and absolute consumption indicators do not follow the same trend, especially water, which is not directly related to room occupancy.

Topics	2021 targets ⁽¹⁾	2019 results	2020 results	2021 results	Trend	Comments
	65% of waste from hotel operations is recovered	56% (data on 695 hotels)	57% (data on 777 hotels)	58% (data on 805 hotels)		The program and waste management tools continued to be applied within hotels. It should be noted that, despite the crisis, the number of hotels committed to reliable reporting is increasing. The target was largely attained against the backdrop of the pandemic. The Group is to step up its efforts in this area.
	-30% of food waste	-21% (data on 485 hotels)	-19% (data on 482 hotels)	-21% (data on 493 hotels)		At end-2021, 1,607 Accor-brand hotels implemented the "Introducing a program to combat food waste" initiative. An increasing number of hotels are specifically tracking food waste volumes: 493 at end - 2021 versus 282 at end - 2018. 30% of those hotels attained the target of -30%. 55 hotels use connected scales and have reduced food waste by 63%. The overall target was not met and, looking ahead, the Group is renewing its program by making this a priority focus.
 Eliminate food waste and prioritize healthy and sustainable food	100% of our restaurants follow our Healthy and Sustainable Food Charter	9%	12%	10%		The mobilization of F&B and purchasing teams remains good, with 70% of hotels having implemented at least half of the commitments of the Healthy and Sustainable Food Charter. Difficulties in rolling out the Charter in 100% of the hotels are due to its very demanding standards. The slight decrease in the implementation rate between 2020 and 2021 was due to a new data reliability process introduced in North Europe (17% of hotel respondents) whereby certain actions not documented by the hotels could not be considered valid, as well as the health crisis with the closure of many Group restaurants for an extended period of time over the year. The target was not met and the Group will further focus on sustainable food and its supply as well as ramping up the production of more vegetable-based food (rather than meat).
	1,000 urban vegetable gardens in our hotels	1,227	1,220	1,151		The target was exceeded. The noticeable decline reported between 2020 and 2021 was owing to a new data reliability process introduced in North Europe (17% of hotel respondents). In this respect, certain actions not documented by the hotels could not be considered valid. This result is in no way a true reflection of the hotels' historically high levels of commitment and does not impact the Group's attainment of this target.

This reporting is based on hotels' declared communications, which could involve a certain level of uncertainty despite the conducted audits, particularly in the most complicated commitments (eco-labeled cleaning products, eco-responsible hospitality products); lastly, the percentage of Bronze hotels is calculated by comparing the number of Bronze hotels with the hotels that responded to the Gaia reporting and not to all of the hotels.

- (1) Scope of reporting: Owned, leased, managed and franchised hotels unless specified otherwise.
- (2) Scope of reporting: Employees at owned, leased and managed hotels and head office employees.
- (3) Scope of reporting: Employees at owned, leased, and managed hotels and head office employees with more than three months' service.
- (4) Scope of reporting: Accor head offices, owned, leased, managed and franchised hotels.
- (5) Scope of reporting: Approved suppliers.
- (6) Scope of reporting: Owned and leased and managed hotels validated in the reporting.

Legend achieved In progress Delay in achieving the target. Objective not achieved.

3.2.5.2 Planet 21 In Action, the hotel roadmap

The Group's hotels are the main drivers of our ambition to create positive hospitality. For years, many of them have committed to undergoing a process of continuous improvement, with a focus on sustainable development.

The Accor sustainable development performance management system



To achieve the Silver, Gold and Platinum levels, Planet 21 In Action is proposing approximately 60 initiatives with points assigned to them, among which hotels may freely choose, in addition to 10 mandatory actions to obtain Bronze level. In this way, Planet 21 In Action allows hotels to progress and continuously improve their sustainable development performance. The program thus offers flexibility to hotels, which choose the initiatives that they wish to implement (except at Bronze level), and commits to ensuring the visibility of each hotel: hotel performance levels are indicated on the reservation website all.accor.com (from Bronze level upwards).

As part of the deployment of Accor Group's Sustainable Development Performance Management System, achievement of the Bronze level is subject to audits by an independent third party (see section 3.10 for details of verification procedures).

Planet 21 In Action levels achieved by hotels ⁽¹⁾



(1) This reporting is based on hotels' declared communications, which could involve a certain level of uncertainty despite the conducted audits, particularly in the most complicated commitments (eco-labeled cleaning products, eco-responsible hospitality products). The percentage of Bronze hotels is calculated by comparing the number of Bronze hotels with the hotels that responded to the Gaia reporting and not to all of the hotels.

3.3 Championing a responsible and inclusive company to our employees

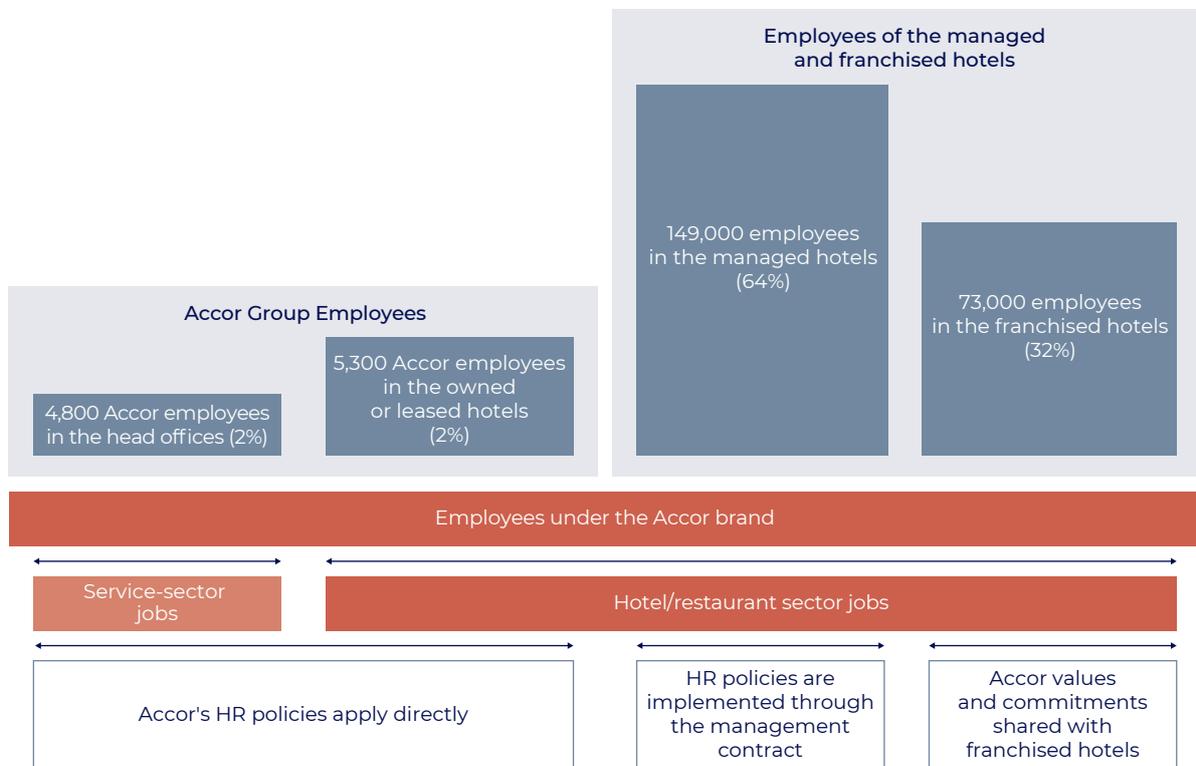
Bolstered by its ability to create and sustain local jobs, Accor is renewing its commitment to champion an inclusive corporate culture, with respect for diversity that is focused on developing everyone’s talent. Through its new employee promise, which was launched in 2021 and will continue in 2022, Accor defines how it intends to be

a unique company to work for and thrive: “Be Limitless: Do what you love. Care for the world around you. Dare to challenge the status quo!” Its culture, values and everything the Group does to develop and support its *Heartist*® talent is the reflection of this promise to “Be Limitless.”

3.3.1 Accor Group’s social model and human capital

3.3.1.1 Accor Group’s social model

Accor business creates and maintains many jobs in 110 countries. As of end-December 2021, there were around 232,000 Accor-brand employees worldwide.



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

- 10,100 people employed directly by the Accor Group. Of these employees, 4,800 work at Group and country head offices (tertiary sector jobs), while the other 5,300 work in the Group’s owned and leased hotels (hospitality industry jobs). Within this scope, Accor exercises its responsibilities as an employer. 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;

- 149,000 people employed by the owners of managed hotels. A management agreement makes it possible to deploy the Group’s human resources policies in managed hotels;
- 73,000 people employed by the owners of the 2,825 franchised hotels. In franchised hotels, the day-to-day management of employees is the responsibility of their employer: the franchisee. Accor strives to share its values and commitments in its relationships and communication with the entire franchise network. The Group’s values and commitments are shared through several channels:
 - the Accor Group’s Ethics and CSR commitments are communicated to franchisees as early as the initial stages of contact prior to any contractual commitment. A reference to the Group’s Ethics and CSR Charter is systematically included in franchise agreements;

- during franchisee meetings, subjects related to the Group’s commitments in terms of Ethics and CSR are regularly discussed;
- the frequent discussions between the Franchise Operations Managers and the franchisees;
- access to dedicated content on the Group’s Intranet and to training provided by Accor Academy.

Employees of managed and franchised hotels are also referred to as “Accor-branded employees.” The majority of these people work in the hotel and restaurant industries.

In addition, Accor’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 the Accor Group’s responsible procurement policy and vigilance plan.

The outside workforce, which is in the indirect sphere of influence, includes temporary employees who support in-house teams during peak periods, as well as subcontractor employees in such areas as laundry services, housekeeping, landscaping, and call centers. It is estimated at about 380,000 people. The management of labor-related and other subcontracting risks and the procedures implemented by Accor to ensure that its commitments are shared with its suppliers and subcontractors are described in section 3.5.2.

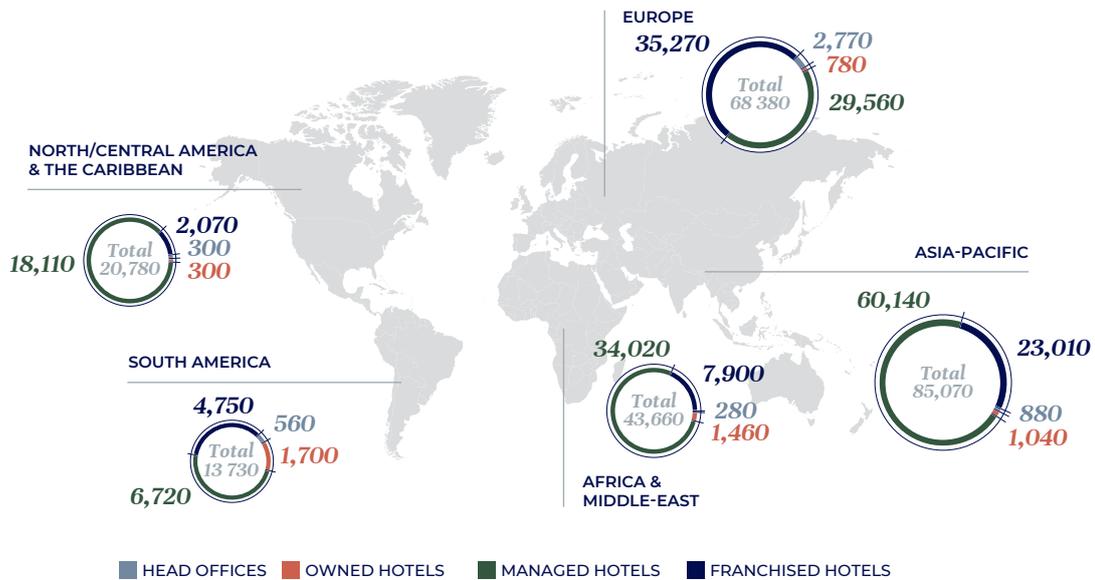
Human resources policies	Paragraph	Scope of reporting
Employer Promise & Recruitment	3.3.2 Delivering an attractive employer promise	Direct application as an employer for head offices and owned and leased hotels Recommendation or contractual clause as a hotel operator for managed and franchised hotels
Engagement Survey	3.3.2.3 Planet 21 commitment: the employee engagement index increases every year	Direct application as an employer (head offices and owned and leased hotels) Recommendation or contractual clause as a hotel operator for managed hotels
Acting Here Application	3.3.2.4 Planet 21 commitment: Employee perception of Accor’s high level of commitment to CSR is improving	Direct application as an employer (head offices and owned and leased hotels) Recommendation or contractual clause as a hotel operator for managed hotels
Talent and performance management	3.3.3. Supporting employees throughout their careers	Direct application as an employer (head offices and owned and leased hotels) Recommendation or contractual clause as a hotel operator for managed hotels
Skill development (Accor Academy)	3.3.4 Providing learning solutions, the key to upskilling	Direct application as an employer for head offices and owned and leased hotels Recommendation or contractual clause as a hotel operator for managed and franchised hotels
Diversity & Inclusion	3.3.5 Promoting diversity and inclusion	Direct application as an employer for head offices and owned and leased hotels Recommendation or contractual clause as a hotel operator for managed and franchised hotels
Health & Safety	3.3.6 Pursuing our commitment to workplace health, safety and quality of life	Direct application as an employer for head offices and owned and leased hotels
Compensation	3.3.7 Recognizing and valuing employees	Direct application as an employer (head offices and owned and leased hotels) Recommendation or contractual clause as a hotel operator for managed hotels
Social Dialogue	3.3.8 Promoting open dialogue	Direct application as an employer for head offices and owned and leased hotels

3.3.1.2 Accor's human capital

Employees by region

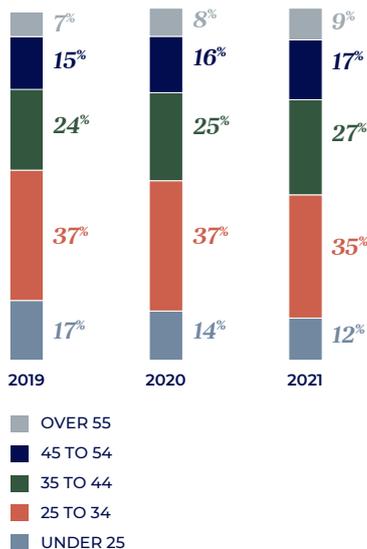
The number of Accor employees is estimated at around 232,000, compared with 266,000 in 2020. This decrease is explained by multiple departures in 2020 and by the consequences of the health crisis on staff reductions.

The workforce is spread over five continents, in 110 countries, and according to three management methods: the subsidiary (approximately 10 100 employees, i.e., 4% of the workforce under the banner), management (approximately 149,000 employees, 64%) and franchises (an estimated 73,000 employees, 32%).



Age pyramid

Accor has a young workforce, with 46% of employees under 35.



Gender diversity

Women accounted for 42% of employees and 32% of Hotel Managers in owned, leased, managed and franchised hotels.

For more information on Accor's programs to promote diversity and gender equality, see page 3.3.5.

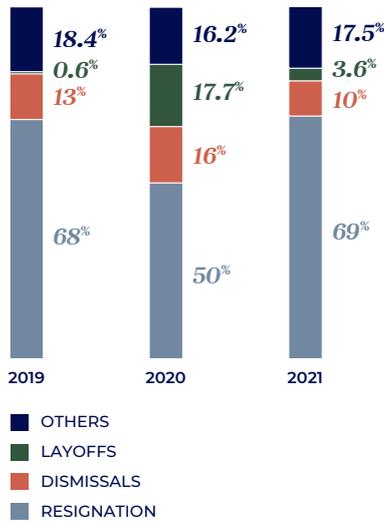
New hires and departures

In 2021, excluding franchised hotels, Accor hired 67,192 new staff and recorded 68,834 departures. This high rate is not specific to Accor, but is structural for the hotel sector. It is explained in part by a generational phenomenon, in particular with the younger generation, attracted by multiplying professional experiences, and in part by the demanding working conditions and seasonal nature of the work in certain regions.

	2019	2020	2021
Total turnover rate*	34%	38%	33%

* The turnover formula was updated for 2021. The turnover rate calculated using the historical method (based on total departures excluding non-permanent contract terminations divided by the total workforce) would be 38%.

Separations by reason, worldwide



The “Others” category includes separations due to the termination of a non-permanent contract, retirement, visa expiration, etc. Most departures are linked to a loss of interest in the hotel business, observed worldwide and by all industry operators. Some of the departures can be

connected to hotel closures for a large part of 2021, as a result of the health crisis. The transformation of Accor into an asset-light company has also led to the implementation of departure plans in the Group's various geographies.

Voluntary separations

The Group had a resignation rate of 30% in 2021, with 47,615 employees resignations, accounting for 69% of all Group separations.

	2019	2020	2021
Resignation rate	27%	22%	30%

Absenteeism

The change in the average number of days of absence per employee following a workplace accident can be explained by the closures of many hotels during a large part of the year: since employees have been less present in the hotels, there have been fewer workplace accidents. In accordance with 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.

Average number of days absent per employee by cause	2019	2020	2021
Medical leave	4.0	4.5	4.8
Workplace accidents	0.5	0.3	0.5
Unauthorized leave	0.5	0.4	0.4

3.3.2 Delivering an attractive employer promise SNFP

The risk related to attracting and retaining talent is described in section 2.2.2 Group risks.

For several years now, Accor has been transforming in response to major changes in its ecosystem: the expectations of guests and employees are increasingly diverse and demanding, new hotel concepts are emerging, the profession is adapting, new trades are surfacing, the incumbent operators in the sector are converging and others are hatching. The health crisis, which has notably impacted the hotel industry, has also drastically changed the ways of working of the entire labor force, thereby bolstering the Group's appeal.

Faced with these challenges, the Accor Group places the experience of guests and employees at the heart of all its actions. To this end, Accor leverages:

- **its Talent.** Since it is the quality of the relationship between the guests and the employee that welcomes them that is the foundation of an unforgettable experience, the Group pursues its major objective: that of providing an unforgettable employee experience, of constantly improving the employees' know-how and interpersonal skills. To this end, recognizing and developing talent is the focus of the Accor strategy;
- **its Culture.** Since working environments that encourage autonomy enable employees to be personally involved in the guest relationship, the Group is constantly adapting its structures to make them more inclusive, open, dynamic, innovative, and relevant to the communities that they aim to serve.

We are ALL Heartist®, Accor's corporate culture

With its Heartist® signature, Accor is promoting a corporate culture which is common to all Group employees, where each person is recognized as a Heartist® who masters the art of welcoming and serving guests with heart, curiosity and inventiveness. This signature was established from the Accor Group DNA, 85% of which consists of common elements throughout the Group across all regions, business lines and brands, with the remaining 15% being brand-specific. Based on this common DNA – and to focus its attention on the guest experience, on creating ties with guests, on personalized exchanges, on stirring emotions and on creating enthusiasm in daily interactions – the purpose of the corporate culture is that each employee must feel responsible and autonomous, learn from others, share knowledge and experience, and be able to rely on cutting-edge digital environments.

3.3.2.1 The Accor Group's "Be Limitless" employer promise

One of Accor's greatest assets is its talent pool, which is why attracting and retaining talented people is one of its priorities. Since 2019, Accor has had a strong employer value proposition that embodies the Group's unique character, values and vision of augmented hospitality and that conveys a clear message to each employee about the experience and career path encountered and to be pursued within the Group.

Based on corporate culture, in particular Heartist®, and the values of the Accor Group, Accor's employer value proposition is: "Be Limitless: Do what you love. Care for the world around you. Dare to challenge the status quo!"

The "Be Limitless" promise is a new benchmark for the organization. It is supported by the following four pillars:

1. Be ALL you are – develop an inclusive corporate culture.

2. Work with purpose – provide the opportunity to engage with the Group.

3. Grow, learn and enjoy – give access to attractive training and career plans.

4. Explore limitless possibilities – offer attractive employee benefits.

This promise was first made public to teams in July 2021 across the Group's geographies, and was locally adapted where appropriate. The Group's Chief Talent & Culture Officer discussed this new employer promise with all employees in December 2021. Their message was communicated to the Group's future talents via social networks.

3.3.2.2 Attracting top talent

The recruitment process within the Accor Group is largely based on the new "Be Limitless" employer value proposition. The Accor Careers recruitment site is based on a digital ecosystem that meets a twofold objective:

- creating an optimized experience for each candidate. The candidate can now view personalized content (language, localization, history, connection with LinkedIn, etc.) and the time required to submit an application has been reduced to a minimum: fewer than five minutes. In each geography, the content of the Accor Careers site can be adapted to the specific characteristics of the local labor market;
- the deployment of a consistent talent selection process throughout the Group, regardless of geography and brand. To this end, various online assessment tools based on the Accor Leadership Capability Framework have been designed. They allow recruiters to ensure that the candidate's behavioral skills match the position they are applying for. In addition, recruitment interview guides have been developed according to the Accor Leadership Capability Framework. These guides assist managers during the recruitment

interview in order to assess a candidate's skills, the suitability of the candidate's profile for the position, the expected level of performance, etc.

In 2021, Accor rolled out an extensive recruitment program to address the talent shortage affecting the entire hotel industry. Targets have become multiple, beyond people interested in a career or already present in the hotel industry, encouraging them to choose Accor over another hotel group, young generations to enable them to discover the hotel industry and choose Accor as their employer, people interested in work experience for a few months and those preferring to work a few hours a week to enjoy greater flexibility: parents of young children, the elderly, students, etc. Communication campaigns were launched on social networks and tools were provided to hotels to help them stand out as an employer and improve the visibility of job openings. "Hiring Days" are arranged, offering successful candidates an employment contract within 12 hours of the interview. The co-option program has also been strengthened. Lastly, internal mobility processes have been streamlined.

As the recruitment of young talent is at the heart of the Group's concerns, Accor has been working for many years with more than 250 establishments, schools and universities of all levels and specializations around the world. A wide variety of activities targeting this population (regular visits, specific partnerships, events on social networks, original recruitment events: speed meetings, open doors recruitment, simulation lab, etc.) creates a close network of relationships that facilitates the entry of young people into the Group. In 2021, most of these activities were sustained, despite the difficulties of the health crisis, in an endeavor to maintain a connection

and support students in their career assessment. The global "TakeOff!" challenge-open to all schools worldwide-was maintained, resulting in the participation of 500 students from 25 countries. Since 2012, the *TakeOff!* challenge has encouraged students to present their ideas on themes related to Accor's strategy. The thematic focus was CSR and the hotel industry. The winning team came from India, developing an innovative project on employment access for women. Lastly, regular online conferences led by Executive Committee members, were organized for students (more than 1,000 participants from 15 different countries).

3.3.2.3 Planet 21 commitment: the employee engagement index increases year-on-year

Accor's engagement survey provides a general overview of employee engagement and measures progress year on year. In 2021, employees from head office, subsidiaries, owned, leased and managed hotels from all brands, were invited to complete a joint questionnaire, available in 33 languages and 88 countries. Of the 142,000 employees invited (from the head offices, subsidiaries and managed hotels), 88% responded to the engagement survey, a slight decline in the participation rate due to the impact of the health crisis, but which nevertheless still high. The overall engagement score for 2021 was 79%,

broadly stable compared with 2019 (when the last survey was conducted), factoring in the impact of the health crisis. With this result, Accor is positioned in the first quartile of companies with the most engaged employees, on the global market ⁽¹⁾.

The survey seeks to identify the priorities that impact engagement levels and to define concrete action plans. The implementation of action plans following survey results is perceived positively by the employees.

3.3.2.4 Planet 21 commitment: employee awareness of the Group's steadfast commitment to CSR is increasing

Accor is firmly aware that CSR is a means of engaging and retaining talent. The more that employees get involved in sustainable development projects, the more committed they are to their work, the more meaning they attach to their actions, and the more they feel connected to their employer. Moreover, the Group believes that its commitments should, first and foremost, be to its employees who are the driving force behind its sustainable development policy. They do, in fact, act as ambassadors in their everyday work with guests. As part of the 2016-2021 Planet 21 program, Accor made a commitment to make its employees more aware of its steadfast commitment to CSR between now and 2021 ⁽²⁾.

The CSR index, established as part of the Group's engagement survey, tracks this progression. This index measures employees' perception of issues relating to:

- Group action on a social and environmental level;
- the promotion of diversity and inclusion;
- recognition by management;
- the skill development policy.

	2019	2020	2021
Group CSR index	86%	ND	85%

To increase its CSR index, the Group gives visibility to its commitments, providing all employees the opportunity to get personally involved or to share best practices and solidarity initiatives, be it within the context of Planet 21, Accor Heartist, Solidarity or local initiatives.

The Acting Here application uses gamification techniques to encourage maximum employee engagement, both in the workplace and at home. Accor has defined "The Essentials": 20 key practices that the Group would like its employees to adopt (not letting water run unnecessarily, turning off the light when leaving a room, etc.). Each new user must be trained in the 20 essential eco-gestures and watch videos presenting the Planet 21 program and the Planet 21 In Action program.

Since 2018, the Group has been providing Accor employees and managed hotels (representing 75% of the Group's total workforce) with the Acting Here mobile application dedicated to teaching sustainable development and engaging employees in simple, concrete eco-gestures.

This mobile application is also used for sharing individual or Group best practices among employees and among hotels. In 2021, the application registered 6,800 users in 90 countries, working for 24 brands.

(1) Aon/Kincentric benchmark source – Top quartile all industries.
(2) This commitment, initially planned for end-2020, was postponed until end-2021 due to the Covid-19 crisis.

3.3.3 Supporting employees throughout their careers **SNFP**

The risk related to attracting and retaining talent is described in section 2.2.2 Group risks.

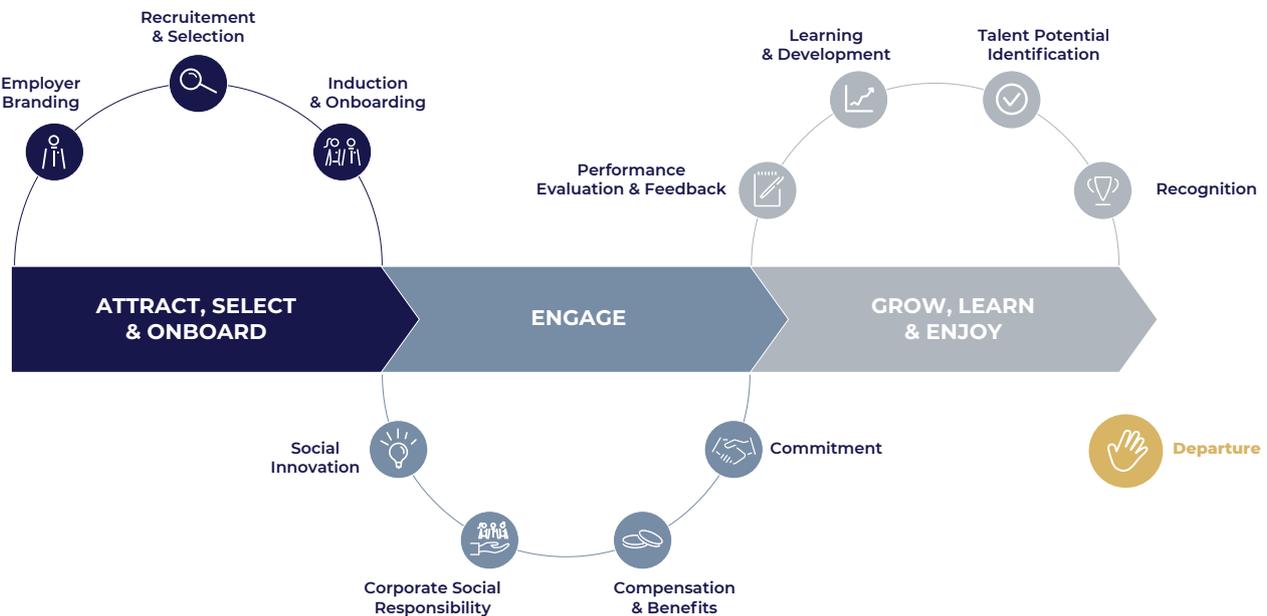
Accor takes very good care of the 232,000 talented people who work under its banner. Talent management is a key driver for attracting and retaining talent, with a

simple but ambitious objective: that everyone should feel free and responsible in their position in order to provide the best possible guest experience, both collectively and individually. Accor is committed to supporting its employees throughout their careers within the Group.

3.3.3.1 Talent Journey: adopting a systemic approach to employee careers

Mirroring the “Guest Experience,” which guides all the Group’s discussions and transformation, the Talent Journey draws a parallel between employee career paths within the Group and the guest experience in one of its hotels. This approach emphasizes management best practices and their importance at each stage of the employee’s career path by connecting them with the

hotelier’s core trade. Examples include the following: an employer brand that stands out from its competitors is just as important for attracting talent as a reputed hotel brand is for attracting guests. A talent’s decision to apply for a post is just as crucial as a guest’s decision to book a room: this is the first contact stage, which lays the foundations of a future relationship.



The Talent Journey is pivotal to all Group-led initiatives in support of its employees. It applies to head offices, owned and leased hotels and managed hotels (representing 68% of the Group’s total workforce).

3.3.3.2 Talent and performance management

Within the Talent Journey, Talent management covers the following stages: performance evaluation and feedback, identification of potential, careers management and departures. Talent management is provided by Accor for employees at head offices, owned and leased hotels and managed hotels (representing 68% of the Group’s total workforce).

Talent management within the Group is organized through continuous feedback. The purpose is for employees and their teams to take the required time to meet on a more regular basis and discuss employee targets, performance, commitment and working conditions.

Each talent, regardless of their level in the Leadership model, benefits from a performance assessment interview with their manager. This interview is an opportunity to take stock of the past year and to set the targets for the year ahead, on which the variable compensation is contingent. It also provides employees with an opportunity to outline their career goals so that an appropriate development plan can be prepared to harness their full potential. Employees can choose to conduct this performance assessment interview on a continuous, monthly, quarterly, half-yearly or annual basis. They can also request “peer-to-peer” feedback to support their skills development. This process may be conducted digitally using the Talent & Culture (T&C) platform, known as the Integrated Engagement Services – “INES” (see section 3.3.4.2).

3.3.3.3 Preparing next-generation managers

The Talent Review process led by Accor is a prerequisite of the Talent management policy to support a Group-wide rollout and its talent. The Talent Review process applies to Accor head office employees and managerial roles starting from the Head of Department position for owned, leased and managed hotels (representing 68% of the Group's total workforce). In 2021, the Talent Review was conducted by the Executive Committee and shared with the Group's Board of Directors.

This process is based on performance evaluation (skills, conduct, achievements) and the identification of potential (aspirations, skills and aptitudes, personal commitment).

The latter are determined for each talented individual during their performance evaluation and development interview. The Group is continuing its efforts to integrate employees from the third leadership level upwards into this initiative.

The mapping thereby established provides an overview of the talent that exists within the Group. It is used to establish development plans for each of Accor's talented individuals and to identify skill sets for recruitment and development. It is also used to prepare succession plans to provide the Group with an overview of the pool of leaders and future leaders as well as supporting mobility.

3.3.4 Providing learning solutions, the key to upskilling

The Accor Group is convinced that service quality and guest satisfaction depend primarily on the skills and commitment of its employees. Accor's Learning & Development strategy is based on the third pillar "Grow, learn and enjoy" of the new "Be Limitless" employer promise. It prioritizes the continuous development of

talent with the goal of making learning a "way of life" at Accor. Its purpose is to provide everyone with the tools and resources to develop their autonomy, to enter a culture of lifelong learning and to swiftly hone their skill sets in response to a fast-changing environment.

3.3.4.1 Accor Academy overhaul

2021 saw a further transition to digital learning, accelerated by the health crisis. As such, the entire training offering was updated to facilitate distance learning, while providing tools and content for traditional face-to-face learning. One of the key objectives of the Accor Academy is to provide training content access to as many people as possible, specifically through the human resources digital platform "INES," in addition to the partnerships the Group has forged with LinkedIn Learning and E-Cornell. The initiatives developed within the framework of these partnerships are included in the programs aimed at upskilling different levels of leaders within the Group.

The Accor Academy training program is open to all Accor employees, regardless of profession, educational background, position or seniority. As a result, all employees of head offices as well as owned and leased and managed and franchised hotels can sit the courses, which may be tailored to the specific needs of each hotel or hub.

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. Accor managers completed two thirds of all training hours in 2021.

Training	2019	2020	2021
Training hours (in millions)	5.9	2.6	2.7

3.3.4.2 Professionalizing the industry and instilling a culture

Job-specific training programs have also been developed to give all Accor brand's employees the opportunity to acquire new skills and/or hone their expertise at a time of significant change in the industry.

Several segments aim to professionalize the businesses as well as develop employee skills and inform them about career paths. These business segments are equipped with a digital environment dedicated to skill development in a specific field of expertise. This digital environment lists the segment's skills and includes courses, programs and content that are consistent with the business in question. These campuses exist for revenue management (since 2017), sales (since 2017) and marketing distribution (since 2019).

In 2021, in order to take advantage of the reorganization of working hours during the health crisis, several general purpose training courses were made available to employees online: languages, office automation, etc.

As part of the "ALLSAFE" label (see paragraph 3.3.6.2), a comprehensive training course on health and safety was designed and rolled out in record time by the Academy to all Accor employees.

Lastly, a specific module on resilience and crisis management "Leading the new normal" was developed for managers as part of the "Leadership Program," introduced at the Group's head office (France).

The Integrated Engagement Services (INES) platform for employee engagement

The human resources digital platform INES was launched in January 2020. It enhances the employee experience. By managing their profile, each employee has access to a digital identity and useful resources at various stages of their career within the Group such as career management and training. It is also a recruitment and talent management tool.

In 2021, the INES platform was rolled out in part, with further deployment scheduled for 2022. INES was designed to make Accor's "Be Limitless" employer promise a reality for everyone. This applies to employees, hotel owners and guests alike.

INES specifically provides tools and content in three areas:

- the acquisition of new talent and the management of mobility: digitized management and pre-selection of applications for greater efficiency, sharing of offers enabling employees to find out about available positions and apply;
- talent management to manage performance, feedback, career development, and succession plans;
- learning, which hosts Accor's entire training offer which can be accessed worldwide in all functions and for all employees, and is mostly available via smartphone.

3.3.5 Promoting diversity and inclusion

Promoting diversity and encouraging inclusion is one of the Group's key levers for performance, innovation and job satisfaction. Promoting diversity is a long-standing and proactive policy and one of the founding principles of managerial ethics to combat discrimination and promote equal opportunities across the organization. A structured framework created for our diversity and inclusion approach in 2008 is driving forward a variety of programs to support and illustrate these commitments. These apply to head office, owned, leased and managed hotel employees (representing 68% of the Group's total workforce) and are communicated to the service provider and subcontractor employees who are actively working in hotels.

In terms of diversity and inclusion, the Group's initiative covers four challenges:

- social responsibility: Accor, as a responsible employer, has a duty to reflect the diversity of the communities in which it operates;
- employer appeal: Accor is proud of its differences and promotes a positive image externally;
- business performance: making diversity a priority helps Accor deliver customized solutions to meet guest expectations;
- operating performance: inclusiveness and social cohesion are important factors for well-being in the workplace and to secure the commitment of all employees.

3.3.5.1 Governance and tools**Accor's international commitments regarding diversity and inclusion**

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

- gender diversity and gender equality in the workplace;
- the integration of people with disabilities;
- a wealth of ethnic, social and cultural origins;
- integration of LGBTQ+ people (Lesbian, Gay, Bisexual, Transgender, Queer, other sexual or gender identities).

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

Eight sub-commitments serve as the foundation of Accor's diversity & inclusion policy:

- to fight against all forms of discrimination on the basis of ethnic, social or cultural origin, gender, age, physical characteristics, disabilities, religion, language, marital status, union membership, sexual orientation or other characteristics;
- 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 by informing employees and all Group partners of the policy and measures implemented;

- to act as 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.

The engagement survey measures employees' perception of issues relating to equal opportunities, in particular:

- the promotion of diversity and inclusion;
- the skill development policy;
- recognition by management.

3.3.5.2 Promoting gender equality and diversity

Planet 21 commitment: 35% women hotel General Managers by 2021⁽¹⁾

Accor's targets for gender diversity and equality are:

- equal representation of genders in management and equal pay, with 35% women hotel managers before end-2021 and 30% women members on the Executive Committee before end-2022 with 40% in 2025 (new target set in 2021) (the previous target of 20% was achieved in 2016);
- 40% of women on Executive Committees of the hubs in 2022 and 45% in 2025 (new target set in 2021);
- raising awareness among male employees and fostering their support for gender diversity;
- changes in attitudes to reflect changes in the hotel industry to combat gender stereotyping;
- 35% of men in the Group's gender-balanced network by end-2017 (target achieved).

These objectives apply to the entire Group, including franchised hotels and new acquisitions, and are accompanied by the following action plan:

- accelerate the culture of inclusion by strengthening existing mechanisms: network of D&I Champions active in the countries, the RiiSE network, D&I ⁽²⁾ celebrations, strong links to local "ecosystems" in all hubs on gender equality issues;
- strengthen the management of high-potential, talented women by developing talent programs in the regions and countries to promote more women hotel managers, and by monitoring the number of women in Talent programs. Creating an Accor coaching program

Building the Diversity & Inclusion community

The Diversity & Inclusion (D&I) community is structured around D&I Champions whose primary role is to roll out the D&I strategy across regions and countries and to ensure that action plans are implemented.

Accor uses two main levers in an effort to promote diversity and fight against stereotypes: training employees and showcasing the best practices that are already applied within the Group. To this end, Accor has gradually developed a wide range of general and thematic resources that reaffirm its commitments, provide access to related reference documents, improve understanding and expertise of the issues at stake, and offer guidelines and examples for implementation. They include the corporate Diversity & Inclusion Intranet, the Diversity & Inclusion Glossary, the Group Recruitment Charter, the Disability Guide, the International Labor Organization (ILO) Business & Disability Charter, and the "Recruitment_without_discrimination" guide for recruiters and managers.

enabling women with potential to take up Management Committee and Executive Committee positions and introducing a succession plan that ensures women representation, in line with targets;

- manage the appointment of talented individuals with the following rule: 50% women among the finalists with a view to appointing Executive Committee and Management Committee members;
- hold Group Executive Committee members accountable for achieving their targets;
- regularly monitor the target-based indicators.

Equal gender representation in management and equal pay

Initially set for the end of 2018, the target of 35% ⁽³⁾ women hotel General Managers was postponed to the end of 2021, due to the health crisis, which forced many of the Group's hotels to drastically reduce their operations.

2021 results were as follows:

- 32% ⁽³⁾ of women hotel General Managers. Since 2017, in-house programs have been set up in several countries where the Group is active to help high-potential women supervisors reach the level of Hotel Managers and the Group participates in multiple external leadership programs;
- 30% of women on the Executive Committee (February 10, 2022);
- 37.6% of women on Executive Committees of the regional hubs and business segments.

(1) This commitment, initially planned for end-2018 and then 2020, was postponed until end-2021 due to the Covid-19 crisis.

(2) Celebrations such as: International Women's Day, International Day of Disability or other internal Group (Diversity Day or Week) or national celebrations.

(3) Scope: owned, leased, managed and franchised hotels.

- For several years, Accor Group's commitment to gender equality has been made a reality through various initiatives;
- in 2015, Accor signed the *Women's Empowerment Principles*, championed by the UN Women in an endeavor to support women's independence;
- the Group is stepping up its action plan to ensure a minimal gender pay gap ⁽¹⁾. In 2021, Accor's corporate head office obtained the score of 93/100 in the gender wage equality index implemented by the French decree no. 2019-15 of January 8, 2019, on the provisions to close the gender pay gap in companies;
- for leadership training programs, increased attention is paid to women's participation.

Percentage of women payroll and non-payroll employees ⁽²⁾

	2019	2020	2021
Total women	43%	43%	42%
Managers	42%	41%	41%
<i>of which hotel managers</i>	29%	29%	30%

Combating violence against women

An increase in domestic violence was noted during the lockdown period, which affected the majority of countries the world over. For instance, in Europe, emergency services recorded an increase of almost 60% in calls from women victims of domestic violence. The hospitality sector is not spared with:

- 89% of workers reported having been the victim of one or more acts of sexual harassment during their professional life;
- 84.7% said they had witnessed sexual harassment against others;
- 60% of employees who do not trust their manager in the event of a harassment complaint ⁽³⁾.

Accor, which already played an active role in combating violence against women, further accelerated its initiatives in 2021:

- since 2018, Accor has been pursuing its commitment to the #StOpE initiative whose purpose is to share and promote best practices regarding the fight against everyday sexism in the workplace and to create a community made up of companies and managers committed to this cause. In first-quarter 2022, this

community had more than 150 signatory companies, schools and organizations. Each member must roll out at least one of the eight major themes of the booklet on best practices created during work groups;

- following on from its commitment as Impact Champion within the HeForShe solidarity movement for the 2015-2020 period, Accor was selected by UN Women Worldwide to join one of the six action coalitions of the new "Generation Equality" program in 2021. The Group is the official leader of the "Gender-based Violence" coalition;
- since 2021, victims of domestic violence are eligible for the ALL Heartist Fund (see section 3.3.6.1).

An e-learning program to raise awareness of sexist behavior has been launched for Accor hotels and head offices.

In 2021, the Accor program to combat violence against women received:

- the special jury prize and the Golden award for D&I initiative from the Grand Prix for the Good Economy;
- second prize awarded by the Victoires des Leaders du Capital Humain.

3.3.5.3 Integrating people with disabilities

Accor is a pioneering member of the International Labor Organization (ILO) Global Business and Disability Network, which it joined in 2015. A United Nations initiative which, since June 2011, has brought together multinational companies committed to integrating people with disabilities into the workplace. In October 2015, Accor signed the ILO "Global Business and Disability Network" Charter, thereby committing to promoting the employment of people with disabilities in its businesses worldwide.

In 2021, Accor joined the Valuable 500 initiative, with a focus on two commitments:

- train and raise awareness of disability among our Executive Committee members around the world, mobilizing them on the importance of disability. Their mobilization is essential to move the lines, better represent our local communities and strengthen our efforts to build an inclusive workplace for all;
- be particularly attentive to the way we represent our team members and guests, in order to improve the inclusiveness of our advertising and communications campaigns to better represent our society.

(1) Less than 5%.
 (2) Scope of reporting: owned, leased and managed hotels.
 (3) Figures from the #Notonthemenu study undertaken by Unite.

Every year, Accor celebrates International Disability Day (December 3). This day provides an opportunity to raise employee awareness on a specific disability issue and, more broadly, to remind employees of the Group's involvement in recruitment and maintaining people with disabilities in employment. In 2021, the #DisabilityStories campaign took the form of a challenge, the All Abilities Challenge. The physical and interactive online event, held via smartphone app, mobilized employees and raised €14,000 in donations, lending a helping hand to 15 associations selected by the D&I Champions of the hubs. To mark the occasion as well as European Week for the Employment of People with Disabilities (SEEPH), Accor organized various conferences and discussions regarding best practices between members of the D&I network and ILO officials. In 2021, the Group also organized an online "Hello Handicap" trade fair dedicated to the opening of the Pullman Paris Montparnasse hotel. This operation resulted in the recruitment of 10 people with disabilities by the hotel, and the fair will be extended to the whole of France from 2022.

3.3.5.4 Promoting cultural diversity and combating discrimination

Each of the Group's operating countries implements an action plan based on local discrimination issues. For instance, in Australia, since 2001, specific programs are implemented to promote the inclusion of Aborigines: direct recruitment strategy, partnership with the government, specific training programs, relations with indigenous communities in an endeavor to develop guest experiences. Since 2017, more than 450 people from aboriginal communities form part of Accor's workforce. In 2021, this program received recognition from the World Travel Market, scooping the Responsible Tourism Award and was nominated for the World Hospitality Awards.

In France, Accor participates in the PaQte program for the professional integration of young people from priority areas of the city. In 2021, Accor welcomed 580 young people on third-year internships.

In South America, an exclusive partnership with Tent Partnership for Refugees was set up to recruit Venezuelan refugees in Argentina, Brazil, Chile, Colombia and Peru.

3.3.5.5 Accor strengthens its commitment to the LGBTQ+ cause

Within the Accor Group, Brazil initiated momentum with an official commitment to the LGBTQ+ cause in 2017 and the signing of the 10 commitments of the "Rights and Companies" Forum ⁽¹⁾, followed by Argentina in 2018 and Colombia in 2019. This commitment is reflected in the creation of an LGBTQI+ Committee responsible for defining and coordinating the strategy. The following best practices should be noted: the distribution of an

In 2021, the hotels owned, leased or managed by Accor employed 1,397 people with disabilities recognized by local legislation, representing 0.88% of the total workforce. However, given the difficulty in obtaining accurate figures in some countries, the officially declared number of disabled employees is probably higher. Accor considers that the real number of disabled employees has been underestimated.

Accor is stepping up its commitment to equal opportunities by ramping up its efforts to include people with disabilities even more during the ongoing health crisis. This commitment is part of a process of openness, promotion of professional equality and prevention of discrimination, wherever the Group operates. The sixth Group agreement, for the employment, inclusions, integration and continued employment of people with disabilities agreed for the 2021 to 2023 period sets out the principles for managing the continued employment of people with disabilities. At end-2021, in France, Accor reported a quota of 4% of employees with disabilities.

In England, Accor launched a partnership with Groundwork, which supports refugees, prepares them for work in the United Kingdom and helps them find a job suited to their needs and skills. This partnership gave rise to the "Elevate" program: two open days to create relations between the refugee community and the Accor Group and drive the recruitment of new employees among the refugees.

In 2021, several actions in favor of the professional integration of refugees were carried out, including meetings to raise awareness of integration structures for these groups, hiring within hotels such as the Pullman Montparnasse in Paris, and funding associations working on behalf of refugees through the Accor Heartist Solidarity endowment fund.

The Group is one of nine pioneering companies to have participated in the "CAC 40" diversity barometer. The latter assesses the social elevator role of companies by measuring the social and intercultural diversity of executive committees and management boards.

LGBTQI+ welcome guide and an LGBTQI+ recruitment guide, the celebration of the International Day against LGBTQI+ Phobia (May 17). Since 2019, Accor South America also implemented a recruitment process focused solely on transgender people. Accor Brazil sponsors the São Paulo City Pride March and Accor Argentina is a sponsor of the largest LGBTQI+ marketing and tourism event in Latin America: Gnetwork360.

(1) The Forum aims to encourage companies to implement LGBTQ+ policies. 72 companies are part of it.

In 2021, Accor and the International LGBTQ+ Travel Association (IGLTA), the leading organization dedicated to advancing LGBTQ+ tourism, signed a global partnership. Together, Accor and IGLTA will work to ensure the hospitality industry is a safe and inclusive space for all, making guests feel welcome. For Accor, this partnership is a testament to its diversity and inclusion commitment, to increase momentum in welcoming and valuing LGBTQ+ team members, guests and communities.

In 2021, the Accor head office in France introduced a parental leave scheme, via a company agreement signed unanimously by the representative trade unions. The scheme seeks to offer a maximum of 10 weeks leave in the event of the arrival of a child in a same-sex couple (men or women). The purpose is to allow each child to have a parent with them at birth, regardless of parenting type.

3.3.6 Reaffirming our commitment to workplace health, safety and quality of life

As an employer, Accor is responsible for ensuring employee health and safety. As a result, working conditions and workplace quality of life represent one of the Group's top priorities.

In 2020, the Accor Group's priority was to define and implement procedures to ensure the health of its employees and guests in the context of a global pandemic.

The improvement of working conditions is implemented at the local level for Accor employees and in consultation with the hotel-owner partners, for employees of which they are employers:

In view of the widespread use of teleworking within Accor, a guide on teleworking has been made available to all employees. Its purpose is to help staff to manage their assignments and interactions between employees in the best possible way, along three main lines: work-life balance, well-being and the workplace environment, and new ways of working. Managers were also invited to establish regular contact with their teams and to adapt their management to this particular period. The hotel teams have deployed the ALLSAFE health protocol, intended for both employees and clients, under the guidance of the ALLSAFE Officer appointed and trained in each hotel.

- preventing accidents, repetitive strain injuries and other workplace health and safety issues, by identifying risks and deploying specialized training modules;
- limiting 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;
- setting up a work organization that is more agile while complying with each country's regulations in order to promote employee initiative, autonomy, and responsibility.

3.3.6.1 Creation of the "ALL Heartist" Fund, to help employees and partners most affected by the Covid crisis

In 2020, Accor created the "ALL Heartist Fund" to which 25% of the €280 million in dividends initially planned for 2019 was allocated, i.e. €70 million. With this fund, Accor and its main shareholders are making a committed contribution to solidarity initiatives throughout the world, while preparing for future needs.

In 2021, the Fund became eligible to two new population categories:

This Fund is intended to provide financial assistance to individuals severely impacted by the Covid-19 crisis. Four categories were established:

- "heartists" (employees working at head office or in hotels under the Accor banner) in financial distress;
- "heartists" who have incurred medical expenses following the epidemic and do not benefit from insurance or social security coverage;
- individual partners experiencing significant personal financial difficulties due to business interruption;
- front-line professionals (medical personnel, etc.) in difficult working conditions, and particularly exposed in the context of the epidemic.

- students: 50% of the cost of their internship in one of the Group's hotels is covered by the ALL Heartist Fund to encourage hotels to recruit interns, in turn confirming their degree. This issue is all the more important for students and hotels, against a backdrop of temporary talent shortages across the hotel industry;
- vulnerable populations during the health crisis, particularly victims of domestic violence. In June 2021, as part of the Generation Equality Forum in Paris and partnering with the French government and other companies, Accor committed to funding a five million euro donation to La Maison des Femmes (spread over several years). La Maison des Femmes cares for and supports women in difficulty and women victims of domestic violence in their reconstruction, both in the physical and psychological sense. The association also works to prevent and raise awareness of violence against women, providing potentially viable solutions.

The focus is on financial support for the first two categories described above.

The Fund is organized as follows:

- a global organizing committee composed of five people: Chief Servant (General Manager of Group Solidarity) and four members, the Chief Internal Audit Officer, the Chief Compliance Officer, the Chief Communication & Partnerships Officer, as well as a head of the T&C department;
- criteria for selecting beneficiaries: simple, but rigorous and consistent throughout the Group;
- an effective process with weekly review meetings:
 - at the level of each local hub: requests are analyzed according to the predefined criteria above as part of a steering committee,

- at the global level: requests exceeding certain criteria and thresholds defined in the fund's governance are examined at Group level,
- fortnightly monitoring of the number of requests and amounts committed per hub resulting in structured global reporting;
- local teams for its implementation in the countries.

As of December 31, 2021, a total of nearly €31.5 million had already been funded for 100,000 applications. This fund is set to continue in 2022 with extended support to eligible employees and partners who may need it since they remain hard hit by the health crisis.

3.3.6.2 Preventing Covid-19 pandemic risks

Faced with the health crisis linked to the Covid-19 coronavirus, Accor has organized itself to ensure business continuity for the head offices, the priority being above all the health and safety of employees.

In view of the widespread use of teleworking within Accor, a guide on teleworking has been made available to all employees. The guide aims to help them to manage their assignments and interactions between employees in the best possible way, along three main lines: work-life balance, well-being and the workplace environment, and new working methods.

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. The ALLSAFE Label was created by Accor and approved by Bureau Veritas, a world leader in inspection, certification and laboratory testing. 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.

Most countries have support systems and hotlines, which operates the same way as the head office in France, with its own 24/7 hotline in place.

In 2021, Accor delivered Covid-19 vaccination campaigns in its head office, in compliance with national health protocol and available vaccine supply.

3.3.6.3 Preventing workplace accidents and occupational illness and protecting health

Although the claim frequency rate is average, the hospitality industry is not exempt from risks regarding health and occupational safety. Accor takes steps to ensure the occupational health and safety of all Group employees worldwide.

As part of its Ethics and CSR Charter, Accor has made a commitment to:

- identify and assess the short- and long-term risks associated with the business, department or workstation;
- provide appropriate training and tools for reducing work-related accidents and illness and for disease prevention (training on health and well-being, including nutrition, first aid, psychosocial risks, chronic disease and the prevention of HIV/AIDS);
- anticipate and recognize the human impact of changes in working conditions;
- consider psychosocial risks and adopt appropriate management methods.

Local managers operate on the front-lines 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 in the workplace.

Preventing work-related risks

These assessments can cover potential risks to the Group:

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

For people who regularly travel internationally, especially missionaries and expatriates, employees, particularly when on temporary or long-term assignments in a given country or region, may consult regularly updated security and health advisories on the Security and Safety Intranet site. This information has also been accessible from cell phones since 2016 via the Acting Here app (see section 3.3.2.4).

Preventing musculoskeletal disorders

Many training modules are offered by Accor Academy worldwide to teach employees the postures and practices necessary to prevent musculoskeletal disorders. Often provided as part of the induction process, the modules are adapted to suit the specific needs of kitchen, technical services and housekeeping staff.

Preventive measures are taken, and ergonomists are brought in when furniture is being designed, hotels are being renovated, and new room concepts and themed restaurants are being created. By way of example, such measures are undergoing development in France where

various materials are gradually being introduced. The latter include: 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. One of the main difficulties for a multinational corporation such as Accor lies in the definition of an occupational illness. As understood under French law, this concept does not apply to all of the Group's locations.

Workplace accidents

	2019	2020	2021
Number of days of absence due to workplace accidents	103,163	66,995	71,891
Number of workplace accidents with lost time	5,596	2,351	2,946

Lost-time injury rate and severity rate of workplace accidents

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

* Following the sale of the hotels to AccorInvest, it was not possible to consolidate hours worked data within the scope of the hotels. Since 2018, the frequency and severity rates include only the head office. In 2021, the frequency and severity rates cover 84% of head office establishments, i.e., 96% of the workforce, as the data for the other establishments was not considered reliable.

In 2021, Accor deplored the deaths of three employees due to work-related accidents in Indonesia (1) and Saudi Arabia (2), and of three employees due to accidents on the way to or from work in Thailand (1), Italy (1) and Saudi Arabia (1).

Preventing psychosocial risks

Various channels are used to prevent psychosocial risks, including training modules, local hotlines, PTSD support, offers of a return-to-work medical check-up for employees who have been off work for more than three months, and collective agreements on the initiatives to be undertaken.

Employees regularly attend workplace stress management training.

3.3.6.4 Planet 21 Commitment: each country implements a workplace health and well-being program ⁽¹⁾

The deployment of health and well-being programs in countries is one of the key commitments of the Planet 21 2016-2021 CSR process. Continued efforts focus on the following actions:

- raising greater awareness of the challenges of workplace health and well-being and to make management more sensitive to these issues;
- systematizing best practices to integrate them into countries' Talent & Culture policies;
- structuring and managing the approach to workplace health and well-being to benefit the greatest number of employees;
- identifying policy drivers at the most appropriate level: hotels.

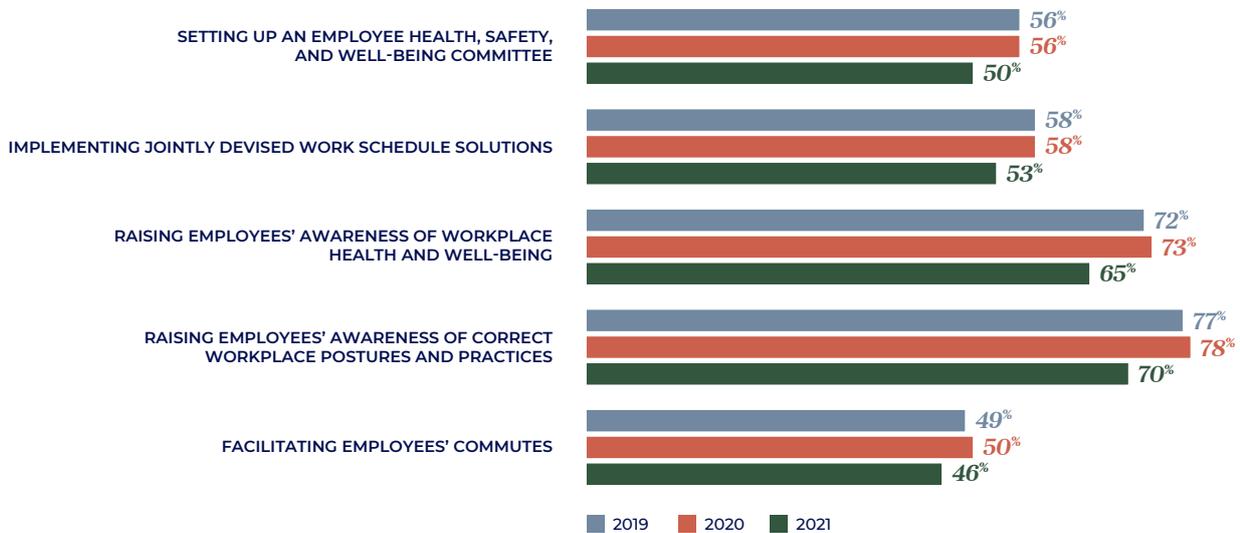
This commitment applies to employees at Accor head offices, owned, leased and managed hotels (representing 68% of the Group's total workforce). In 2021, 70 countries had implemented a workplace health and well-being program.

End-2021 hotel mobilization

In addition to the deployment of national occupational health and well-being programs, hotels are urged to implement initiatives which promote occupational health and safety and employee well-being through the Planet 21 In Action roadmap.

(1) This commitment, initially planned for end-2020, was postponed until end-2021 due to the Covid-19 crisis.

The following chart shows the progress made after implementation of several actions.



This reporting is based on hotels' declared communications, which can lead to a certain level of uncertainty despite the controls carried out, particularly for more complex commitments (eco-labeled cleaning products, eco-responsible hospitality products). The noticeable decrease in 2021 is

linked to a new data reliability process implemented in North Europe (17% of hotel respondents), according to which some actions not documented by the hotels could not be considered valid.

3.3.7 Recognizing and valuing employees

3.3.7.1 Compensation policies

Accor has defined a global compensation policy for the employees of its head offices and owned, leased and managed hotels (representing 68% of the Group's total workforce).

This policy is adapted to each country's specific practices. It is based on five principles:

- 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.

Accor ensures that no criteria related to age, gender, nationality or any other personal criteria are considered when defining employee compensation.

The Group is also committed to compensating every employee in line with market practices, thanks to a global mapping of jobs by business segment and a common job position evaluation method.

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.

Each year, the Group participates in compensation surveys on the general market and the hotel market with reference service providers in most of the countries in which it operates. Participation in these surveys makes it possible to establish compensation grids that will be applied by Talent & Culture managers to define employee compensation.

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 analyses. This data is not yet consolidated at Group level, so the average salary raise cannot be reported.

Payroll costs for the head offices and owned and leased hotels are presented in Note 5.2 on page 319.

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.

3.3.7.2 Discretionary profit-sharing and employee savings in France (Accor employees only, 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 2021 in France, nearly €156,000 in discretionary profit-shares earned in 2020 was paid to 328 Accor employees, representing an average net amount of €478 per person.

In France, employees benefit from profit-sharing under a Group agreement covering 15 companies for the year 2020. The amount of the 2020 profit-sharing to be paid exceptionally in 2022 to employees was approximately €263,000 and will benefit 3,294 employees, representing an average amount of €80 per person. In 2021, no amendment to the Group agreement was signed because the estimated amount of the special profit-sharing reserve was very low and did not allow for its distribution. The actual amount of the reserve was ultimately higher than expected and was therefore set aside for distribution in 2022 to beneficiaries in 2020.

Every year since 1985, Accor employees in France have been able to participate in a Corporate Savings Plan (PEEG) and a Group Retirement Savings Plan (PERCO). These plans allow employees to invest in various mutual funds with matching funds provided by Accor.

The "Épargne Avenir" plan set up by the Group on January 1, 2015 rounds out the Corporate Savings Plan (PEEG) and offers an exceptional matching contribution for any employee payment into a fund consisting solely of Accor shares. Its purpose is to involve employees in the Group's development.

In 2021, 1,203 employees invested in the Corporate Savings Plan (PEEG) for savings purposes and 923 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 2021, 755 invested in the PEEG and the PERCO.

3.3.8 Promoting open dialogue

Accor is committed to maintaining ongoing, constructive dialogue about employee rights and benefits with employee representative organizations. The restructuring operations, acquisitions, and disposals that set the pace of its transformation are accompanied by sustained social dialogue, often at a very early stage in the process.

3.3.8.1 Dialogue forums and resources

The European Works Council, set up on May 31, 1996, is co-chaired by the Chairman & Chief Executive Officer and an IUF representative ⁽¹⁾. It meets at least twice a year and deals with the Group's organization, strategy and results as well as subjects of a transnational nature. It may be convened for an extraordinary session to discuss the measures envisaged by the Group. In 2021, the European Works Council met on a regular basis to monitor the management of the health crisis and its social and economic consequences for the Group and its employees and partners.

In the case of owned and leased hotels and head offices, social dialogue is ensured by local bodies in application of national laws.

In 2021, following the qualitative reporting addressed to eight regional hubs, 62% of countries have an employee representative organization in their hotels that meets on a regular basis.

Percentage of owned, leased and managed hotels covered by a formal collective agreement concerning working conditions

	2019	2020	2021
Percentage of owned, leased and managed hotels covered by a formal collective agreement concerning working conditions	38%	10%	37%

In 2020, hotel closures did not allow for exhaustive/reliable information to be reported (within the required timeframe). An action plan, implemented in 2021, helped improve reporting for this indicator. The slight decrease recorded between 2019 and 2020 is a basic trend observed in all sectors.

3.3.8.2 Social dialogue to support the company's transformations

While its main competitors have carried out this transformation since the nineties, Accor has only recently repurposed its business model by selling most of the real estate it owned, via the consolidation into AccorInvest of almost all its owned and leased hotels, followed by the

70% disposal of AccorInvest to international investors. Together with robust network development, this has enabled Accor to start benefiting from virtuous size effects, thereby driving innovation for its guests and fueling performance for its partners.

(1) IUF: International Union of Food Workers, and workers in agriculture, hotels/restaurants, tobacco, and related sectors.

However, factoring in profound changes in the international hotel chain sector, Accor continues to lag behind its main competitors in terms of franchised establishments, which has an impact on the flexibility of its cost structure. The Group must therefore continue to implement its asset-light business model both in terms of agreements and contracts and operations and organization. The continued transformation of its model remains a priority in a fierce and proactive competitive environment, accelerated by the unprecedented health crisis to:

- strengthen its power and technical competitiveness of distribution systems, particularly digital;
- increase its critical size and choice of options to enhance the attractiveness of the loyalty program and its bargaining power with all intermediaries – particularly Online Travel Agents;
- diversify into related sectors to provide the complete guest experience.

In 2021, the Group had to take measures to safeguard its competitiveness and continue its transformation into an asset-light company, or risk seeing the gap widen with its main competitors. Measures included plans for employee departures in the Group's various regions. Where necessary, the European Works Council is notified and the employee representative bodies are informed and consulted. These redundancy plans are negotiated with the employee representative bodies in order to safeguard jobs and minimize social impact. Voluntary departures are always favored whenever possible. Outplacement and support services are offered to employees in an effort to preserve their employability and/or enable them to find a job position quickly.

In the French head office, the job-saving plan announced in 2020 was implemented in 2021. In this context, 212 of the 231 employees concerned have entered a support program, which could last until 2023 for some of them.

3.4 Involving our guests in a long-term relationship

Accor aspires to provide its guests an increasingly responsible hotel experience with each visit and encourage them to collaborate in that effort. More than any other business, the hospitality sector is defined by a close relationship with its guests. This closeness brings high expectations for the services provided, including a strong environmental and social dimension, regardless of the brand or the country. In this spirit, the Group is

committed to meeting minimum environmental standards in all its hotels and employing eco-friendly design for all products that are available in its rooms. The close bond forged with the guests also opens the door to deeper relationships with them as engaged citizens. Studies demonstrate that guests are sensitive to these issues and ready to work with the Group.

3.4.1 Leveraging the positive impact of Planet 21 – Acting Here

Throughout the world, consumers expect brands to commit to their well-being, preserving the environment and improving the quality of life ⁽¹⁾. Each year, these expectations are confirmed and extended, suggesting that brands should commit themselves as well as their regular guests to meaningful programs focused on the co-construction of solutions to planetary challenges.

Therefore, Accor has developed a four-step strategy for transforming consumers' interest in environmental and related issues into a competitive advantage.

- **communicate** and promote its ambition, commitments and results: this information is directly communicated to guests on the Group's websites, in the hotels in various digital or hard-copy formats or through its employees, who are the best ambassadors for the Planet 21 – Acting Here initiative;

- **explain:** by providing pedagogical contents about the challenges and actions required, Accor enables its guests to transform their stay into a time of discovery and learning that they can prolong by adopting new and better habits when they return home;
- **encourage positive action:** the Group and its hotels want to encourage its guests to make financial contributions, participate in the hotels' actions in the local community or adopt ecofriendly habits in their daily lives.
- **involve:** Accor wants to take the next step and involve its guests in sustainable development experiences by matching them with co-innovation projects and creating a community of guests who are deeply interested in environmental and social issues and driven by common values and the desire to innovate or become involved in a meaningful experience.

(1) "Meaningful Brands" survey – Havas Paris – 2019. "75% of respondents expect a brand to contribute positively to well-being and quality of life." Conducted among 350,000 citizens in 31 markets, 22 industries and 1,800 brands.

3.4.1.1 Planet 21 commitment: driving forward one key innovation per year to focus our guest interaction on sustainable development

Launch of Net Zero Carbon Calculator for sales teams, targeting BtoB guests

In 2021, Accor launched the Net Zero Carbon Calculator for its sales teams and BtoB guests. The fully integrated tool provides:

- options for reducing the carbon footprint when designing and organizing an event;
- a calculator enabling BtoB guests to measure the carbon footprint of stays and events organized for their employees in the Group's hotels, based on the number of rooms, nights, transportation, meal types, etc.;
- the option of offsetting residual carbon emissions through projects certified by Accor's partner of choice: Swiss non-profit organization, myclimate. To achieve this, the calculator displays the cost of carbon credits to offset the remaining emissions. This calculation, based on forecasted data, can be attached to the business proposal.

Upon completion of an event and based on the actual data, guests receive a document attesting to the carbon compensation of the event organized or the stay experienced. Guests can choose which region of the world their credits will be allocated to. The projects selected not only reduce greenhouse gas emissions, but also contribute in a broader sense to the achievement of the UN's Sustainable Development Goals (SDGs), such as "Zero hunger" and "Clean drinking water and sanitation".

Integrating a sustainable development focus into the Accor Live Limitless loyalty program

Since 2019, Accor has integrated a sustainable development focus into each of the four pillars of its Accor Live Limitless (ALL) loyalty program. To date, its products and services are as follows:

- **Burn for good:** support good causes and deliver positive impact on communities and the planet. Guests can transform their ALL points to serve great causes. These include the fight against economic and social exclusion in people in great poverty - spearheaded by the Accor Heartist Solidarity endowment fund - and the planting of trees to support the transition to more responsible and sustainable agriculture - led by Plant for the Planet and benefiting 5,184 trees financed in 2021 - and soon biodiversity preservation, driven by the Community Conservation Fund Africa (CCFA) fund.
- **Green and good soft benefits:** unique and sustainable experiences to celebrate a responsible way of life. Members of ALL are invited to take part in Green Elite Experiences (day at sea on the Energy Observer, visit to eco-farms, family survival course with the Bear Grylls Academy, etc.) as well as Green Dream Stays (e.g., stay in a biodiversity preservation area with Fairmont, in remarkable sites in South Africa with Mantis, etc.). All these projects, which have been suspended since 2020, will resume and be enhanced as soon as the health situation allows.

ALL also facilitates responsible consumption choices when traveling and in daily life, by offering meaningful services and experiences. The E-shop collection from ALL aims to offer sustainable alternatives such as several ranges of cosmetic, fashion and accessory products, chosen according to responsible criteria.

3.4.1.2 Enhancing the guest experience by defining brand-specific CSR causes

In 2019, Accor had established a methodology to support its brands in defining their social, societal and/or environmental commitments. With an ambition to cover the more than 40 brands in its portfolio and in line with the Group's vision of augmented hospitality, certain brands have identified one or several causes that they would like to support. The commitment of these brands

is based on initiatives that the hotels are already applying internally or for the benefit of their neighboring communities as well as promoting action and guest interaction. By way of example, the Ibis brand is committed to tackling the issue of diversity. The greet brand is developed through the circular economy.

greet, hotels that do good and feel good

Launched in 2019, greet offers a positively different choice for guests who care about the impact of their travel while at the same time seeking a comfortable and affordable hotel stay.

greet has launched a positive-impact hospitality movement by encouraging guests, teams and partners to join a virtuous circle of reducing, reusing and recycling resources. The goal is to minimize production, limit waste and reduce environmental impact. greet complements Accor's portfolio of economy brands by offering a non-standardized hospitality experience and a brand that stands apart in the hotel industry. After a promising start in France and Germany with 11 hotels opened (Beaune, Paris, Lyon, Marseille, Bordeaux, Darmstadt, etc.), the brand's ambition is to develop 300 hotels by 2030. Upcoming openings are scheduled for European capitals and major cities such as Paris, Berlin, Brussels (2022) and Vienna (2023).

3.4.1.3 Planet 21 commitment: 100% of our hotels implement the 10 mandatory actions of Planet 21 In Action **SNFP**

Non-compliance with standards, laws and regulations is described in section 2.2.2 Group risks.

To guarantee the inclusion of minimum sustainable development requirements in its entire network, and therefore reduce the risk of partners that do not comply with Accor's standards, the Group has defined 10 actions that all hotels are obliged to implement by 2021 ⁽¹⁾ which determine the achievement of Bronze level in Planet 21 In Action.

“Bronze” action results

At end-2021, 96% of hotels had implemented the 10 Planet 21 In Action flagship actions ⁽²⁾. This performance reflected strong engagement by hotels in all countries.

In order to continue to make progress, the Group's key challenges for the coming years will be to:

- increase the rate of hotel reporting (76% in 2021);
- improve application of the action: “Proposing eco-responsible welcome gifts” (93% in 2021).

Planet 21 In Action flagship initiatives	2020		2021	
	Owned, leased and managed hotels	Owned, leased, managed and franchised hotels	Owned, leased and managed hotels	Owned, leased, managed and franchised hotels
Propose that guests reuse their sheets and towels by default	100%	95%	100%	99%
Offer eco-responsible hospitality products (soaps, shower gels, shampoos)	89%	94%	87%	93%
Use eco-labeled cleaning products	100%	99%	97%	98%
Eliminate plastic straws, stirrers, and plastic cotton buds	100%	98%	100%	99%
Roll out the WATCH child protection program	100%	100%	100%	99%
Ban endangered species of fish	100%	99%	100%	100%
Comply with the water flow standard for all showerheads, faucets and toilets	100%	99%	100%	100%
Ensure that all wastewater is treated	100%	99%	100%	100%
Use energy-efficient bulbs	100%	100%	100%	100%
Sort hazardous waste and at least two types of waste from among the following: paper, glass, cardboard or plastic	100%	99%	100%	100%

The information in the above table relates to the scope of “number of hotels that have validated Planet 21 In Action” in the following table.

The decline in the response rate recorded in 2021 is due to a new data reliability process implemented in North Europe (17% of hotel respondents), whereby certain actions not documented by the hotels could not be considered valid.

Scope of reporting	2020		2021	
	Owned, leased and managed hotels	Owned, leased, managed and franchised hotels	Owned, leased and managed hotels	Owned, leased, managed and franchised hotels
Total number of Accor hotels in the scope of consolidation	2,036	4,593	2,130	4,874
Number of hotels applying Planet 21 In Action	1,969	3,762	1,852	3,703
• response rate	97%	82%	87%	76%

(1) This commitment, initially planned for end-2020, was postponed until end-2021 due to the health crisis.

(2) As “eco-responsible hospitality products” were not available for certain hotels depending on the brand or the country (e.g.: ibis India, Sofitel), this action is recorded as “not applicable,” to enable these hotels to reach the Bronze level.

3.4.2 Favoring eco-responsible products **SNFP**

3.4.2.1 Worldwide commitment to eliminate single-use plastics from the customer experience

Faced with mounting environmental concerns related to plastic, Accor conducted an assessment of its use of single-use plastics at the end of 2019. Each year, millions of single-use plastic items are used in the rooms, restaurants and meeting rooms of the Group's hotels. These products were highly visible to hotel guests: individual hospitality products such as shampoo, shower gel, bottles of water, accessories such as cotton swabs, plastic cups, sometimes wrapped in plastic, straws, laundry bags, individual food packaging, accessories in meeting rooms, containers for takeaway meals, etc.

Aware that it has an impact on the planet and also a source of leverage for changing its guests' behavior, in January 2020, Accor announced its commitment to removing all single-use plastic items from the guest experience in its hotels by end-2022. This commitment by the Accor Group supported by the Chairman and Chief Executive Officer not only includes the removal of all plastic straws, stirrers and cotton swabs for which good progress had already been made at the end of 2019 (99% of hotels), but also the elimination of individual toiletry bottles (shampoo, shower gels) and plastic cups, as well as all other single-use plastic items in rooms, meeting rooms, restaurants and leisure areas (spas, fitness rooms etc.) by the end of 2022.

Single-use plastics are defined as items used only once before being thrown away such as plastic straws, cotton swabs, coffee stirrers, plastic cups, plastic bags for guest laundry, plastic water bottles, plastic take-out crockery and cutlery, plastic gifts and hospitality products (pens, etc.).

Accor is a member of the Global Initiative to Combat Plastic in the tourism sector, implemented by the United Nations Environment Program and the World Tourism Organization, in collaboration with 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 reuse models or reusable alternatives as an example. A first report with quantitative results on reduction in tonnage was published in 2021 (available on the www.oneplanetnetwork.org website). With these commitments, Accor intends to define a new hotel standard.

The challenge is not only to find alternatives to plastic, but to completely change mindsets and eliminate the logic behind single-use products and their associated waste; and to adopt the 3Rs principle (Reduce, Reuse and finally Recycle).

At end-2021, Accor recorded the following results:

- 100% of Accor hotels had eliminated plastic straws, stirrers and plastic cotton swabs;
- 55% of hotels had already introduced alternatives to plastic water bottles.

In 2020, Accor had already integrated the following two actions into Planet 21 In Action:

- "Eliminate all individual toiletry bottles", 44% of hotels approved the action in 2021;
- "Eliminate disposable plastic cups", an action approved by 56% of hotels in 2021.

Sourcing and the rollout of solutions were slowed by the health crisis and the protocols related to hygiene requested in some countries.

Thanks to the worldwide collaboration of the Procurement, CSR and Brands teams, alternative solutions for single-use plastic products have been identified for products not eliminated. The environmental impacts were studied by the CSR teams and external experts. Finally, for certain products, such as water bottles, pilots have been set up to implement the changes as well as possible by the hotel teams. Brand standards were reviewed to integrate actions banning single-use plastics as of 2022. A guide to plastics has been updated and sent out internally to help the teams implement the elimination operation. This very detailed guide presents the issues, the materials recommended and those to ban, as well as the products referenced etc. Mapping has also been undertaken by the Procurement teams to listed alternatives referenced by region, by product category and by brand. Finally, as a first step, bonus payments for the CEO, the Executive Committee members and the TOP 150 executives will be indexed, among others, to the elimination of all single-use plastics (excluding disposable water bottles).

At the start of the health crisis, certain single-use products reappeared in an effort to protect the health of guests. In order to maintain its objective of combating single-use plastics, Accor established a close collaboration with the United Nations teams in order to contribute and onboard the operational guides produced by the organization, or those of the World Health Organization (WHO) to combine the need for health and the need to protect the planet, particularly for single-use plastics. Recommendations to limit the environmental impacts of the new sanitary protocols have been incorporated into the "Sanitary Guidelines," developed by Accor as part of the "ALLSAFE" certification. These comply with World Health Organization (WHO) and United Nations (UN) guidelines.

3.4.2.2 Planet 21 commitment: the 10 key product families in our hospitality offer are eco-responsible

Non-compliance with standards, laws and regulations is described in section 2.2.2 Group risks.

Reducing the impact of the products and equipment used in its hotels is an essential condition for controlling the Group's environmental footprint and one of our guests' major concerns. The challenge is environmental: use products that are more efficient in terms of energy and water. But it is also a health issue. Paints, carpets and cleaning products may give off chemicals that are harmful to the quality of interior air.

Accor pledged that by 2021 all new products (developed internally or referenced from external suppliers) associated with 10 key product families would meet eco-responsible criteria and would be gradually deployed in hotels. This commitment relies on the mobilization of the Procurement and Marketing teams in head offices and countries to ensure that eco-responsible criteria are properly integrated into the products offered to hotels. Sustainable development criteria were defined with the

internal and external teams. When a recognized ecolabel exists (EU Ecolabel, NF Environment, Nordic Swan, FSC or PEFC for wood and paper fiber, Oeko-tex standard 100 for textiles, etc.), gaining certification from the appropriate ecolabel is one of the criteria sought by the Group's procurement teams. The other criteria identified are as follows: the prohibition of certain chemical substances, the integration of eco-designed elements, the non-use of live pluckings for the manufacture of quilts, etc.

This commitment is implemented through the Planet 21 In Action plan, which enables the monitoring of deployment rates. Deployment is considered to have been significantly achieved once a threshold of 60% of hotels implementing the action has been reached (30% for products with multi-year lifespans such as bedding, sheets and towels, paints and flooring).

These criteria have evolved over time to include expectations and requirements of guests and regulations.

End-2021 results

Key product family	Defined eco-responsible criteria	Level of deployment in hotels			
		2019	2020	2021	
1. Soaps, shampoos and shower gels	Ecolabels or no controversial substances	90%	94%	93%	✓
2. Maintenance products	Extremely concentrated (reduction of plastic waste) and eco-labeled (reduced environmental impact) products	99%	99%	98%	✓
3. Bed linen	Sustainable labels, eco-design	Due to daily operating costs, Accor's laundry partners were unable to revise their processes to stop using bleaching agents. The deployment of this action has therefore been stopped.			✗
4. Hand towels					
5. Bedding: duvets/pillows/box springs and mattresses	Recycled materials, oeko-tex Standard 100 label, cruelty-free, VOC test, ergonomic	43%	44%	40%	✓
6. Single-use products; toilet paper/paper towels/paper napkins/trash bags/cardboard cups/plastic cups	Sustainable fiber with FSC/PEFC label or recycled (for toilet paper, paper towels, paper napkins). Recycled or compostable material for plastic products	61%	63%	59%	✓
7. Printing paper	Durable fiber with FSC/PEFC label and/or ecolabel and/or recycled	69%	71%	66%	✓
8. Paints	Ecolabels	39%	39%	39%	✓
9. Flooring	Ecolabels, GÜT, FSC, PEFC				
10. Welcome gifts for guests: pens/children's gifts	Recycled or certified sustainable materials. Products supporting solidarity or environmental projects	41%	42%	39%	✗
TOTAL		6/10			

Legend: ✓ Objective achieved. ⬆ In progress. ✗ Objective not achieved.

The implementation rate for the Single-use products family: “toilet paper/hand towels/paper towels/garbage bags/ cardboard cups/plastic cups” was down (from 63% to 59%) due to a new data reliability process in North Europe whereby certain actions not documented by the hotels could not be considered valid. This decline explains the dip in Group results regarding the number of eco-responsible product families in use. The target would have been reached with a rate of 60%.

This reporting is based on the hotels’ declared communications, which may cause various uncertainties despite completed checks.

The Group continues to strengthen its eco-design approach to interior design. As such, in 2021, webinars on eco-design awareness were undertaken internally. The teams continued to integrate obligatory environmental criteria inspired by those defined for key product categories in the brands’ guidelines. These concern the choice of materials, ecolabels, design rules according to usage criteria, taking into account product end-of-life

and ergonomics. In 2021, Accor launched the Eco-design rating tool for the “furniture” and “lighting” categories, aimed at choosing products with the best eco-design characteristics. Accor is also working with an external agency to undertake an environmental analysis of new Novotel room concepts. This analysis enables the Group to continuously enhance its concepts and fine-tune materials and supplier choices to reduce the impact of design on the overall environmental footprint as far as possible.

Other non-mandatory criteria, but which can still further improve the environmental quality of the interiors of hotels, were also listed. These criteria were disseminated to all designers.

Elsewhere, the D&TS Library, a digital tool that lists all the hotel construction, renovation and maintenance standards for all of the Group’s brands can be accessed by Accor’s partners and investors. CSR standards have been simplified and strengthened for all brands for a more efficient implementation.

3.5 Involving our partners in a long-term relationship SNFP

Non-compliance with standards, laws and regulations is described in section 2.2.2 Group risks.

Accor intends to establish a sustainable relationship with its partners (its suppliers and the owners of its hotels) in order to encourage the hotel sector to adopt more

ethical solutions. Against this background, Accor is implementing clear processes with its partners to optimize CSR risk management and seize the many opportunities to develop its product and services offering while delivering them with a positive impact.

3.5.1 Planet 21 commitment: driving forward one key innovation per year to develop alternative and responsible models

Through this commitment, Accor focuses on a twofold objective:

- increase the positive environmental and social impacts throughout its entire value chain;
- turn CSR into a catalyst for innovation to enrich hospitality and the digital offering with unprecedented services, all based on sustainability.

The Group therefore draws on collective intelligence and collaborative economy to attain this goal and aims to combine its experience with the expertise of its existing or new partners (startups, suppliers, hospitality professionals, social integration companies, charities and associations, citizens’ groups, etc.), which are seeking to develop new approaches around the world. Accor’s open innovation work supports this ambition within the Group.

3.5.1.1 Accor’s open innovation work provides fertile ground for meaningful innovations for its hotels, guests and partners

Over recent years, Accor, the global leader in hospitality, has been engaged in an open innovation process to support its corporate strategy. For Accor, open innovation involves building and coordinating a large internal and external community to create an open approach, gain from each other’s experience, and discover new territories that sometimes prove astonishing. It allows the Group to gain a global foothold with agility as well as anticipating its economic, environmental and social changes, and accelerating its transformation to co-create

value for and with its guests, partners, employees, as well as society as a whole, for the good of the planet. At Accor, innovation is implemented through two approaches:

- “innovolution” (strengthened by the health crisis) to assist hotels in their transformation by offering new revenue generating services and improving hotel performances (energy, reducing single-use plastics and waste, carbon footprint);
- disruptive innovations to invent the hospitality of tomorrow.

In concrete terms, this involves:

- **encouraging innovation internally**, especially with intrapreneurial programs and *mentoring*. In 2021 for example, Accor participated in creating the Full Soon start-up, which offers a restaurant footfall prediction service. The solution is being tested in several Accor brand and external restaurants and has already had encouraging results with 90% accuracy in its predictions. These footfall forecasts are precious for optimized management of procurement and reducing waste at source. The tool is to be deployed widely in 2022;
- **creation of brands and concepts internally** : greet, JO&JOE, Le Loft, Flying Nest, etc.; **the acquisition of new brands** in order to penetrate new business sectors and new markets, or to complement the Group's expertise (D-Edge);
- **development of the Group's Business Accelerator activities**;
- **creation of solid ties with partners throughout the world**, especially with other major groups of international dimension.

Some of these partnerships paid off in 2021, such as The Urban Collèctif, which brings together Citroën, Accor and JCDecaux. The shared goal is to optimize urban mobility while protecting the environment and offering solutions that improve the quality of life of users. This new responsible and customized urban mobility concept is based on the open source principle: the electric prototype Citroën Skate platform can receive any compatible Pod developed by a partner, thereby multiplying the mobility and services offer.

The first three pods have therefore been developed to offer original services and a unique service:

- "Sofitel En Voyage" is an architectural parallelepiped of glass and marquetry with an intimate atmosphere, open to the outside world, where guests can live the Sofitel experience while traveling through the city on their way to a restaurant, a store, the train station or the airport;
- "Pullman Power Fitness" offers an energizing and expansive Pullman fitness experience where the sole user could work out autonomously and immersively, with the rower on one side and the bike on the other, while moving around the city;
- "JCDecaux City Provider" offers an innovative on-demand urban transport solution that caters to all audiences.

Accor partner of "thecamp"

Accor is a partner of "thecamp," a non-profit organization that supports initiatives to prepare a new generation of change agents. "thecamp" focuses on human-centered projects with young risk-takers who are thinking differently, working together and inventing sustainable models. The core business of "thecamp" lies in sustainable mobility and the city of the future. The Group's employees mentor startups from an early stage of their development, participate in think tanks and receive trainings on campus.

Within this open innovation process, CSR topics are acknowledged as fully-fledged innovation opportunities, likely to round out the Group's value proposal while helping to bolster the positive impacts of its activities. All the teams ensure that CSR project leads within the Group are included at each stage of the process.

In 2021, Accor published two white papers to support innovation in hotel design "Biophilic Design Guidelines" and "The Future of Hotel Design".

The Group has also developed an innovative approach to calculate the carbon footprint of hotel concepts at the time of their creation. The Net Zero Carbon Calculator tool helps minimize the footprint as of the design stage and provides the data needed to measure its improvement over time.

Innovation is also being used to support CSR, in particular to help eliminate single-use plastic in hotels and reduce food waste. Since 2021, innovative processes have been defined and start-ups have been identified and referenced. They offer innovative solutions and product development in partnership with committed brands.

As part of its partnership with VivaTech, Accor organizes challenges to identify young start-ups with potential for its activities. A CSR category is systematically created. In 2021, two start-ups were rewarded and their solutions deployed: Orbisk, a smart camera with a connected scale to reduce food waste within kitchens, and MapLab, a tool to improve the impact and quality of life of employees thanks to remote working. MapLab can also help identify opportunities for willing employees to swap jobs, enabling them to move their workplace closer to home.

As part of the partnership with "thecamp," several projects led by Accor relate to environmental or societal issues.

"Promising" startups from the social and solidarity economy are integrated into the same assessment process as those from the "traditional" economy, which aims to assess potential and value creation for Accor in view of an acceleration, a partnership or even an equity investment. Several CSR startups have undergone this assessment, including Too Good To Go.

3.5.2 Policies, measures implemented and results obtained – Planet 21 commitment: our Ethics and CSR risk management process is deployed among 100% of our partners at end of 2021 SNFP

Accor's performance and activity are closely connected to those of its partners, namely, its suppliers and hotel owners under management or franchise agreements. For the Group, exercising its responsibilities involves extending its social, societal and environmental commitments to its partners, ensuring that they comply with Ethics and CSR rules and leveling up its entire value chain.

Accor aspires for its partners to respect the commitments it has made in its Planet 21 – Acting Here program and to comply with its ethics rules:

- consistent respect for current laws and regulations;

- respect of human rights;
- ethical business conduct;
- compliance with trade rules, etc.

For this reason, the deployment of its Ethics and CSR risk management process among its partners is one of Accor Group's commitments in its Planet 21 – Acting Here program. Accor's requirements were strengthened by the adoption in France of law no. 2017-399 which respects the duty of vigilance.

3.5.2.1 Supplier and service provider relations

Accor Procurement process

The procurement organization at Accor is made up of a Central Procurement Department based in France (at the Group's head office in Paris) and Local Procurement Departments located in 20 countries (Europe, Middle East, South-East Asia, Oceania, North America and South America). The Accor Procurement organization has a total of approximately 200 employees.

The main mission of this Procurement organization is to negotiate the best conditions for solutions (products and services) with national and international suppliers, so that its partners (mainly hotels) can benefit.

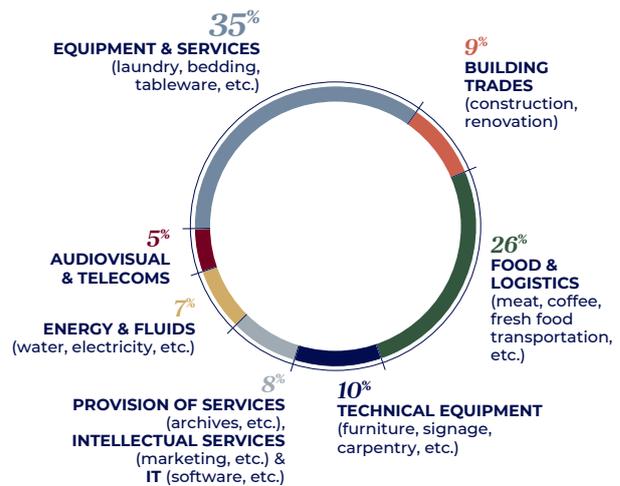
Depending on the categories and their specificities, products and services are negotiated either by the Central Procurement Department (for international products and services) or by the Local Procurement Departments (for products and services specific to their markets).

Purchases are classified as "nominated" if they are sourced by hotels and head offices from suppliers that have signed a contract with an Accor Procurement Department. Nominated suppliers cover around 100 categories of purchases.

Purchases are classified as "non-listed" if they are sourced directly by the hotels and head offices from suppliers that have not signed a contract with an Accor Procurement Department.

In 2020, the total amount of Accor Group purchases (referenced and non-listed) was estimated at €2.5bn.

Nominated purchases by product family (2019 data, %)



The breakdown of purchases by product/service family is stable from one year to the next.

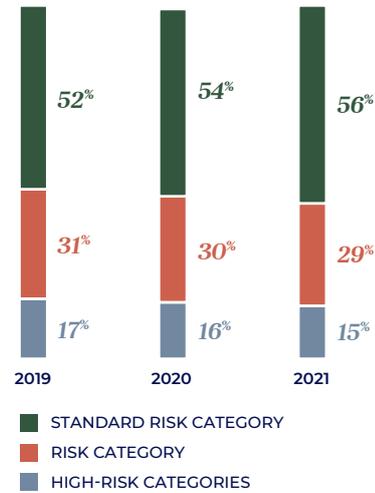
Risk management process for suppliers managed by the Procurement Department

The nominated supplier risk management process has been distributed to all the Procurement Departments and is included in the training given to new procurement employees.

It is based on the mapping of CSR risks rolled out in 2017, which classifies the 100 purchase categories into three risk levels (standard risk, at risk, high risk) according to the following weighted criteria:

- purchase volumes;
- environmental and social risks;
- exposure to guest risks;
- Accor leverage on suppliers.

Breakdown of procurement volume per category of level of risk



The Procurement Department has drawn up a control plan adapted to each level of risks:

1. Applicable to all suppliers: Signing of the Responsible Procurement Charter

The Responsible Procurement or Procurement 21 Charter is attached to all nomination contracts and summarizes the Group’s commitments and those expected from nominated suppliers as well as those of their subcontractors.

In 2022, the charter will be updated to include all recent regulatory aspects and new commitments by the Group such as: eliminating single-use plastics, reducing greenhouse gas emissions, reducing waste and social aspects. This new version of the charter is to be included in all new nomination contracts signed as of 2022 while suppliers already nominated will also be informed of it.

At end-2021, 100% of nominated suppliers had signed the Procurement 21 Charter.

2. Applicable to suppliers identified as at risk and high risk: assessment by EcoVadis

Each supplier is assessed by a third party (EcoVadis) on their environmental, social and ethical performances and on how much control they have over their own supply chain. Each answer to the questionnaire is documented and checked by EcoVadis analysts. Action plans may be requested from suppliers.

At end-2021, 97% of the purchasing categories identified as high risk and at risk had been evaluated by EcoVadis (representing 85% of suppliers).

Concerning the 3% of remaining purchase volumes, suppliers who refused to be assessed were the object of detailed analysis leading where necessary to a dereferencing or a corrective action plan to implement during the first quarter of 2022.

3. Applicable to suppliers identified as at risk and high risk: on-site audit by a third party

The on-site audit follows the international SMETA reference system. It is undertaken by a third party (Intertek or Bureau Veritas depending on the country) at the production sites of industrialists and the head offices of services providers.

At end-2021, 94% of referenced procurement volumes (high risk purchase categories) had been audited by a third party (representing 94% of suppliers). The remaining 6% to be audited are mostly small organizations which will undergo an adapted control plan in 2022. These suppliers have already had a first audit through the EcoVadis assessment.

The Corporate Procurement Department steers assessment and audit planning while purchasers monitor the corrective action plans.

The CSR control plan has been enhanced on the ethical side through the implementation of the **Know Your Counterparty (KYC) process**, which concerns all nominated suppliers. It was digitalized at the end of 2021 on the STEELE platform. The procurement teams have been trained to use this new support tool for the KYC process.

The procurement processes (call for tenders, selecting suppliers, contracts, assessment, audit, action plans, possible de-referencing) have been adapted to strengthen controls according to the purchase category risk levels.

STAGES	STANDARD RISK PURCHASE CATEGORIES	AT-RISK PURCHASE CATEGORIES	HIGH-RISK PURCHASE CATEGORIES
CALL FOR TENDERS	<ul style="list-style-type: none"> • CSR criteria integrated into specifications • Procurement 21 Charter communicated • CSR clause included in the call for tender 		
SELECTION	<ul style="list-style-type: none"> • The supplier signs Procurement 21 Charter • Assessment based on CSR criteria • Comparison of suppliers on CSR criteria (obligatory for 10% of final score at least) • Financial valuation (solvency and risk of dependency) • Launch of KYC process 		
CONTRACTS	<ul style="list-style-type: none"> • EcoVadis assessment before contract signing 		
	<ul style="list-style-type: none"> • CSR clause included in the contract • Procurement 21 Charter appended to the contract • Control and monitoring of financial health and verification of the dependency rate on the publication of company statements of financial position 		
EVALUATION OVER THE LIFE OF THE CONTRACT	-	<ul style="list-style-type: none"> • Default Action Plan 	
	-	<ul style="list-style-type: none"> • Revaluation based on CSR criteria (validity period set by Accor: three years) • Action plan • Control and monitoring of financial health 	
ON-SITE AUDIT	-	-	<ul style="list-style-type: none"> • Audit scheduled by a third-party based on the SMETA reference system
ACTION PLAN AND FOLLOW-UP	-	-	<ul style="list-style-type: none"> • Follow-up on action plan after evaluation with supplier • Re-audit in case of major non-compliance
APPROVAL PROCESS	<ul style="list-style-type: none"> • Dereferencing envisaged in the event of significant non-compliance, with no action plans 		

Results of nominated supplier control plan

The supplier control plan is monitored on the basis of four indicators measuring the deployment rate at each stage of the process depending on the number of supplier entities concerned:

Indicators	Scope of reporting	2019	2020	2021
Percentage of suppliers who have signed Procurement 21 Charter	All suppliers	93%	96%	100%
Percentage of suppliers that have conducted a self-assessment	"At-risk" and "high-risk" suppliers	54%	60%	85%
Percentage of suppliers that have undergone an external audit	"High-risk" suppliers	51%	60%	94%
Percentage of action plans followed	"At-risk" and "high-risk" suppliers	100%	100%	100%

At end-2021, the overall achievement rate for the plan was 93%:

Indicators	Scope of reporting	2019	2020	2021
Share of suppliers among which the Ethics and CSR risk management process is deployed*	All suppliers	69%	76%	93%

* Charters signed for all risk categories; documentary assessments and action plans monitored for the "at-risk and high-risk" categories; external audits for "high-risk" categories.

The Procurement Department is drawing up a new control plan for 2022-2025, based on a map of external risks and the conclusions of the previous program (data, feedback). This should enable better coverage of risks related to nominated suppliers.

Responsible procurement process

The local Procurement Departments are working on a reference system for responsible products and services (see 3.4.2 Favoring eco-responsible products, see 3.8 Banning food waste and promoting sustainable food). They are also actively involved in:

- eliminating single-use plastic from the guest experience (see 3.4.2.1.) especially by referencing alternative solutions;
- the Group's climate strategy, for example by proposing a renewable energy offer to hotels.

To deliver these targets, the Procurement Departments have adapted their procedures and tools in order to tackle environmental and societal issues (integration of a specific CSR component in the Accor procurement policy etc.). As such, the following measures have been implemented:

- stricter CSR criteria for the referencing of new suppliers (four additional carbon-related criteria on top of the six CSR criteria already in place:

- assessment by international organization CDP of the climate plan for a selection of nominated suppliers;
- enhanced training programs for the procurement teams.

Other responsible initiatives

Accor is also a member of the GT3 collective for a more inclusive economy in France. This voluntary and spontaneous initiative brings together 35 companies that seek to drive social and societal progress. In this context, Accor actively participates in the work of the group dedicated to inclusive procurement, in which companies exchange best practices and look for ways to develop the activities of companies in the inclusion sector. These include: integration companies, adapted companies, etc. companies in Priority Districts of the City Policy, VSEs and SMEs, etc. 72% of Accor suppliers listed for France are VSEs/SMEs. Whenever possible, the Group's tenders in France include at least one company from the inclusive sector among interviewed companies.

3.5.2.2 Relations with third parties and partner hotel owners

Since 2018, Accor has had a third-party due diligence process (Know Your Counterparty or KYC) to identify, prior to any new commitments with a partner, whether factors exist that may call into question the integrity of the counterparty.

In 2021, Accor formalized a new third party integrity assessment policy "Know Your Counterparty 3" (KYC), backed by the Group's Ethics and CSR Charter. The objective of this policy is to avoid transactions that may involve bribery, corruption, influence peddling or money laundering, or that may violate international economic sanctions. A preliminary third-party risk analysis is intended to identify legal or reputational issues that should be considered and, where possible, addressed before entering into a contractual or commercial relationship with the counterparty.

The risk analysis is based on the nature of the business and the financial commitment. The risk-based approach is based on the results of the Group's corruption risk assessment and takes into account factors such as the level of involvement of public officials. It enables classification of third parties according to their risk profile, which in turn determines the level of scrutiny applied.

The process is digitalized and includes the use of a platform connected to external databases that enable a first level of research to be undertaken as well as documentation of due diligence.

In 2021, 96% of Accor entities reported that they had applied the KYC process as defined by Group policy.

3.6 Working hand-in-hand with local communities to deliver positive impact

Firmly rooted in local communities, hotel teams have a unique motivation and ability to implement concrete projects in favor of local economic and social development or in terms of solidarity: local employment,

access to training for those with none, promotion of local culture and local economy, fight against poverty, protection of children from abuse, initiatives to protect natural ecosystems, solidarity actions, etc.

3.6.1 Getting people involved in “beyond the hotel walls”

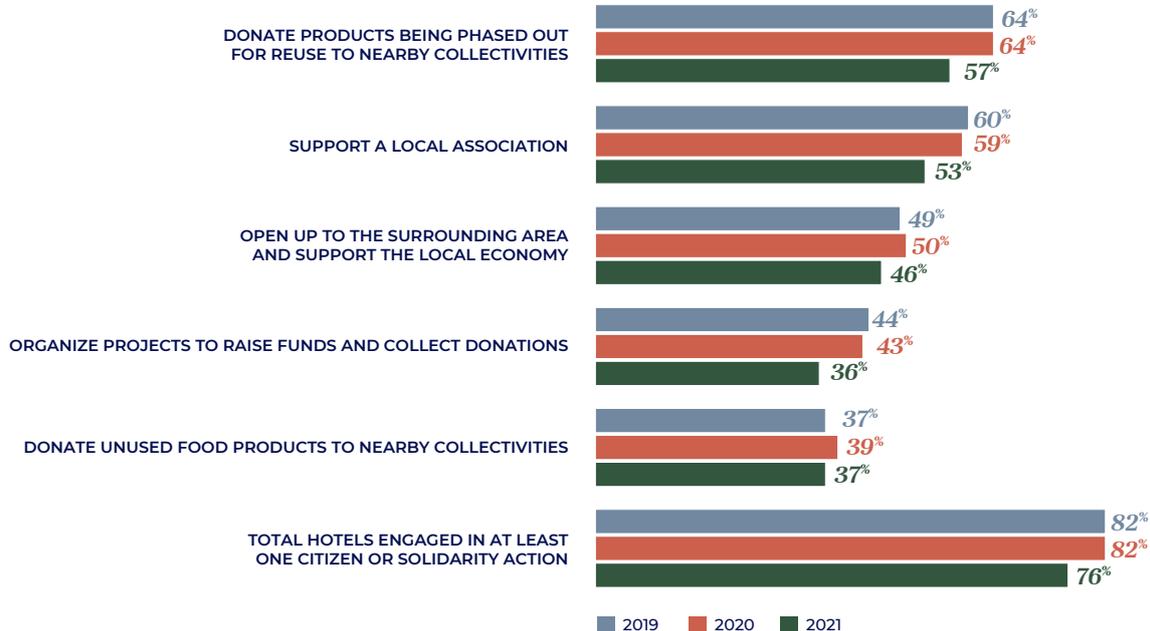
Worldwide, the Group wants its business to benefit host territories and communities. Accor contributes significantly to the socio-economic development of the countries where it operates. Thus, a job created in one of its hotels supports four outside the Group (among its suppliers, in public services, etc.). And 83% ⁽¹⁾ of the wealth created by the hotel business remains in the local economies.

In an endeavor to step up its efforts, Accor aspires to better recognize and promote its employees’ capacity for engagement and mobilization at the local level. As such, the Group has reaffirmed the place of local communities at the heart of its Planet 21 – Acting Here program by dedicating a commitment and actions in Planet 21 In Action to them. Likewise, through its Accor Heartist Solidarity endowment fund, all Accor employees or employees under the Accor brand have the opportunity to propose support projects to local associations.

3.6.1.1 Planet 21 commitment: 100% of our hotels are engaged in a civic or solidarity project ⁽²⁾

To ensure that 100% of hotels are committed to this approach, the Planet 21 In Action roadmap encourages them to implement various solidarity or civic actions. At end-2021, the mobilization of hotels was measurable, with a total of 76% of hotels engaged in a civic or solidarity

initiative. The decline seen in 2021 stems from a new data reliability process implemented in Northern Europe (17% of hotels responding), which meant that certain actions not documented by the hotels could not be considered valid.



(1) Sources: Study, “Worldwide socio-economic impact of the Accor Group” – 2016.

(2) This commitment, initially planned for end-2020, was postponed until end-2021 due to the Covid-19 crisis.

3.6.1.2 A commitment supported by the Group's endowment fund: Accor Heartist Solidarity

Fighting economic and social exclusion

The Group's commitment to solidarity, as well as that of Accor hotels and employees, is supported by the Accor Heartist Solidarity endowment fund, formerly known as Accor Solidarity. Its goal is to fight against economic and social exclusion of people in great difficulty through professional integration by supporting projects alongside local associations and NGOs. After more than 10 years of commitment and contact with associations at the heart of the projects, the endowment fund has developed real expertise in these areas of action, which it now wishes to strengthen and complement.

The fund is continuing its commitment in favor of training and professional integration by financing a number of projects and may also increase its support for certain associations to duplicate proven worthwhile programs as well as funding large scale initiatives. In the years ahead, Accor Heartist Solidarity teams will seek the best approaches to supporting access to sustainable employment for people that have completed training or integration. Accor Heartist Solidarity intends to take action to improve the performance of job market access mechanisms designed for people that have completed their integration sessions.

For more than 10 years, Accor Heartist Solidarity has continued its upstream response to emergency situations and provided its assistance to local populations to help deal with the immediate and long-term consequences of natural disasters. Since 2018, the fund has extended its support to projects focused on other types of humanitarian crises, especially in major cities. Whether they concern extreme poverty, isolation or the conditions for supporting the most disadvantaged populations, they must still address the same problems as humanitarian emergencies, which generate economic and social exclusion.

In 2020, Accor Solidarity showed great adaptability in response to the Covid-19 crisis by organizing a call for donations with the teams of the ALL loyalty program for the benefit of the Institut Pasteur. In total, in just a few weeks: 5,098 donors were mobilized in 119 countries. Members of the ALL loyalty program donated €361,520, matched to the tune of €300,000 by Accor, for a total donation of €661,520 to the Institut Pasteur. The success of this operation underlines the importance of the international reputation of the beneficiary structure and the trust that exists between Accor and the members of its loyalty program.

Every year, a strong outpouring of solidarity mobilizes the head office and hotel teams during the "Solidarity Week" in December. One hour, one day or one week is allocated to these volunteers to get involved with the local association or charity of their choice. Each year, several hundred initiatives are listed in support of the most

disadvantaged (collection of equipment, association visits, organization of snacks, etc.). In 2021, despite the constraints of the Covid-19 pandemic, the Group's hotels organized solidarity actions to benefit their local communities, helping more than 250 associations and nearly 15,000 people during the year.

Governance

The fund is supported by decision-making and advisory bodies: a Board of Directors, a Selection Committee, an Advisory Committee and a permanent team.

The Accor Heartist Solidarity Board of Directors, which is chaired by Sébastien Bazin, Chairman and Chief Executive Officer of the Accor Group, meets two to three times a year. It approves the Accor Heartist Solidarity strategic guidelines, votes on projects with budgets greater than or equal to €20,000 and oversees their implementation. The Board of Directors is composed of nine members: six Accor representatives and four qualified external representatives (more details on the accor-heartist-solidarity.com website).

The Advisory Committee is responsible for advising the Board of Directors on the fund's financial policy and management of its cash position by measuring changes in financial risk, as well as any possible equity investment.

The Selection Committee votes on projects of less than €20,000 and oversees their operational implementation. It comprises Group employees who are often operational contacts based in different countries.

The permanent team works with local correspondents. These correspondents, who come from the project-specific region or who have worked there for several years, act as relays between Accor Heartist Solidarity and local employees. They are vital to the success of these projects, not only because of their expertise, but also their specific knowledge of the sector, background and local stakeholders.

Lastly, at the core of the Accor Heartist Solidarity mission: the employees of the Group and its partners. The fund provides technical and financial assistance to the associations selected by employees to make their initiatives possible in Accor's locations. All the projects are led by non-governmental organizations (NGOs) or local non-profit associations for the benefit of our hotels' host communities. Employees provide genuine added value to programs by contributing their personal and professional skills (in cooking, service, housekeeping, marketing, consulting, etc.). They are regularly involved in training programs to present various hospitality industry careers and share their expertise with trainees, and they are generally on hand to assist. The programs may include hotel visits, careers conferences, Group presentations and internships at hotels.

Donation collections

In 2021, the Group's annual donation was maintained at €1 million. At the same time, increasing numbers of stakeholders joined the fund in collecting donations. In an effort to engage with employees and guests, Accor Heartist Solidarity has diversified and digitalized its collection methods without reviewing its scope of operations, which has proven effective for more than 10 years.

A few projects supported by Accor Heartist Solidarity in 2021 are described below.

REIR - Spain, Barcelona region

For the second time, Accor Heartist Solidarity supported the teams at the ibis hotels Montmelo and Castelldefels, near Barcelona, in their commitment to the REIR association. For more than 12 years, REIR has been helping young adults totally disconnected from the job market in building their professional journey and integration. Nearly 100 young people who dropped out of school will be helped and mentored to move forward, restore their self-confidence, train and become active members of society. In 2021, the teams at the two ibis hotels provided concrete training in renewable energies and the environment. Together with the association, they created a training program for maintenance technicians.

Children of the Dawn – South Africa, Johannesburg

Through its “My future, my responsibility” program, the NGO Children of the Dawn helps young people in precarious situations and lacking in reference points to overcome their difficulties in professional and social integration. It offers young people a range of services and activities to build their personalities and career paths.

The project supported by Accor Heartist Solidarity has provided assistance to 50 young people each year. In 2021, the teams of several Mercure hotels in Johannesburg supported the program by helping young people discover the professional world and providing them internships in companies, despite the difficult health context in South Africa.

Unibes – Brazil, São Paulo

Thanks to the strong and lasting involvement of the Accor teams in São Paulo, nearly 60 young people from difficult neighborhoods in São Paulo have been helped in their training and professional integration. The “Challenge of Education” program deployed by the NGO in partnership with Group employees has enabled them to learn about hotel and restaurant businesses. In 2021, in response to the pandemic, the program became far more digital, but this did not prevent it from providing more than 600 hours of teaching, with a one-year follow-up after training. Nearly 90% of the participants completed the training and 60% of them have entered the job market.

L'École des Cuistots Migrateurs – France, Paris

The École des Cuistots Migrateurs aims to participate in the professional integration of refugees. Launched in Paris in December 2020 and organized into classes of 10 refugee students, the École des Cuistots Migrateurs receives support from Accor Heartist Solidarity for its four-month training courses to obtain the professional qualification certificate for the job of kitchen assistant. In 2021, Accor employees in the Paris region committed to working alongside them through civic and professional mentoring.

3.6.2 Protecting children from abuse **SNFP**

The sexual exploitation of children crosses geographic, social and cultural borders. According to UNICEF, this issue affects around 2 million girls and boys under 18 worldwide. Since these practices can take place in Group establishments — located in over 100 countries — it is

Accor's moral and legal duty, as the world's leading hotel operator, to commit to protecting children from abuse.

Non-compliance with standards, laws and regulations is described in section 2.2.2 Group risks.

3.6.2.1 Policies and measures implemented – Planet 21 commitment: 100% of our hotels implement our program against children sexual exploitation ⁽¹⁾

The Sexual Exploitation of Children in the Travel and Tourism Industry (SECTT) is, according to the NGO ECPAT ⁽²⁾, “the sexual exploitation of children by a person or persons who travel from their home district, home geographical region, or home country in order to have sexual contact with children”.

Since 2001, Accor has prioritized respect for human rights. The Group joined the fight against SECTT by signing a partnership with ECPAT (End Child Prostitution, Pornography and Trafficking of Children for Sexual

Purposes), an international non-governmental organization composed of more than 100 organizations established in 95 countries. As such, Accor became the first hotel group to agree such a partnership with this international organization.

The Group stepped up its children protection commitment in 2002 by implementing the first training programs for Accor employees on SECTT, followed in 2012 by the creation of the WATCH – We Act Together for Children program (see below).

(1) This commitment, initially planned for end-2020, was postponed until end-2021 due to the Covid-19 crisis.

(2) ECPAT (End Child Prostitution, Child Pornography and Trafficking Of Children for Sexual Purposes) is the leading international organization in the fight to end child sexual exploitation. Its network comprises more than 100 organizations established in 95 countries.

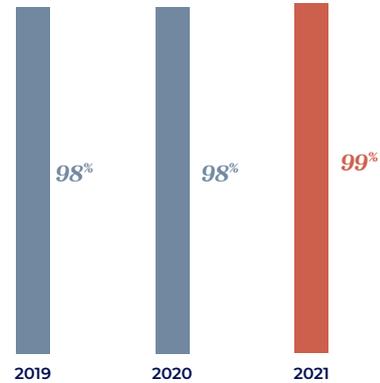
3.6.2.2 Measures implemented and results – “WATCH – We act together for children” – Accor’s program to fight sexual exploitation of children in the tourism and travel sector

Created by Accor, the WATCH program helps country organizations and hotels put procedures in place to detect cases of SECTT and take the appropriate response. It is based on a set of training and educational resources with a focus on hotels. It targets different groups including Hotel Managers, team leaders and employees, and it incorporates films, a training module for hotel teams and guideline sheets, available in nine languages.

End-2021 hotel mobilization

“Roll out the WATCH child protection program” is one of the 10 mandatory actions on the Planet 21 In Action roadmap. Hotels engage in this activity by training teams to detect and respond to abuse or sexual exploitation of minors in the establishment.

Percentage of hotels committed to protecting children



The percentage of hotels committed to protecting children remains stable. Since 2017, monitoring of this action has been made stricter with the requirement that hotels supplement employee training with a message for guests to inform them of this commitment. Only 20 hotels had not stated their commitment to protecting children at the closing date (or less than 1% of the Group’s hotels). The reasons for their non-qualification for this action were the lack of communication with guests and employee training.

3.6.3 Plant for the Planet, a program in support of agro-forestry

3.6.3.1 Planet 21 commitment: 10 million trees planted with our Plant for the Planet program by 2021 ⁽¹⁾

The Plant for the Planet program encourages guests to reuse their towels when they stay for more than one night in the hotel. In return, Accor undertakes to finance tree planting with part⁽²⁾ of the laundry savings generated (water, energy, detergent savings). In order to enhance the benefits and meaning offered by the program, Plant for the Planet became an agro-forestry program aimed at accelerating the transition of agricultural practices towards agro-ecology. This ambition includes many innovations with respect to agricultural techniques, cooperation mechanisms and funding sources dedicated to tree planting.

Along with Pur Projet, Nespresso, Chanel, L’Oréal and Kering, Accor is a founding member of the International Platform for Insetting (IPI). The IPI’s role is to promote insetting and to support its scaling-up by pooling the resources and supply chains of the organization’s partners. Insetting is a virtuous approach that consists of a company implementing environmental programs in its direct sphere of influence (core business and suppliers) in order to generate multiple sustainable positive impacts to mitigate climate change, preserve global resources and support local communities. As a restaurant operator,

this is what Accor has been doing since 2016, integrating the Plant for the Planet program within its value chain through the planting of trees in cultivated areas to improve yields and crop quality, preserve soil, water and biodiversity as well as provide an additional source of income for farmers.

The benefits of the Plant for the Planet program initiatives are threefold:

- **Environmental benefits:** preserving ecosystems and threatened endemic species, conserving water resources, implementing remediation measures for unproductive soil, combating erosion, carbon sequestration, etc. Plant for the Planet is helping to reduce Accor’s environmental footprint;
- **Societal benefits:** higher and more diversified income for those participating in projects, employment support, improvements in crop quality, creation of a new, local social movement;
- **Social benefits,** especially the active participation of guests and enhancing their awareness by Group employees, which are both key to the success of the program, and, in turn, enable a sense of cohesion.

(1) This commitment, initially planned for end-2020, was postponed until end-2021 due to the Covid-19 crisis.

(2) The calculation of the contribution was historically based on an estimate of the amount represented by half of the laundry savings. This complex method of calculation has moved towards a simpler and fairer formula, which retains a comparable participation amount but now considers the activity of the hotel (RevPAR) and its size (available rooms).

From 2016 to the end of 2021, the program supported 37 planting projects around the world. Exceptionally in 2020 and 2021, due to the health crisis, support for the Plant for the Planet program was not mandatory for hotels. As the methodology for calculating each hotel's

contribution is based on its performance in the previous year, in 2021 the amounts allocated to tree funding were exceptionally low compared to previous years. The number of trees funded in 2021 was 244,021.

3.6.3.2 Innovation to support diversified funding sources and promote the agro-forestry program

The program, which consists of offering guests no repeat bedding for stays of more than one night, was first introduced in Germany, Austria and Switzerland and is set to be extended, as a source of diversified funding for Plant for the Planet. In return, guests can contribute to the financing of trees or earn ALL loyalty points.

End-2021 Group mobilization

In 2021, the planting of 244,021 trees was financed as part of the Plant for the Planet program with 1,318 participating hotels. The program is based on savings generated by guests reusing their bedding and towels and raised €11,400 in 2021, or the financing of 4,005 trees. In total, Plant for the Planet has helped finance more than 7.4 million trees since its launch in 2009.

3.7 Moving to “net-zero carbon” buildings SNFP

3.7.1 Achieving “net-zero carbon” for all Accor-branded hotels by 2050

Climate risk is described in section 2.2.2 Group risks

The science today is clear, the world has a carbon problem. Greenhouse gasses from human activity are building up in Earth's atmosphere, faster than nature can absorb them. These emissions are heating the planet and driving climate change.

Each year Accor hosts more guests looking for a hospitality service allowing them to live, work and play. As an industry leader, Accor follows the latest scientific recommendations and aims to reduce its environmental footprint to preserve the planet and its resources for future generations. Accor has committed to limiting global warming to +1.5°C and set a target to reach net-zero carbon emissions by 2050.

Since 2006, Accor has responded to the *CDP Climate Change* questionnaire. In 2021, the CDP recognized the Accor Group as a Leader and awarded it an A-. It also awarded it a B rating in the “Supplier Engagement” category.

Accor is committed to implementing the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and will continue during 2022. With a view to ensuring greater transparency in Group efforts to manage climate change risk and reduce climate impact, Accor's 2021 reporting follows the structure defined by TCFD guidelines:

- Governance;
- Strategy;
- Risk management;
- Metrics and Targets.

3.7.1.1 Climate Governance

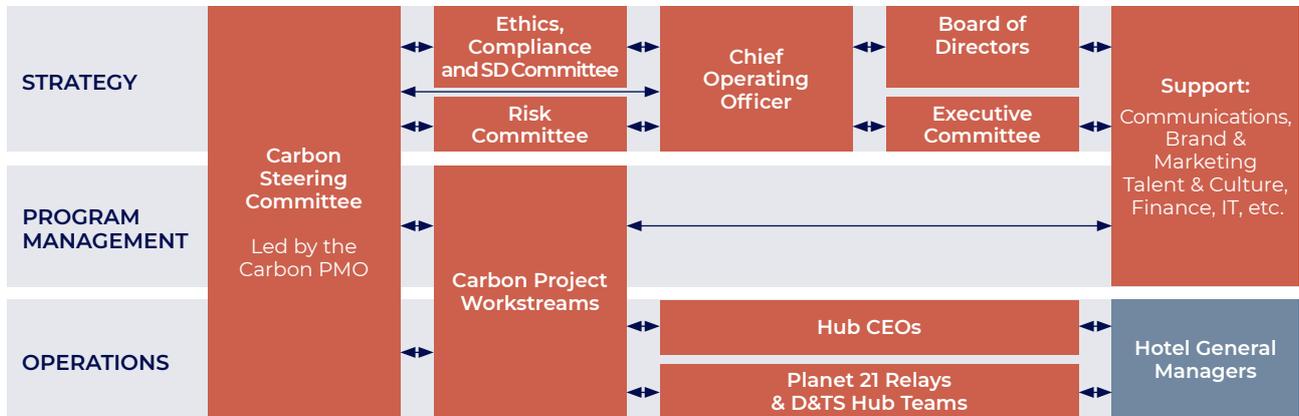
In line with the TCFD reporting framework, Accor summarises its climate governance structure. Management of climate topics takes place under a governance and organization structure designed to support actions that systematically address climate issues across business functions.

In 2020, the Carbon Steering Committee was established by Accor Chief Executive Officer, Sébastien Bazin. The Steering Committee (SteerCo) is tasked with defining the climate strategy and the operating implementation projects to control climate risks under the supervision of

the *Chief Sustainability Officer (CSO)*. The Carbon Steering Committee is led by the *Carbon Project Management Office (CPMO)*, which is responsible for mobilizing internal stakeholders to implement the carbon strategy. The Ethics, Compliance and Sustainable Development Committee also provides strategic oversight. The Group Risk Committee is responsible for identifying, assessing and managing climate risks, with the support of the Risk Department. For a description of Accor's approach to risk governance, see section 2.2.1 Risk management.

The below diagram provides a summary of the Climate Risk Governance structure employed by Accor including the flow of information between the Steering Committee and other stakeholders.

Accor's climate risk governance in line with TCFD reporting requirements



The Design and Technical Services Department is responsible for the collection and aggregation of Group-wide CO₂ eq emissions data. Results are shared across the organization annually to provide tracking and increase knowledge of material topics.

3.7.1.2 Accor Group strategy – Policies and measures implemented SNFP

In line with the TCFD reporting framework, Accor summarises its carbon strategy. Accor's strategy builds on the results of a detailed climate risks and opportunity scenario analysis prepared in line with the TCFD recommendations.

Since the launch of the 2016-2021 Planet 21 program, the Group has focused on the transition to net-zero carbon. Since 2016, the Group has undertaken a significant transformation including the divestment of owned and leased hotel assets to prioritize an asset-light model which deeply influences action levers available to the Group for its carbon trajectory.

Accor is responsible for defining this collective trajectory, to align with the Paris Agreement, and act on the levers at its disposal, namely brand and technical hotel standards, ensuring that policies and processes are consistent with decarbonization objectives. Lastly, Accor is also responsible for providing operational solutions to hotel owners to reduce their hotels' carbon footprint. However, investment decisions (on equipment, insulation, green energy production and procurement, etc.) ultimately lie solely with hotel owners.

Today, Accor has a carbon reduction program calibrated to meet the needs of hotel owners in the context of the Group's business model. Accor's carbon strategy is based on four pillars:

- unlock new innovations by adopting a **low-carbon mindset** with hotel owners, partners, suppliers and guests to succeed in the transition to net-zero carbon;
- transition to **smart green hotels**, leveraging IoT, eco-design tech and green finance with new partnerships to improve energy efficiency and reduce the environmental footprint of hotels;
- accelerate **renewable energy procurement**, offsite and onsite such as wind and solar;
- reaching **net-zero faster** with the launch of new associated offerings and expanding investment in carbon removals to balance residual emissions.

Accor's carbon strategy is aligned with the results of a detailed climate opportunity assessment analysis conducted in accordance with TCFD recommendations.

Detailed information on Accor's carbon reduction strategy and its implementation is available in the "Accor 2021 Sustainability-linked Bond Framework" document published on the Group's website: <https://group.accor.com/en/finance/financial-data/debtfinancing>.

3.7.1.3 Risk Management – Risks related to greenhouse gas emissions **SNFP**

In line with the TCFD reporting framework, Accor presents its risk management approach.

The Group continues to refine and enhance its approach to the identification of climate risks and assessment of their impact on business strategy. Climate risks are

managed within Accor's risk management framework. For a summary of the results of the TCFD-compliant scenario analysis, including an assessment of physical and transitional risks and opportunities, see section 2.2.1 Risk management.

3.7.1.4 Accor climate metrics, targets and commitments

In line with the TCFD reporting framework, Accor presents its metrics, targets and commitments.

Accor has defined an industry-leading carbon reduction trajectory aligned with the Paris Agreement's goal of limiting global warming to + 1.5°C. Accor's approach is strengthened by its commitments to short-term, long-term, and “net-zero carbon” targets, validated by the Science Based Targets initiative.



2025 objectives (short term), linked to Accor's financial performance

Accor has set short-term targets that require the network to make steady progress between 2019 and 2030. By 2025, Accor aims to reduce Scope 1 and 2 emissions by 25.2% and Scope 3 emissions by 15% in line with Accor's SBT scope.

Accor's 2021 Sustainability-linked Bond has a monitoring date linked to the 2025 target, which clearly ties Accor's financial performance to its climate ambition. Information about the 2021 Sustainability-linked Bond framework and the Second Party Opinion is published on the Group's website: <https://group.accor.com/en/finance/financial-data/debtfinancing>.

Commitment to Net-zero carbon by 2050

In 2020, Accor joined the Business Ambition For 1.5°C program and committed to setting a long-term target to reach net-zero value chain emissions by 2050 for all of scopes 1, 2 and 3.



In 2021, Accor signed the Glasgow Declaration, recommitting to reduce its emissions in line with the 1.5°C trajectory and to reach the net-zero carbon target as soon as possible. Accor will publish an annual progress report on its medium- and long-term objectives, as well as the actions it has implemented.



2030 Carbon Reduction Targets - Validated by the Science Based Targets initiative

Accor pledges to reduce absolute Scope 1 and 2 greenhouse gas emissions by 46% by 2030 relative to 2019. The Group has also pledged to reduce all relevant Scope 3 emissions categories (purchases of goods and services, energy not factored into Scope 1 and 2 and franchised hotels) by 28% by 2030 relative to 2019.

To achieve the 2030 targets, annual emission reductions will be equivalent to:

- Scope 1 and 2: -4.2% per annum;
- Scope 3: -2.5% per annum.

The Scope 3 target covers 87% of total Scope 3 emissions, making it a truly ambitious goal for Accor and one of the most inclusive in the sector.

First bond issue indexed to the Accor Group's climate objectives

In 2021, Accor successfully completed its first Sustainability-Linked Bond issue for an amount of €700 million, with a coupon of 2.375%, maturing in November 2028. The proceeds of this issue will be used to refinance part of the existing debt.

The issue was more than three times oversubscribed and recognizes Accor's ambition to step up its transition to sustainable growth. Through the issue, Accor has optimized its debt profile and aligned its financing strategy with its CSR ambitions.

Issued under the Sustainability-Linked Bond Framework, these bonds are indexed to the Group's targets to reduce greenhouse gas emissions between 2019 and 2025:

- -25.2% for Scopes 1 and 2;
- -15.0% for Scope 3.

The Sustainability-Linked Bond Framework defined for this issue is designed to enable future bond issues that are also linked to sustainability. Sustainalytics evaluated the framework, giving it the highest possible score. The key performance indicators are considered “very robust” and the sustainability performance targets “very ambitious”.

Accor recognized as a pioneer in ESG financing

Accor's acquisition of its head office in Issy-les-Moulineaux (France) was largely financed by a "green" mortgage loan with an amortized amount of €300 million at December 31, 2020. The Sequana tower benefits from a high level of HQE certification. The "green loan" was established in compliance with "Green Loan Principles" (GLP) and was externally verified 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.

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

Leadership and partnerships

Accor is a member of the following climate initiatives:

- **CDP Supply Chain Program:** In 2021, Accor joined this program and invited 447 of its key global suppliers in high-carbon categories to participate in the initiative. 40% of suppliers responded to the survey, providing Accor with important information that will feed into the ongoing work to establish the zero-carbon roadmap, and supplier data that will be used to increase the accuracy of carbon accounting tracking and Scope 3 progress. Accor has signed a three-year commitment to this program and anticipates more responses from its suppliers due to Accor's consistent commitment and support.
- **International Platform for Insetting (IPI):** Accor is a founding member of the IPI, an organization led by businesses that advocate for climate action within their global value chains. The IPI's model for change focuses on activating insetting through knowledge exchange, demonstrating the effectiveness of insetting in helping companies achieve their ambitious goals and become catalysts for successful transition to resilient and regenerative models.
- **Ambition 4 Climate:** Accor has joined this initiative, which illustrates the mobilization of Afep's major member companies to significantly reduce their greenhouse gas (GHG) emissions throughout their value chains.
- **French Business Climate Pledge:** Accor is a signatory to this pledge, which reaffirms the need to collectively change course by accelerating innovation and R&D through investments in low-carbon solutions, in order to significantly reduce greenhouse gas (GHG) emissions.

Carbon footprint methodology and progress tracking

For several years, Accor has used its carbon footprint analysis to identify material issues and develop overall strategy and related policies. Accor's reporting aligns with the GHG Protocol and Science-Based Target initiative (SBTi) methodologies.

In accordance with regulatory and voluntary reporting commitments, including SBT, Accor publishes an annual report in two stages, which allows time for the consolidation of the global purchasing data required to calculate Scope 3 emissions:

- March 2022 - Accor 2021 Universal Registration Document including:
 - Reporting on 2020 scope 1, 2 and 3 (relevant categories) - Complete scope;
 - Reporting on 2021 scope 1 and 2 managed hotels emissions with validated data;
 - Reporting on 2021 scope 1 and 2 managed hotels emissions with extrapolated data;
 - Reporting on 2021 scope 3 franchise hotels emissions - validated and extrapolated data.
- Q3 2022 - *CDP Climate and Sustainability-linked Bond Reporting* including:
 - Reporting on 2021 scope 1, 2 and 3 (relevant categories) - Complete scope.

Carbon reporting scope

Accor's reporting methodology covers all of the Accor brand hotels (subsidiaries, managed and franchised hotels), and the activities of newly acquired companies and entities. In line with best industry practices, the emissions of hotels for which data has not yet been validated are estimated using data validated by the network and indicators of hotel activity.

In the interest of transparency and with the aim to advance its real data reporting, Accor also publishes its carbon footprint calculated from real data collected in the network of hotels operated under its brands. In 2022, thanks to improvements in its information systems, the Group aims to report only actual data.

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

- Scope 1 covers direct emissions from hotels owned or managed by the Group;
- Scope 2 covers indirect emissions from the production of energy purchased for owned and managed hotels (electricity purchased, steam, heating and air conditioning);
- Scope 3 covers the indirect emissions due to upstream and downstream activities required for the Group’s business:
 - upstream activities: purchase of goods and services, capital goods, indirect fuel and energy consumption, waste generated, business travel and commuting,
 - downstream activities: franchised hotels (Scope 1 and 2), property, plant and equipment.

Emissions associated with guest transport are not considered in the calculation of scope 3.

2021 Reporting scope

With the aim of providing the most accurate and complete figures possible, Accor strives every year to present the greenhouse gas emissions and energy consumption data of as many hotels as possible.

The impact of COVID-19 on the business forced the temporary closure of many hotels during 2020 and impacted their ability to provide consistent reporting. The significant reduction in numbers also has implications for the presentation of energy efficiency ratios.

	2019	2020	2021
Total managed and franchised hotels in the reporting scope	5,041	5,105	5,119
Total managed hotels in the reporting scope	2,544	2,468	2,414
Total managed hotels in the reporting scope with validated data*	1,531	1,455	1,888
Managed hotels data validation rate	60%	58%	78%
Number of hotels with a comparable scope from 2019			1,246

* The definitions of scopes of reporting are listed in the methodological appendix § 3.10.3.3.

Accor carbon footprint - full scope

In 2021, Scope 1 and 2 emissions were 20% below 2019 base year emissions. Scope 3 emissions in 2020 were 40% below the 2019 base year based on Accor’s SBT scope

[Purchases, Energy consumption emissions (not included in scopes 1 and 2), Franchised Hotels]. Scope 3 emissions for 2021 will be published in the third quarter of 2022.

	2019 (Base year)	2020	2021
Number of hotels			
No. of hotels in footprint scope	5,041	5,105	5,119
GHG emissions in thousands of tCO₂eq	2019 (Base year)	2020	2021
Direct emissions (Scope 1)	468	428	450
Other indirect emissions (Scope 2)	3,003	1,845	2,320
Total Scope 1 + 2 ⁽¹⁾	3,471	2,273	2,770
Other indirect emissions (Scope 3)	3,761	2,241	*
Procurement ⁽¹⁾	1,345	475	*
Emissions related to energy consumption (not included in Scopes 1 and 2) ⁽¹⁾	1,058	760	*
Franchised hotels ⁽¹⁾	852	705	850
Capital goods	276	109	*
Employee travel	150	156	*
Waste	56	21	*
Upstream transport activities	25	15	*
TOTAL SCOPE 1+2+3	7,232	4,514	*

(1) Categories of emissions included in the scope of the bond issue backed by Accor’s climate objectives (SLB).

* Data published in the third quarter of 2022.

2021 carbon footprint

In 2021, the Group's emissions were calculated based on energy data collected from the hotel network. Out of the 2,414 hotels within the reporting scope, data for 1,888 hotels was validated and included. 2021 Scope 3 emissions were not available at the time of publication, but will be calculated in 2022 and reported in line with Accor's publication schedule.

<i>Number of hotels</i>	2019	2020	2021
Total managed and validated hotels in the scope of reporting	1,531	1,455	1,888
Greenhouse gas emissions (GHG) (kt.CO₂eq)	2019	2020	2021
Scope 1 - Direct GHG emissions	253	222	316
Scope 1 - Direct GHG emissions at a comparable scope since 2019	176	170	147
Scope 2 - Direct GHG emissions	1,697	1,070	1,662
Scope 2 - Direct GHG emissions at comparable scope since 2019	1,319	848	921
In kg.CO₂eq /per available room/per day			
Average ratio of direct and indirect GHG emissions per available room	18.6	13.1	15.5
Average ratio of direct and indirect GHG emissions per available room at a comparable scope since 2019	17.9	12.2	13.2

Greenhouse gas (GHG) emission performance is measured in kilograms of CO₂ equivalent (kg CO₂ eq) per available room.

In 2021 for the reporting scope total GHG emissions were reported as 1,978 kt CO₂ eq, split as 16% for scope 1 (direct emissions related to fuel) and 84% for scope 2 (indirect emissions related to electricity and urban networks).

The Group made progress in energy consumption scores at comparable scope: the ratio decreased from 17.9 kg CO₂eq per available room to 13.2 kg CO₂eq per available room. This change is mainly due to the impact of Covid-19 and ongoing developments in country emission factors that reflect the energy transition underway globally.

2021 energy performance monitoring and reporting

Monitoring hotel performance is based on:

- energy consumption reporting using the Gaia 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.

Total energy consumption (Total managed hotels in the reporting scope with validated data)

Energy consumption in GWh	2019	2020	2021
Total energy consumption	4,607	3,138	5,399
Renewable energy production in GWh	ND	ND	3,49
Total energy consumption at comparable scope since 2019	3,485	2,469	2,860
In kWh/room available/day			
Average energy ratio at comparable scope since 2019	41.8	29.5	35.0

Of the 1,246 hotels for which comparable data was validated in 2019, energy consumption decreased by 18%, reflecting the impact of the health crisis on occupancy rates and hotel closures worldwide. The energy/available room ratio decreased by 16%.

Green energy consumption

Green energy on site

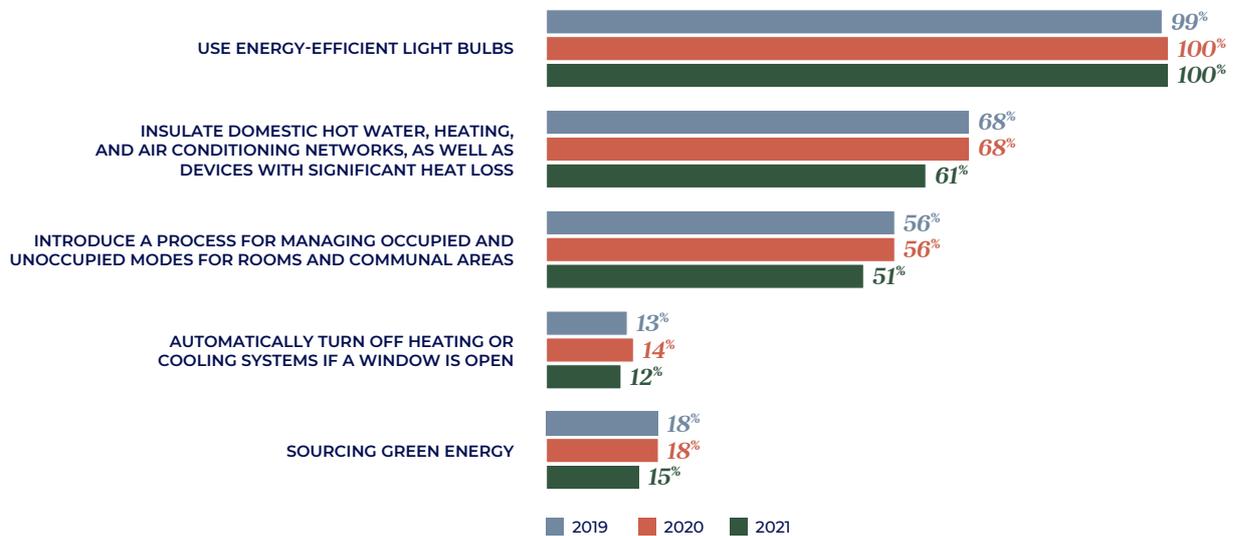
Today, more than 10% of hotels are equipped with on-site renewable energy (solar/thermal PV or wind). For many hotels in regional locations, there are opportunities to expand on-site renewable energy generation. However, for many hotels in urban areas, opportunities are limited. For these hotels, off-site renewable energy is a key solution.

Off-site renewable energy

Accor’s global purchasing teams are beginning to actively engage with suppliers to provide hotels with the opportunity to source green energy.

In 2021, a project was launched to develop a detailed market engagement plan, which includes an assessment of the 22 most demanding countries by energy type, representing 87% of Accor’s emissions. Taking into account regulatory differences in energy markets around the world, the project identified a mix of Power Purchase Agreements, Renewable Energy Certificates and other energy offerings available to the hotel network. The results of this project will shape the evolution of Accor’s energy purchases in 2022. Accor’s global corporate headquarter sites, Sequana and Evry transitioned to 100% renewable energy contracts at the beginning of 2022.

End-2021 hotel mobilization



3.7.2 Reducing water consumption in hotels

The hotel network is the Group’s biggest driver of water consumption. Accor has a duty to promote and support the implementation of water efficiency measures of hotels operated under its banner. Accor continues to build on a long history of achievement.

Period	Water savings achieved <i>(in liters/guest)</i>
2006-2010 program	12%
2011-2015 program	8.40%
2016-2018 program	6.10%

The three years end-2021 were strongly impacted in the monitoring of this data.

3.7.2.1 Water footprint

The Accor Group's water footprint measures the net water consumption related to the Group's activities (i.e. withdrawals minus water discharges) over the entire life cycle of products and services. The detailed analysis of the water footprint undertaken in 2019 provides a reference base.

2019 water footprint – Scopes 1, 2 and 3

	Water consumption <i>(in thousands of m³)</i>	%
Direct water consumption (Scope 1)	1,624	2%
Indirect water consumption (Scope 2)	29,509	30%
Total Scope 1 + 2	31,132	32%
Other indirect water consumption (Scope 3)	66,603	68%
Products and services purchased	45,185	46%
Capital goods	10,498	11%
Franchised hotels	9,772	10%
Employee travel	741	1%
Waste	161	0.2%
Upstream transport activities	245	0.3%
TOTAL SCOPE 1 + 2 + 3	97,736	100%

The Group's water footprint is concentrated in Scope 3 (68%), owing to purchases of food products for hotel bars and restaurants. Crop irrigation and livestock watering are the two main water consumption items in the food production stage.

3.7.2.2 2021 water performance monitoring and reporting

Monitoring hotel performance is based on:

- energy consumption reporting 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.

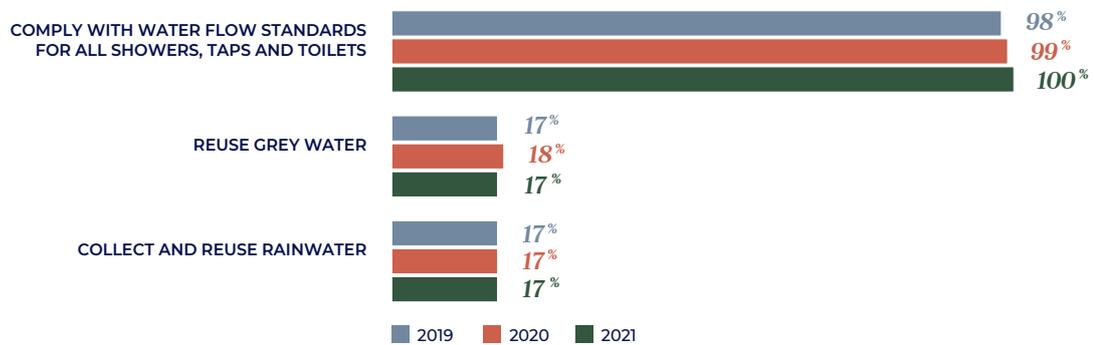
Hotel water consumption

Water consumption in millions of m ³	2019	2020	2021
Total water consumption	34.7	18.9	35
Total water consumption at comparable scope since 2019	24.4	14.3	17.7
In litres/guest			
Average water ratio at comparable scope since 2019	257	370	344

Total water consumption decreased by 27% between 2019 and 2021 due to the impact of the Covid-19 crisis, hotel closures and lower occupancy rates. The upward trend in the ratio of water per customer is explained by the significant drop in the number of customers between

2019 and 2021, due to the health crisis, which is not reflected in a reduction in water consumption. Maintaining pipe hygiene standards requires circulation regular hot water, even when there are no guests.

End-2021 hotel mobilization



3.7.3 Harnessing the hidden value of waste

The Group's activity produces more than a million tons of waste per year, 70% ⁽¹⁾ of which comes from building construction and renovation.

The Group's hotel waste generation breaks down into two major categories:

- hotel operating waste: packaging, consumables such as light bulbs, hospitality products, food, etc. – for which

the priority is to reduce volumes at source and limit waste from hotel operations and guests in an effort to increase the proportion of sorted and recycled waste;

- renovation and construction waste, where recycling is increasingly used by the Group.

(1) Data from the environmental footprint calculated in 2011; not updated in the second study.

3.7.3.1 Planet 21 commitment: 65% of waste from hotel operations is recovered ⁽¹⁾

Analysis of Accor's waste

Waste management challenges can be assessed through an estimation of outgoing flows of Accor's hotel operating waste (i.e., excluding waste from renovation and construction work). Operating waste accounts for approximately 200,000 metric tons per year for around 4,800 Group hotels. This represents an average of approximately 42 tons of waste per hotel per year, reflecting various realities depending on the segment: "Budget" with c. 25 tons per hotel per year, "Economy" with c. 30 tons per hotel per year, "Midscale" with c. 55 tons per hotel per year, and "Luxury & Upscale" with 75 tons per hotel per year.

These figures are based on information collected from hotels that posted all the required data in the Accor waste management tool (729 hotels in 60 countries), and data from waste management providers (United Kingdom and Australia, covering 76 hotels).

The analysis of the detailed data from the Accor waste management tool provides insight into the breakdown of waste produced by category and the average rate of recovery:

Breakdown of 200,000 metric tons of waste by category (as a %)



The main waste generation item is related to catering: more than 50% of waste is food waste, oils and fats. Though some hotels do not have restaurants, they do nevertheless serve breakfast, which also generates waste. The second biggest source of waste is packaging: card, paper, plastics (relatively limited). It is worth noting that hotels produce small hazardous waste volumes.

Accor's waste policy

To achieve its target of 65% waste recovery by 2021, Accor drafted its waste policy in 2016, in a document intended for hotels to recap on the challenges. The policy set out three priorities:

- priority 1: ensure 100% of hazardous waste is treated in appropriate facilities;
- priority 2: reduce the volume of the largest waste categories: food waste, packaging waste, paper waste;
- priority 3: sort and recover the main waste generated by Group activities: materials recovery, reuse, and recycling (excluding incineration, including energy recovery).

Accor's waste reduction initiatives

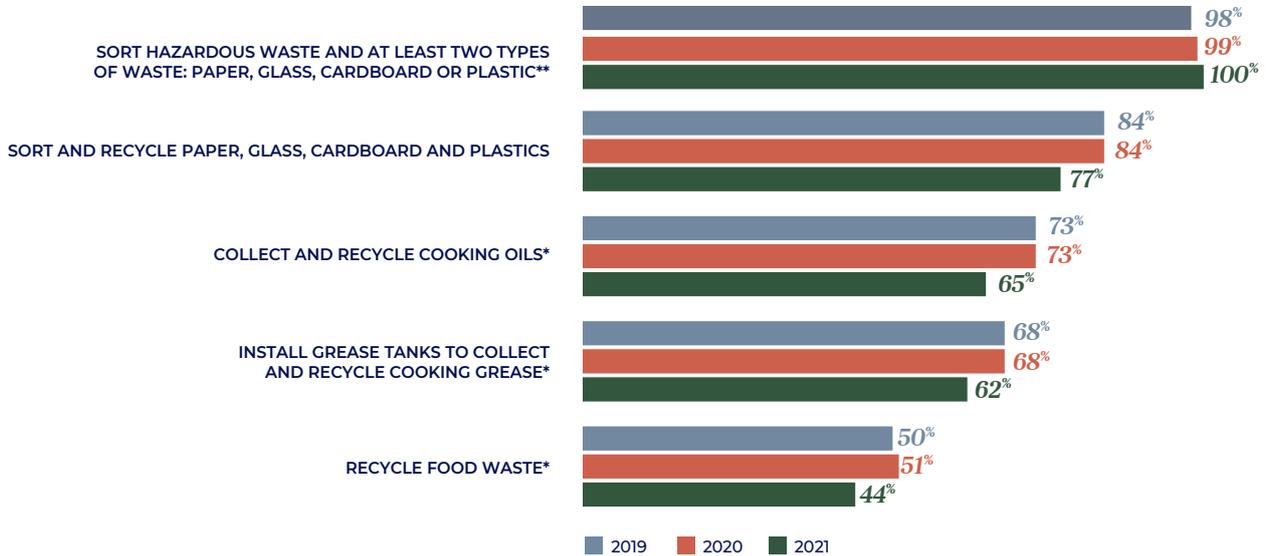
In 2021, Accor continued to disseminate and support its "Waste Management Tool" with branches in the countries. Since 2019, it has been integrated into the Gaia management tool to further ramp up its functions and facilitate dissemination to a maximum number of hotels. Accor's efficient tool allows hotels to manage their waste and make progress in their waste recovery. The tool's features include: complete mapping of waste produced in the hotel, reconstruction of sorting and recovery lines, cooperation with providers responsible for collection and processing, tracking of waste data (or, in the event of unavailable hotel data, recommendation of data extrapolated by default from the Accor database), restatement in dashboards that make it possible to track the hotel's environmental and economic performance. At end-2021, 729 hotels were using this tool and providing comprehensive data.

(1) This commitment, initially planned for end-2020, was postponed until end-2021 due to the Covid-19 crisis.

End-2021 hotel mobilization

At end-2021, Accor had an overall waste recovery rate of 58%. The deployment of the waste management program and tools continued within the hotels, albeit at an insufficient pace to achieve the target set. Accor

continues to seek solutions to reduce the quantity of waste produced, to improve the recycling rate and encourage a circular economy approach, particularly in its calls for tenders.



* Hotels with restaurant.

** Mandatory action in Planet 21 In Action.

This reporting is based on hotels’ declared communications, which can lead to a certain level of uncertainty despite the controls carried out, particularly for more complex commitments (eco-labeled cleaning products, eco-responsible hospitality products). The noticeable decrease in

2021 was due to a new data reliability process implemented in North Europe (17% of hotel respondents), according to which some actions not documented by the hotels could not be considered valid.

3.7.3.2 Management of waste from renovation and construction

This category includes waste related to the construction or renovation of hotels (obsolete equipment, replaced furniture, and used towels etc.). Accor’s waste management policy is as follows:

- compliance with regulatory requirements (e.g., construction site waste or extended producer responsibility) and the application of waste targets in standard certifications (HQE, etc.);

- pilot operations used to test certain solutions (furniture donations, etc.);
- the use of circular economy both upstream (choice of products made from recycled materials) and downstream;
- actions or innovations to drive forward the circular economy from product design, notably led by the Design team and the Technical Department.

3.8 Eliminating food waste and promoting healthy and sustainable food **SNFP**

Accor aims to offer its guests healthy and sustainable food, while eliminating food waste. The Accor motto is simple: "Feeding our own guests responsibly, as we feed our own children." In this spirit, the Group aspires to make the following actions a reality: offer healthy food to combat public health problems; support a fast-changing agricultural model to achieve higher-quality food

production that more closely resembles that of eateries and is more eco-friendly and eco-responsible; and reduce food waste.

Non-compliance with standards, laws and regulations is described in section 2.2.1 Risk management.

3.8.1 Planet 21 commitment: generating a 30% decrease in food waste ⁽¹⁾

For Accor, this challenge has ethical, environmental and economic aspects.

Ethical: every year, more than 30% of world food production is lost or wasted. Less than a quarter of this wasted food would suffice to eliminate hunger, which affects 795 million people ⁽²⁾.

Ecological: water consumption, use of chemical fertilizer and pesticides, etc. Agricultural production weighs heavily on the environment and on the Group's environmental footprint, further emphasizing the importance of avoiding waste as much as possible.

Economic: in the hotel and restaurant industries, an estimated 25% of food purchases are thrown away. If hotels reduce this waste, they also reduce their expenses.

Reducing food waste is an economic, environmental and ethical issue. Accor has defined a simple four-step strategy to achieve its 30% food waste reduction target by 2021:

1. measure food waste;
2. reduce food waste in the kitchen;
3. interact with guests to reduce food waste;
4. resell unconsumed food at low prices or donate it.

To measure and reduce food waste, the hotels have several tools available:

- a **food waste reduction module** "Food Waste Management" developed in-house by Accor. This tool enables weighing of discarded products to be monitored and measure the cost this represents;
- external **waste reduction solutions** are offered to hotels for automatic recognition of food waste with smart scales and sometimes with the help of artificial intelligence. All unused products are recorded and weighed by category (expired stock, cooking mistakes, peelings, buffet leftovers, returned dishes), then more

specifically by ingredient or recipe (bread, dairy products, fish, meat, etc.). This enables hotels to conduct in-depth assessments of the weight of waste, its value as well as its environmental and financial impact. Kitchen staff can implement an action plan to reduce the most wasteful foodstuffs. At present, 55 hotels use solutions by Winnow. In 2021, as part of the Vivatex trade fair, Accor organized a competition to help boost start-up companies. The winner, Orbisk, offers solutions for weighing and monitoring food waste in kitchens. The start-up will receive financial support for the implementation of pilot projects in the Group's hotels.

Resell or donate unused food. The Group has kick-started a series of initiatives to ensure that unused foodstuffs can be donated to food banks, associations and charities, or sold at affordable prices to local people. With this in mind, 1,461 hotels have already donated or resold food products. The Too Good To Go startup, which puts citizens in touch with restaurants or merchants offering their unused products cheaply, has already been introduced in 17 European countries. At end-2021, more than 745 Accor hotels had used this application, which identifies more than 49 million users. At the same time, the number of unwasted meals in Accor restaurants was 657,367 since the application launch in 2016, of which 111,364 in 2021. To date, it is estimated that this partnership has avoided the equivalent of 1,643 metric tons of CO₂ emissions.

To monitor the commitment to reducing food waste by 30%, an indicator that is applicable to and comparable across all the hotels has been defined: the cost of food waste related to the restaurant business. More specifically, during weighing campaigns lasting several days, each discarded food product is weighed and assessed (based on the average purchase cost). The total waste value is calculated relatively to the restaurant revenue, in order to account for changes in business. The 30% reduction in food waste by 2021 is based on this ratio.

(1) This commitment, initially planned for end-2020, was postponed until end-2021 due to the Covid-19 crisis.

(2) Source: Food and Agriculture Organization of the United Nations (FAO).

End-2021 hotel mobilization

At the end of 2021, 1,607 hotels under the Accor brand had implemented the “Introducing a program to combat food waste” project (i.e. 43% of Accor brand hotels).

At end-2021, among these hotels, 493 had reduced their food waste by an average of 21% (since their first weighing). And 30% of these hotels had achieved the -30% target. 55 hotels with connected scales reduced food waste by 63% at the end of 2021.

The health crisis and the many restaurants closed in 2020 and 2021, massively limited the possibility of mobilizing teams for this very operational action to be applied in kitchens.

The fight against food waste will remain a priority for Accor in its future sustainable development program. An bolstered action plan from a strategic and operational viewpoint will enable a greater impact from internal mobilization.

3.8.2 Offering healthy and sustainable food for the planet

As a restaurateur, the Group has the responsibility it has pledged in its ambition to transition from intensive production, which uses many hazardous chemicals for the environment and sometimes for farmers, towards more high-quality production that is more respectful of both people and the planet. At the same time, through this endeavor, Accor meets the expectations of consumers seeking authenticity, better quality and healthier, fresher products from organic farming or agro-ecology, accessible through short supply chains.

Since 2018, this goal to actively contribute towards the agroecological transition was made a reality by becoming a member of the *Pour une Agriculture Du Vivant en France* (For an Agriculture Of Living Things in France) movement.

3.8.2.1 Planet 21 commitment: 100% of our restaurants follow our Healthy and Sustainable Food Charter ⁽¹⁾

With its Healthy and Sustainable Food Charter, Accor focuses its ambition and commitments on three priority areas: combating food waste, protecting its guests' health, and supplying sustainable products.

The Charter was developed in a collaborative spirit, bringing together various Group teams and integrating a critical project review stage by an external advisor. It was also designed for regular updates to factor in the Group's commitments and stakeholder expectations. The Charter provides a framework for Accor trademark restaurants. It includes nine highly ambitious commitments detailed on the next page. The Charter can be read via the following link: <https://group.accor.com/en/commitment/planet-21/food>

Hotel mobilization in 2021

The implementation of the Healthy and Sustainable Food Charter is strongly supported by the Group's hotels. Various initiatives have been adopted, depending on the country.

The following table presents the commitments results of the Healthy and Sustainable Food Charter. It lists information for hotels that have reported their data and have access to the follow-up of the Charter's actions.

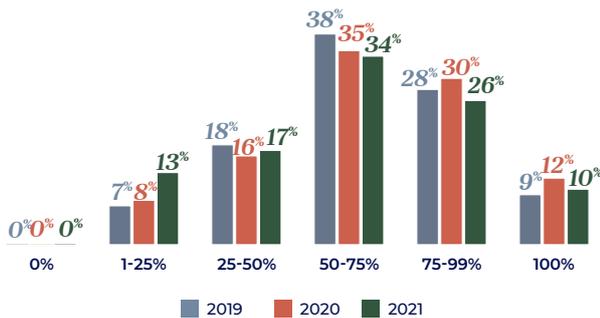
(1) This commitment, initially planned for end-2020, was postponed until end-2021 due to the Covid-19 crisis.

Deployment of the nine commitments for healthy sustainable food by end-2021	Initiatives	Number of applicable hotels ⁽¹⁾	% of hotels having adopted the initiative
1. Reduce food waste by an average of 30%	Introduce a program to combat food waste	3,703	43%
	Donate or resell unused food	3,703	37%
2. Prioritize local and seasonal supplies	Provide at least 10 regional products with three quarters of the offering consisting of in-season fruits or vegetables.	3,703	51%
3. Expand the organic product offering and support agro-ecology	Supply two major organic or certified agroecological products	3,703	51%
4. Favor industries that recognize animal welfare criteria	Offer eggs (in-shell and liquid forms) from free-range or cage-free hens	3,703	39%
5. Ban endangered species of fish and promote responsible fishing	Ban endangered species of fish	3,703	100%
	Supply wild fish or fish raised with responsible practices	3,703	30%
6. Eliminate disposable plastic	Eliminate plastic straws, stirrers, and plastic cotton swabs	3,703	99%
	Provide an alternative to plastic water bottles	3,703	55%
	Offer an alternative to plastic when available (take-outs, individual portions, coffee capsules, etc.)	3,703	42%
7. Eliminate controversial additives and limit fat and sugar	Eliminate controversial additives in five products and limit fat and sugar	3,703	40%
	Eliminate palm oil or use sustainable palm oil	3,703	34%
8. Offer responsible coffee or tea	Offering responsible coffee and tea at breakfast (certified: Rainforest, Bio, fair trade)	3,703	51%
9. Meet different food needs	Meet different food needs (vegetarian, etc.)	2,984	69%

(1) This reporting is based on hotels' declared communications, which can lead to a certain level of uncertainty despite the controls carried out, particularly for more complex commitments (eco-labeled cleaning products, eco-responsible hospitality products).

Progress of the deployment of the Healthy and Sustainable Food Charter ⁽¹⁾

(in % of hotels that have fulfilled the commitments)



The slight decline in the deployment rate between 2020 and 2021 was due to both a new data reliability process in North Europe (17% of hotel respondents), which prevented certain actions not documented by the hotels from being considered as valid, and the health crisis with the closure of many Group restaurants for a long part of the year. In all, 10% of hotels reached all of their commitments, but the trend was strong with 70% of hotels reaching at least 50% of their commitments at end-2021. The difficulty in deploying the Charter across 100% of hotels stems especially from its demanding requirements for all commitments. The next sustainable development program by the Accor Group will maintain high targets for sustainable food.

(1) This reporting is based on hotels' declared communications, which can lead to a certain level of uncertainty despite the controls carried out, particularly for more complex commitments (eco-labeled cleaning products, eco-responsible hospitality products).

3.8.2.2 Prioritizing animal welfare

Initiatives exist in the Group's hubs, such as in Southeast Asia, where animal shows have been banned from hotels and excursions, endangered fish species have been removed from menus, shark fin is no longer served and responsible fishing is promoted.

In its Healthy and Sustainable Food Charter, Accor committed to favoring industries that recognize animal welfare criteria. This commitment became a reality for hens and chickens in 2016 and 2019 respectively.

Identifying responsible industries for eggs from cage-free hens

In 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 delivered by end-2021 in areas where supply chains are developed (Europe, Pacific, North America) and in 2025 in markets where supply chains are still in development (South-East Asia, Japan, South Korea, China, Latin America, Middle-East Africa, India, Turkey, Central America and the Caribbean).

Accor's Procurement teams work with its suppliers to gradually adopt animal welfare practices. In France, Australia and Poland, Group hotels were already getting part of their egg supply from cage-free hens before the Group made its commitments.

With regard to supplies in France in 2021, 76% of shell eggs and 68% of liquid eggs offered by the Accor procurement teams to the hotels were eggs from organic farming, or from hens raised in the open air or

outside cages. In the US, the figure stood at 64% for eggs in shells and liquid form combined.

Since June 2021, the purchasing teams have gone even further: the Accor purchasing platform in France and Italy now offers only cage-free eggs to hotels in the Accor network. This will also be the case in 2022 for hotels in Spain and Portugal.

End-2021 hotel mobilization

At end-2021, 39% of hotels were supplied with eggs laid by free-range or cage-free hens. The commitment, initially planned for the end of 2020 and postponed to the end of 2021 due to the health crisis, was not met and the Group would like to continue mobilizing its teams to meet its commitment.

In France, for example, referenced purchases only offer cage-free eggs, but only 43% of hotels stated the action was achieved: subsequently, Accor would like to improve hotel awareness and reporting. The commitment could have been met in North America and the Pacific (Australia, New Zealand), but restaurant closures imposed by the health crisis in 2020 and 2021 caused financial difficulties that complicated the ability to meet the higher cost of cage-free eggs.

In some regions without well-developed supply chains, such as Asia, progress is encouraging.

But there are still many hotels in regions without developed and affordable supply chains, such as in South America.

Percentage of hotels stating that they only offer free-range or cage-free eggs

	Commitment for 2021	Commitment for 2025	Number of hotels	Planet 21 Action: Only offer free-range eggs or eggs from cage-free hens (shell eggs and egg products)
Northern Europe	√		1,631	42%
Northern Europe	√		620	49%
India, Middle East, Africa		√	304	26%
North America	√		63	67%
Central America & Caribbean		√	32	56%
South America		√	359	24%
Greater China		√	139	14%
South-East Asia		√	342	33%
Pacific	√		211	45%

Improving the welfare of broilers from the supply chain

In July 2019 ⁽¹⁾, Accor announced its commitment to establish animal welfare standards for 100% of the broilers in its European supply chain by 2026 by adopting the ⁽²⁾ European Chicken Commitment. This commitment, established by several associations, focuses on the most urgent concerns in terms of raising broilers as well as ways of scaling up practice standards.

By 2026, the Group aims to meet the following requirements for 100% of its chicken meat for Europe:

- use of breeds allowing the use of stunning and processing methods more respectful of the welfare of chickens;

- use of breeds to practice stunning and processing methods that are more respectful of the welfare of chickens;
- strengthening of existing partnerships by attempting to convince more farms to commit to animal welfare.

Work has been initiated with the Procurement teams to encourage suppliers to comply with the commitment in the years ahead. With the support of associations, external suppliers who are already compliant have been identified. In addition, in the United States and Canada, Accor has announced that by 2024, or sooner if possible, the Group will require farmers, processors and suppliers to integrate animal welfare criteria into the production of broilers. Discussions are underway between procurement services and suppliers and the hotel teams have also been made aware.

3.8.3 Developing urban farming

The development of urban and peri-urban farming could provide a solution to the growing urbanization and widening gap between rural food-producing agricultural areas and cities, whose inhabitants are now merely food consumers. In recent years, solutions have been emerging everywhere to bring these two worlds closer

together. These include: urban vegetable gardens; suburban educational farms; short supply chains; and direct sales.

Active in many cities, Accor plays a leading role and supports this system-wide transition.

3.8.3.1 Planet 21 commitment: install 1,000 urban vegetable gardens in our hotels

These vegetable gardens must meet certain criteria, among other things, a minimum area of cultivation, plant production intended for food consumption, regular maintenance, eco-friendly cultivation practices, etc. Every vegetable garden is suited to the hotel's specific setting and its space constraints. The vegetables, fruits, aromatic herbs, and edible flowers that they produce may be added to the restaurants' menu, used in cocktails, aromatic oils, and infusions of spas or infusions offered.

An Intranet site helps the hotels to create their vegetable gardens, taking into account different criteria.

Thanks to large-scale mobilization by hotels, the Group's objective was reached in 2018 with more than 1,056 gardens ⁽³⁾. At end-2021, the Group had 1,151. The gardens are most often installed and maintained by hotel teams with their designs imitated across all regions of the world.

3.8.3.2 Accor and biodiversity preservation

The Group is a strong proponent of biodiversity preservation, an important factor in ensuring the tourist appeal of many geographies. Accor's commitment is reflected in several programs.

At the Group level:

- Accor has joined the Forum of the Taskforce on Nature-related Financial Disclosures (TNFD). This advisory group brings together institutional supporters who share the vision and mission of the TNFD and have expressed their willingness to make themselves available to contribute to its work in developing a framework to limit biodiversity loss;

- Accor has been a member of the World Travel & Tourism Council (WTTC) sustainability taskforce since 2021. In this context, the group has supported the "30x30 for nature" campaign through which the tourism sector is 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;
- along with nearly 1,000 other companies, the Group has also signed the "**Business for Nature**" coalition, which aims to provide a united voice for business to influence key biodiversity policy decisions. It calls for a global framework that will reverse the trend through policies that protect and restore nature and encourage its sustainable use.

(1) <https://press.accor.com/accor-pledged-higher-broiler-chicken-welfare-in-europe/?lang=en>.

(2) <https://welfarecommitments.com/letters/europe/>.

(3) This reporting is based on hotels' declared communications, which can lead to a certain level of uncertainty despite the controls carried out, particularly for more complex commitments.

In hotels (which contribute approximately 10% to the Group's biodiversity footprint):

- the development of urban farming, which is one of the commitments of Planet 21 – Acting Here through vegetable gardens;
- the rational management of the gardens through the “Use eco-friendly landscape maintenance products or ban chemical treatments” initiative, in which 58% of the Group's hotels participated as of end-2020;
- control of waste is a lever to reduce the Group's impact on biodiversity, and one of the 10 mandatory actions of Planet 21 In Action.

In upstream farming operations (which contribute approximately 90% to the Group's biodiversity footprint):

- the commitment to promote healthy and sustainable food in its restaurants (see section 3.8.2) by increasing the use of products from organic or rational farming, or by not offering endangered species of fish on the menu;
- Plant for the Planet program (see section 3.6.3);
- the commitment to favor environmentally responsible products such as products using certified wood (see page 3.4.2).

In communities with the Community Conservation Fund Africa (CCFA) fund, for the protection of African fauna and wild nature, a pillar of the tourism economy for some communities on that continent (see below).

Accor and Mantis, partners of the Community Conservation Fund Africa (CCFA)

- Mantis is a brand of the Accor Group whose hotel offer is entirely devoted to the preservation of wild spaces in Africa, to the protection of the environment and positive interaction with local communities. At the time of their merger in 2018, Accor and Mantis created the Community Conservation Fund Africa (CCFA), a fund aimed at amplifying the two groups' commitment to combat the decline in African wildlife by making the communities autonomous. In 2021, CCFA became part of the Mantis Impact division responsible for all sustainable conservation and community development efforts, as a non-profit organization. This allows 100% of the funds to be allocated to community conservation projects. Due to the health crisis, the CCFA remained located in South Africa during 2021. The CCFA's actions included:
 - enrolling 20 students on the “Siyazenzela⁽¹⁾ Life and Employability” course run by the Wilderness Foundation;
 - the launch of a project to develop companies in South Africa;
 - planting of 185 trees in 11 schools in South-African slums;
 - around 350 pupils made aware of environmental issues.

3.8.3.3 Accor Group environmental footprint – Land use

2019 land use footprint – Scopes 1, 2 and 3

	Surfaces used <i>(in thousands of m²)</i>	%
Direct land use (Scope 1)	1,923	0.2%
Indirect land use (Scope 2)	102,193	11%
Total Scope 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 SCOPE 1 + 2 + 3	909,370	100%

The Accor Group's footprint is insignificant (0.2%) compared with 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 and the manufacture of capital goods.

(1) Siyazenzela: “We do it ourselves”.

3.9 European green taxonomy reporting for Accor Group activities

In this section, the Group publishes the information required by European Regulation 2020/852 of June 18, 2020.

In this respect, the indicators selected for the year 2021 correspond to the share of revenue, operating expenditure (OpEx) and investment expenditure (CapEx) eligible for the two “climate change” goals of the taxonomy (mitigation of climate change and adaptation to climate change).

3.9.1 Scope and methodology

The study carried out by Accor in this context covered the Group's scope. Thus, only the Group's own activities were included. Franchised or managed hotels are therefore not included in these indicators.

After studying Accor's 2021 revenue according to the principles of the taxonomy, it was concluded that only external revenue from the various Accor Academies (academies that provide training and learning for the Group's employees) around the world was eligible for the taxonomy. In fact, education is an activity eligible for the taxonomy (Appendix II - Adaptation) as an enabling activity. The calculation of eligible revenue was prepared on the basis of the Group's consolidated financial statements and the Accor Academy accounts of each hub.

Accor's eligible 2021 capital expenditure (CapEx) concerns the head offices, owned by Accor, and some hotels also owned by Accor. These investments are related to the following activities of the European green taxonomy:

- installation, maintenance and repair of energy efficiency equipment;
- installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy performance of buildings;

- all CapEx invested in 2021 in the eligible activity “Education” (the Accor Academy).

The 2021 consolidated operating expenditure (OpEx) concerned by the taxonomy is only the following expenditure:

- maintenance, repair and general service costs (maintenance-related equipment, personnel costs and subcontracting costs);
- short-term leases;
- R&D spending (Accor has none)

Two of the indicators (revenue, CapEx) led to the a circularization of the operational hubs around the world as well as the head office entities. In addition, given the low materiality of the OpEx taxonomy, which covers a very limited portion of the Group's consolidated operating expenses, more detailed analyses were not performed on this specific indicator.

A cross-check by reviewing the three indicators with the financial directors and management controllers of the hubs was carried out in order to reduce the risk of double counting.

3.9.2 Eligible revenue

For the fiscal year ending December 31, 2021, the combined revenue of the eight Accor Academies represented less than 0.2% of the Accor 2021 Group's revenue.

3.9.3 Investment spending

In 2018, Accor chose to transform its model into an asset light model. As a result, Accor now owns only 2% of the 5,298 hotels operated under the Accor brand. As a result, capital expenditure and operating expenses are essentially borne by the partners who own the hotels. Accor's capital expenditure is structurally lower. This trend was reinforced

in 2021 by the results of the cost-cutting plans launched as part of the Group's transformation and stepped up during the health crisis. Thus, for the fiscal year ended December 31, 2021, the total amount of eligible CapEx is less than €500,000, or less than 0.6% of the Group's total CapEx.

3.9.4 Operating expenses

As previously indicated, the very low materiality of taxonomy OpEx, which cover a very small proportion of the Group's consolidated operating expenses, did not give rise to further analysis. The total amount of OpEx concerned by the taxonomy is less than 5% of the Group's total OpEx.

3.10 Measuring and assessing performance

3.10.1 CSR indices and standards

Accor is rated by the following non-financial organizations:

- **CDP Carbon rating: A-**. Accor has been participating in CDP Climate Change since 2006. This international organization asks large companies about the integration of climate change into their strategy, their approach to the carbon reduction and their performance in terms of greenhouse gas emissions;
- **CDP Water score: B;**
- **CDP Supplier engagement rating: B;**
- **ISS ESG "Prime" rating;**
- **EcoVadis rating: "Gold level";**
- **Sustainalytics rating: "ESG Risk Rating: 18.3, Low risk, 2nd in Travel, Lodging and Amusement";**
- **Gaïa rating: 75/100.** A company is considered mature in terms of taking into account non-financial issues as of 70/100;
- **MSCI rating: A;**
- **VIGEO score: 67/100,** sector ranking 2/48;
- Accor has joined the IMPACT platform and takes part in its launch by publishing its ESG indicators.

Accor is present in different CSR indexes recognized worldwide:

- **Euronext Vigeo Index:** World 120, Europe 120, Eurozone 120, France 20;
- **FTSE4Good Index** series;
- **Ethibel Sustainability Index (ESI)** Excellence Europe & Excellence Global;
- **Standard Ethics French Index;**
- **MSCI ACWI ESG Leaders Index, MSCI ACWI ESG UNIVERSAL Index;**
- **STOXX:** EURO STOXX & STOXX 600 Low Carbon, EURO STOXX & STOXX Global Reported Low Carbon, EURO STOXX & STOXX Europe Sustainability, STOXX Europe & STOXX Global Climate Impact Ex Global Compact, STOXX Global 1800 Low Carbon, STOXX Global Reported Low Carbon, STOXX Global ESG Environmental Leaders, STOXX Global ESG Governance Leaders, STOXX Global ESG Impact, STOXX Global ESG Leaders + STOXX Global Climate Awareness, etc;
- **CAC 40-ESG Index.**

3.10.2 Awards and recognition

In 2021, among the examples of awards and recognitions, the Accor program to combat violence against women received:

- the special jury prize and the Golden award for D&I initiative from the Grand Prix for the Good Economy;
- second prize awarded by the Victoires des Leaders du Capital Humain.

The "ALL Heartist Fund" won:

- the silver award of the Grand Prix de la Good Economie in the category: "Favoring local development (Corporate)";

- The *Best Social Responsibility Initiative* prize, at the World Hospitality Awards;
- first prize in the SKIFT: IDEA Awards 2021.

The WTM (World Travel Market) *Responsible Tourism* awarded Accor two prizes:

- Gold prize in the category "Increasing diversity in tourism: to what extent is our industry inclusive?" for the inclusion program for Australian indigenous populations;
- Silver prize for the category "Reducing plastics waste in the environment" for its program to eliminate single-use plastics.

3.10.3 Methodological review

This section explains the reporting methodology applied in our corporate, social, and environmental responsibility reporting process. This process is based on a reporting protocol that provides full detailed specifications on responsibilities, Accor definitions, and methods for measuring data and indicators.

Accor distinguishes four categories of indicators:

- social indicators (collected via the HR Data tool);
- Planet 21 In Action indicators, covering the environmental and social responsibility actions implemented in the hotels (collected via the Gaïa tool);

- indicators used to manage water and energy consumption, and greenhouse gas emissions (collected via the OPEN tool);
- additional societal indicators as well as those related to Sustainable Procurement (collected via the EcoVadis platform, the supplier contract management tool and the reporting of audit providers using the SMETA audit framework).

The reporting period is January 1 to December 31 of the fiscal year.

3.10.3.1 Human resources

Group-wide quantitative and qualitative reporting takes place once a year.

Quantitative reporting

Reporting scope and frequency

Employee data includes:

- employees of owner or leased hotels. These are employees of the Accor Group. Trainees 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 the Accor Group but under Accor management, except for certain cases in hotels where Accor employees are on assignment;
- employees of the Adagio hotels and head offices.

Employee data does not include:

- employees of owned, leased or managed hotels closed as of December 31, 2021;
- employees of owned, leased or managed hotels opened after November 30, 2021;
- 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 new businesses;
- employees of the hotel brands in which Accor owns a stake below 50%.

In 2021, the quantitative report includes the Adagio, Adagio Access, Art Series, BreakFree, Fairmont, Grand Mercure, HotelFI, ibis, ibis *Budget*, ibis *Styles*, Jo&Joe, Mantra, Mama Shelter, Mercure, MGallery, Mövenpick, Novotel, Novotel Suites, Peppers, Pullman, Raffles, SO, Sofitel, Swissôtel, Tribe and The Sebel brands.

In 2021 the Group was unable to report indicators for 7% 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 revamped in 2021. 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 reporting process for the Group is defined in the **"Talent & Culture reporting protocol"**. This document applies to everyone involved in reporting, from the Accor head office to the hotels. It provides a detailed, comprehensive description of Group procedures and definitions, the methods used to measure data and

indicators, and the areas at risk that require special attention. It also describes country-specific features, which are frequently 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 number of rooms in the franchised hotel base has been multiplied by the average number of actual employees per room in our owned, leased and managed hotels. These estimated figures have been adjusted to reflect the characteristics of each brand and of the country or region where the owned, leased, managed, and franchised hotels are located. For example, an ibis hotel requires many fewer employees than a Sofitel.

The job category classification is specified as follows:

- an employee with **non-manager** status follows set procedures and goals. They do not work closely with the Site Director and are 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 level of responsibility) or financial responsibility (budgeting, costs, profits);

- an employee with **Director** status is a Hotel Manager, or in the head offices, is characterized by significant autonomy and responsibility for the profits within their scope. A Director is responsible for setting goals, determining procedures, and coordinating all entities for which they are responsible. Hotel Managers, for a limited number of hotels, include the Area Manager or DOP positions when they are assigned to a hotel and not to the head offices, particularly in South America.

Changes in headcount

Every change in headcount during the period is reported, regardless of the type of job contract. A departure is not recorded as a change 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 tackle the Covid-19 crisis, childcare at home, assistance to vulnerable relatives and unpaid solidarity days are counted in absences for medical reasons in 2021. 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, since unpaid leave is not always monitored and reported 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 2021.

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 * actual).

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 2021, the frequency and severity rates covered 84% of head office establishments, i.e., 96% of the workforce, as the data for other establishments was not considered reliable.

Fatal workplace accidents are considered 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.

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

Staff trained at least once is calculated as follows: a trained person counts only once, even if this person has attended several training sessions during the reporting period. However, because people are often counted every time they attend a course, this tends to over-estimate the total number.

Qualitative reporting

Qualitative reporting is sent to members of the international Talent & Culture network. In 2021, qualitative reporting covered the Group's eight hubs. It is declaration based and undertaken through an Excel questionnaire sent to the Talent & Culture referents by email.

3.10.3.2 Planet 21 In Action

Reporting scope and frequency

The Planet 21 In Action indicators cover all the Group's owned, leased, managed, and franchised hotels.

Excluded from the scope of reporting are:

- hotels that joined the Accor network after September 15 of the reporting year;
- hotels that were no longer part of the Accor network as of December 31 of the reporting year;
- hotels that were closed for renovation or other reasons during the reporting period or that suffered an exceptional event during the reporting period (flooding, earthquake, etc.);
- hotels forming part of a brand, in which Accor's stake is less than 50%, e.g. Banyan Tree;
- the Thalassa sea and spa facilities, whose data is often reported with their host hotels;
- brands being integrated into the Planet 21 program, notably due to a recent acquisition: Rixos, Mantra, BreakFree, Peppers, Arts Series, Mantis, Hyde, Mondiran, SLS, Delano, The Originals, Redbury Hotels, Tribes, Adagio Access;
- Planet 21 In Action indicators are reported continuously throughout the year;
- hotels that were unable to complete their annual reporting due to a Covid-19 closure;
- hotel boats for which Planet 21 In Action is not suited.

A new data reliability process was implemented in North Europe (17% of hotel respondents). Actions that are not documented are considered as non-valid. When a Bronze action is not validated, the hotel is removed from the panel of respondent hotels. As such, the rate of hotel respondents fell from 82% in 2020 to 76% in 2021.

Indicators

Planet 21 In Action data are reported by the hotels concerned. This can lead to a certain level of uncertainty despite the four controls described below. The results are expressed as a percentage and correspond to the number of hotels that implemented the relevant action compared with the total number of hotels that completed their Planet 21 In Action reporting (recording of the status of 10 bronze actions, 76% in 2021). As some actions are only applicable to hotels that have specific facilities (for example: restaurants, including those not operated by Accor), or to certain brands or countries, the percentage of hotels is then calculated with respect to the relevant scope. As "eco-responsible hospitality products" are not available for some hotels depending on the brand and the country (Raffles, Sofitel, Fairmont, Rixos, The Sebel, Egypt except for Mercure and Novotel), this action is recorded as "not applicable" so that those hotels can reach the Bronze level. Hotels with stocks of plastic straws, cotton swabs and stirrers that could not be

sold in 2021 were able to validate the bronze action "Eliminate plastic straws, stirrers and plastic cotton swabs" with the commitment not to renew their stocks. In Latin America, the action on eco-labeled cleaning products was recorded as "not applicable" due to the inability of the supplier to use Green Seal certification in this region.

Gaia, an online reporting tool for comprehensive and detailed management

Gaia is the online tool used by the Group to manage Planet 21 – Acting Here at all levels (hotels, countries, Group). Every hotel sets targets in this application. Gaia allows hotels to conduct their own self-assessment, set their priority goals, create their action plan, and monitor their progress.

After Gaia functions were expanded in 2017 to integrate monitoring data on water, energy, and carbon as well as compliance with technical and regulatory requirements and the management of the hotels' commitment to Planet for the Planet, the tool continues to undergo developments. Consolidated results can be consulted by country, which makes it possible to solicit the hotels according to their performance on each action. A waste management and food waste reduction module has been integrated into Gaia and has been available for hotels since early 2019. A library of documents (training, communication materials) on Planet 21 actions was made available to hotels. Tutorials were developed in 2019 to facilitate the use of the Gaia tool and help the hotels to implement the Planet 21 In Action roadmap.

Data collection and control

Hotels enter Planet 21 In Action data annually and confirm it in the Gaia tool. The data is then subject to four checks:

- by the hotel: the person in charge of reporting at the hotel uses the Planet 21 In Action sheets to ensure that the relevant actions have effectively been carried out;
- by the Planet 21 In Action Reporting Officer at country level: monitoring of reporting progress, compliance with deadlines, clarification of definitions, consistency checks;
- by the Planet 21 In Action Reporting Officer at the Group level: consolidation of results and controls;
- quality audits are performed randomly every year in some hotels, covering the 10 mandatory actions corresponding to the Bronze level of Planet 21 In Action.

Accor has a quality audits program for brand standards, which is partly implemented by external auditors. Against the background of Covid-19, most of these audits were not conducted in 2021. Efforts were focused on health audits as part of the "ALLSAFE" program (see section 3.3.6).

In addition, external checks are also carried out to improve the reliability of the data: some key Planet 21 In Action actions were incorporated into the “Brand Essentials process, which are then audited by an external party in connection with the “mystery visits.” The Planet 21 In Action actions integrated are either Bronze level or linked to a Planet 21 – Acting Here KPI, visible to guests and directly auditable.

3.10.3.3 Water, energy and greenhouse gas emissions

Data collection and control

At the start of every month, the hotels enter their water and energy consumption in an online water and energy reporting and analysis tool. The country and hotel maintenance teams in each country monitor the inputs and discuss drifts and potential 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. All of this controlled and audited data is presented in this document.

Scope of reporting

The scope of consolidation covers all the hotels under the Accor banner, managed as subsidiaries 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:

- hotels that joined the Group after September 15;
- 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;
- the Thalassa sea and spa facilities, whose data is often reported with their host hotels;
- ancillary in-hotel activities that are not managed by Accor assuming their data can be clearly segregated;
- hotels that do not have access to the reporting platform or are unable to enter their monthly consumption data.

However, despite the number and variety of checks, Accor is aware that no system can guarantee the complete absence of risk when it comes to data reliability. As such, the Group strives to improve its reporting and control procedures each year to enhance data quality.

Indicators

Energy consumption

The energy counted is the final energy consumed over one year by the establishments in the reporting scope, expressed in MWh. The quantity considered is the total energy consumption by the establishments from all energy sources (electricity, gas, etc.) and for all uses (lodging, cooking, etc.). The consumption reported by the hotels is expressed by energy type. 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, as it is strongly correlated to the conditioned area.

Greenhouse gas emissions (GHG)

The greenhouse gas emissions presented in the report, expressed in tons of CO₂ 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 2021 greenhouse gas emissions were evaluated based on the following emission factors:

- for electricity: IEA 2017;
- for fuel: Base Carbone V14;
- for urban networks: DEFRA 2017.

Water consumption

Total water consumption in m³ 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.

3.10.3.4 Procurement

Scope of reporting

The indicator for the Group's consolidated volume of purchases (€2.5 billion in 2020) covers all hotel operating structures (under management agreements, franchises and subsidiaries) and purchases from nominated suppliers, as well as estimated purchases from non-listed suppliers by the country Procurement Departments in countries where they exist. The other indicators cover purchases referenced by the Group.

Among the various Accor Procurement departments, the departments representing the largest procurement volumes take part in reporting, *i.e.*, 21 Procurement Offices including Corporate Procurement: Australia, Austria, Belgium & Luxembourg, Brazil, China, France, Germany, Hungary, Italy, the Netherlands, New Zealand, Poland, Portugal, Singapore, Spain, Switzerland, the United Arab Emirates, the United Kingdom and the United States of America. Data was also reported by the Corporate Procurement Department.

In 2021, contracts between Accor and active suppliers as of December 31, 2021 are included. This means that a supplier who has 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 the number of entities owning one or more approval agreements in one or more procurement categories.

3.10.3.5 Plant for the Planet

Reporting scope and frequency

The Plant for the Planet indicators cover all the owned, leased, managed and franchised hotels participating in the program, excluding the budget segment (hotelF1), Adagio and some countries in the Middle East (except for the United Arab Emirates), Algeria and the Fiji Islands.

Number of participating hotels: this indicator is calculated based on the number of hotels that verified their program participation using the Gaia tool for fiscal 2021.

Indicators

Signature of the Procurement Charter 21: percentage of suppliers having signed the Procurement Charter 21, compared with the total number of suppliers. This Charter is appended to all referencing 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 represent factual and non-declarative data and are directly produced from the reporting tools of the service providers conducting the assessments or on-site audits. This data is sent to the Group's Sustainable Procurement Manager on a weekly basis for compilation, centralization and monitoring of the progress of the plan.

Procurement audits review compliance with the sustainable procurement issues described in the "Indicators" section.

Combined number of trees financed: this figure is calculated from all donations received by Pur Projet and our traditional NGO partners in the Plant for the Planet program, and the unit cost of the trees, as reported by these same partners.

Data control

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

3.10.4 Indicator tables

3.10.4.1 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.

Indicators	2020		2021		Change	
	Owned and leased hotels	Owned, leased and managed hotels	Owned and leased hotels	Owned, leased and managed hotels	Owned and leased hotels	Owned, leased and managed hotels
EMPLOYMENT COMMITMENTS						
Number of payroll and non-payroll employees	12,534	191,773	10,064	158,604	2,470	33,169
of which % women	52%	43%	53%	42%	1%	-1%
% of men	48%	57%	47%	58%	-1%	1%
By age						
Under 25	11%	14%	8%	12%	-3%	-3%
25 to 34	35%	37%	32%	35%	-3%	-2%
35 to 44	30%	25%	33%	27%	3%	2%
45 to 54	17%	16%	19%	18%	2%	2%
Over 55	8%	8%	9%	9%	1%	1%
By seniority						
Less than 6 months	7%	8%	11%	13%	4%	5%
6 months to 2 years	28%	29%	16%	19%	-12%	-10%
2 to 5 years	28%	27%	29%	29%	1%	2%
5 to 10 years	18%	17%	20%	19%	2%	2%
10 to 20 years	14%	12%	16%	13%	2%	1%
Over 20 years	7%	6%	8%	7%	1%	1%
% of disabled employees	0.70%	0.90%	0.65%	0.89%	0%	0%
Management						
% of total workforce	23%	13%	27%	15%	4%	2%
of which % women managers	47%	41%	49%	41%	2%	0%
% of men	53%	59%	51%	59%	-2%	0%
Managers by age – total						
Under 25	0%	1%	0%	1%	0%	0%
25 to 34	23%	30%	20%	28%	-3%	-2%
35 to 44	42%	39%	42%	40%	0%	0%
45 to 54	25%	22%	27%	23%	2%	1%
Over 55	10%	7%	11%	8%	1%	1%
Hotel managers by age						
Under 25	1%	1%	1%	1%	0%	0%
25 to 34	32%	31%	28%	29%	-4%	-2%
35 to 44	42%	39%	44%	39%	2%	0%
45 to 54	19%	21%	19%	22%	0%	1%
Over 55	6%	7%	9%	8%	2%	1%
of which hotel managers	138	1,855	120	1,761	-18	-94
of which % women	38%	29%	37%	30%	-1%	1%
% men	62%	71%	63%	70%	1%	-1%

Indicators	2020		2021		Change	
	Owned and leased hotels	Owned, leased and managed hotels	Owned and leased hotels	Owned, leased and managed hotels	Owned and leased hotels	Owned, leased and managed hotels
Working conditions						
Average number of days of medical leave per employee over the year	4.4	4.5	7.2	4.8	2.8	0.4
Average number of days of leave due to workplace accident per employee over the year	0.2	0.3	0.3	0.5	0.1	0.2
Average number of days of unauthorized leave per employee over the year	0.2	0.4	0.1	0.4	-0.1	0.0
Lost-time injury rate resulting in more than one day of lost time*	0.22	0.22	0.94	0.94	ND	ND
Incident severity rate for workplace and commuting accidents*	0	0	0.08	0.08	ND	ND
Number of fatal workplace and commuting accidents	1	8	0	6	-1	-2

* Following the sale of the hotels to AccorInvest, it was not possible to consolidate hours worked data within the scope of the hotels. Since 2018, the frequency and severity rates include only the head office. In 2021, the frequency and severity rates cover 83% of head office establishments, i.e., 96% 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	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
Owned and leased hotels	5,281	3,543	1,482	1,741	2,397	1,918	2,668	2,255	706	608	12,534	10,064
Upscale luxury hotels	561	423	818	576	386	383	0	56	48	40	1,812	1,479
Midscale hotels	884	132	91	411	828	653	719	537	309	263	2,831	1,996
Economy hotels	567	222	380	474	14	0	1,332	1	0	0	2,293	1,801
International head offices	1,777	1,555	192	280	1,169	882	617	557	349	305	4,105	3,578
Holding company – payroll employees	1,492	1,211									1,492	1,211
Hotels management agreements – non-payroll employees	35,919	29,557	28,881	34,015	84,672	60,139	8,238	6,722	21,528	18,108	179,239	148,540
Upscale luxury hotels	11,464	7,899	22,834	24,845	48,912	37,303	3,066	2,270	20,428	16,595	106,704	88,914
Midscale hotels	15,008	13,388	4,544	6,951	28,663	18,764	3,242	2,607	720	882	52,177	42,591
Economy hotels	9,447	8,270	1,503	2,218	7,097	4,072	1,930	1,845	380	631	20,357	17,036
International head offices												
TOTAL EMPLOYEES	41,200	33,100	30,363	35,756	87,069	62,057	10,906	8,977	22,234	18,716	191,773	158,604
Training												
Total training hours	212,223	180,605	245,739	438,295	1,914,118	1,783,221	82,365	123,171	110,390	182,210	2,564,835	2,707,502
Number of employees having attended at least one training course	26,290	16,310	23,969	35,661	81,786	64,923	8,799	6,273	15,289	15,870	156,133	139,037

	Europe		Africa Middle East		Asia-Pacific		South America		North/Central America & Caribbean		Total	
	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
Changes in headcount												
New hires	7,744	15,181	4,708	15,286	21,319	23,747	2,563	5,015	2,760	7,963	39,094	67,192
Departures	15,638	14,614	11,090	14,491	41,363	27,419	7,240	4,166	10,036	8,144	85,367	68,834
of which resignations	5,794	7,316	4,365	9,873	27,851	23,214	1,102	1,612	3,935	5,600	43,047	47,615
of which dismissal and terminations by mutual agreement	2,216	1,606	1,318	1,463	3,290	890	4,778	1,958	1,706	760	13,308	6,677
of which redundancies	2,058	780	2,722	234	6,277	1,074	718	10	3,365	389	15,140	2,487

3.10.4.2 Environmental and social responsibility indicators

Scope of reporting

Scope of reporting	2020		2021	
	Owned, leased and managed hotels	Owned, leased, managed and franchised hotels	Owned, leased and managed hotels	Owned, leased, managed and franchised hotels
Total number of Accor hotels in the scope of consolidation	2,036	4,593	2,130	4,880
Number of hotels applying Planet 21 In Action	1,969	3,762	1,852	3,703
• response rate	97%	82%	87%	76%

Energy, carbon and water indicators ⁽¹⁾

Managed hotels in the reporting scope with validated data	2019	2020	2021	Change at comparable scope of reporting
Energy and CO₂ indicators				
Total energy consumption (GWh)	4,607	3,138	5,377	-18%
Total CO ₂ emissions (thousands of t CO ₂ eq)	1,950	1,292	1,978	-28%
Direct emissions (thousands of t CO ₂ eq)	253	222	316	-16%
Indirect emissions (thousands of t CO ₂ eq)	1,697	1,070	1,662	-30%
Water indicators				
Total water consumption (millions of m ³)	34.7	18.9	35.0	-27%

(1) The definitions of the scope of reporting are presented in the methodological appendices in section 3.10.3.

3.11 Independent third party's report on consolidated non-financial statement presented in the management report

Year ended the 31st December 2021

This is a free translation into English of the original report issued in the French language and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the General Assembly,

In our quality as an independent third party, accredited by the COFRAC under the number n° 3-1681 (scope of accreditation available on the website www.cofrac.fr), and as a member of the network of one of the statutory auditors of your entity (hereinafter "entity"), we conducted our work in order to provide a conclusion expressing a limited level of assurance on the compliance of the consolidated non-financial statement for the year ended 31st December 2021 (hereinafter the "Statement") with the provisions of Article R. 225-105 of the French Commercial Code (*Code de commerce*) and on the fairness of the historical information (whether observed or extrapolated) provided pursuant to 3° of I and II of Article R. 225-105 of the French Commercial Code (hereinafter the "Information") prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), included in the management report pursuant to the requirements 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 performed, as described in "Nature and scope of the work", and on the elements we have collected, we did not identify any material misstatements that would call into question the fact that the consolidated non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Preparation of the non-financial performance statement

The absence of a generally accepted and commonly used framework or established practices on which to base the assessment and measurement of information allows for the use of different, but acceptable, measurement techniques that may affect comparability between entities and over time.

Therefore, the Information should be read and understood with reference to the Guidelines, the significant elements of which are presented in the Statement.

Limitations inherent in the preparation of the Information

As presented in the Statement, the information may be subject to uncertainty inherent in the state of scientific or economic knowledge and the quality of external data used. Certain information is sensitive to the methodological choices, assumptions and/or estimates made in preparing it and presented in the Statement.

The entity's responsibility

It is the responsibility of the Board of Directors to:

- select or establish appropriate criteria for the preparation of the Information;
- prepare a Statement in accordance with legal and regulatory requirements, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied with regard to these risks as well as the results of these policies, including key performance indicators and, in addition, the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- and to implement the internal control procedures it deems necessary to ensure that the Information is free from material misstatement, whether due to fraud or error.

The Statement has been prepared in accordance with the entity's procedures as mentioned above.

Responsibility of the independent third party

On the basis of our work, our responsibility is to provide a report expressing 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 in accordance with article R. 225-105 I, 3° and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks.

As it is our responsibility 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 this could compromise our independence.

However, it is not our responsibility to comment on:

- the entity's compliance with other applicable legal and regulatory requirements, in particular the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy), the French duty of care law and anti-corruption and tax avoidance legislation
- the fairness of the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy)
- the compliance of products and services with the applicable regulations.

Regulatory provisions and applicable professional standards

The work described below was performed in accordance with the provisions of articles A. 225-1 et seq. of the French Commercial Code, as well as with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements and with ISAE 3000 (revised)⁽¹⁾.

Independence and quality control

Our independence is defined by the requirements of article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (*Code de déontologie*) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements and French professional guidance.

Means and resources

Our verification work mobilized the skills of five people and took place between September 2021 and March 2022 on a total duration of intervention of about seventeen weeks.

We have called upon our specialists in sustainable development and social responsibility to assist us in our work. We conducted five interviews with the persons responsible for the preparation of the Statement including Talent & Culture, Internal Audit, Procurement, Carbon & Energy and Sustainable Development.

Nature and scope of the work

We planned and performed our work taking into account the risks of material misstatement of the Information.

In our opinion, the procedures we have performed in the exercise of our professional judgment enable us to provide a limited level of assurance:

- we obtained an understanding of all the consolidated entities' activities and the description of the principal risks associated;
- we assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of social and environmental information set out in article L. 225-102-1 III of the French Commercial Code as well as compliance with human rights and anti corruption and tax avoidance legislation;
- we 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 principal 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;

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

- we verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with its their business relationships, its their products or services, as well as its their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
- we referred to documentary sources and conducted interviews to
 - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and
 - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix 1; concerning one risk (climate risk), our work was carried out on the consolidating entity, for the others risks, our work was carried out on the consolidating entity and on a selection of entities: ACCOR China, ACCOR Egypt, ACCOR Northern Europe.
- we verified that the Statement covers the scope of consolidation, i.e. all the consolidated entities in accordance with article L. 233-16 of the French Commercial Code;
- we obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure 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 1, we 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 the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities and covers between 14% and 19% of the consolidated data relating to the key performance indicators and outcomes selected for these tests (14% of hotels, 19% of headcount);
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

Paris-La Défense, the 16th March 2022

French original signed by:

Independent third party

EY & Associés

Thomas Gault

Partner, Sustainable Development

Appendix 1: The most important information

Social Information

<i>Quantitative Information (including key performance indicators)</i>	<i>Qualitative Information (actions or results)</i>
Headcount per status and gender	Deployment of the employer brand "Be Limitless"
Number of external recruitments	Measures in favor of Diversity and Inclusion
Number of departures per reason	
Number of days of absence per employee per reason	
Number of workplace accidents with lost time	
Number of days of absence following a workplace accident	

Environmental Information

<i>Quantitative Information (including key performance indicators)</i>	<i>Qualitative Information (actions or results)</i>
Greenhouse gas emissions (scope 1 and 2)	Measures taken to improve energy efficiency and water management
Greenhouse gas emissions (scope 3)	Measures taken to reduce carbon footprint
Energy consumption	
Water consumption	

Societal Information

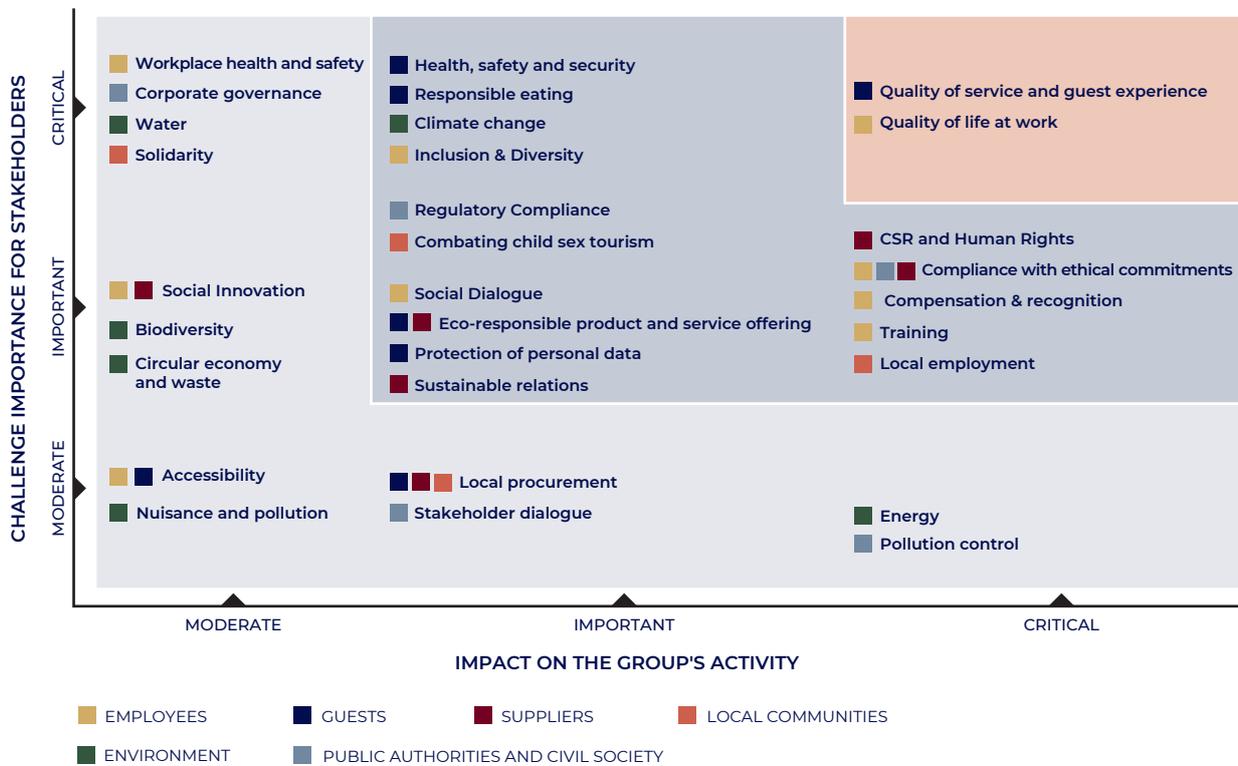
<i>Quantitative Information (including key performance indicators)</i>	<i>Qualitative Information (actions or results)</i>
Share of suppliers having signed the Procurement Charter 21	Measures in place to ensure that suppliers comply with Accor's ethical and CSR commitments
Share of suppliers having had an assessment	
Share of suppliers having had an external audit	Measures in place to ensure hotels comply with Accor's ethical and CSR commitments
Share of suppliers among which the Ethical and CSR risk management process is deployed	
Share of hotels which are at least rated Bronze level in Planet 21	

3.12 Appendices

3.12.1 CSR materiality matrix

In 2016, AccorHotels 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: environmental footprint, socio-economic footprint and a study on the perception of sustainable development by guests. These identified and quantified challenges were compared with the concerns of stakeholders to position them in a two-pronged matrix: “Importance of the challenge for stakeholders” and “Impacts on the Group’s business.”

This analysis confirms the central role played by human aspects in the hospitality industry, since the two main challenges are quality of service and the guest experience, and quality of life in the workplace. This analysis also demonstrates that the Group is faced with many challenges within the three pillars of sustainable development, with a particular focus on social, societal and environmental challenges. This analysis of the materiality matrix helped to prioritize the CSR challenges in the new Planet 21 strategy.



3.12.2 Accor Group contribution to the United Nations Sustainable Development Goals

United Nations SDGs	Planet 21 Strategy Pillars	Main contributions of Accor
 2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture		
2.3 By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment.	Communities & Food	See section 3.8.2.1 Planet 21 commitment: 100% of our restaurants follow our Healthy and Sustainable Food Charter. See section 3.6.3 Plant for the Planet, a program to support agro-forestry.
 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all		
4.3 By 2030, ensure equal access for all women and men to affordable and high-quality technical, vocational and tertiary education, including university.	Employees	See section 3.3.4 Providing learning solutions, the key to upskilling.
4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.	Employees	See section 3.6.1.2 A commitment supported by the Group's endowment fund: Accor Heartist Solidarity.
 5. Achieve gender equality and empower all women and girls		
5.1 End all forms of discrimination against all women and girls everywhere.	Employees	3.3.5.2 Promoting gender diversity and equality.
5.2 Eliminate all forms of violence against all women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation.	Communities	3.6.2.2 Measures implemented and results – "WATCH – We act together for children" – Accor's program to combat the sexual exploitation of children in the tourism and travel sector.
5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.	Employees	3.3.5.2 Promoting gender diversity and equality.
 6. Ensure availability and sustainable management of water and sanitation for all		
6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.	Buildings & Guests	See section 3.4.2.1 Worldwide commitment to eliminate single-use plastics See section 3.4.2.2 Planet 21 commitment: The 10 key hospitality product families are eco-responsible. See section 3.7.2 Reducing water consumption in hotels. See section 3.7.3.1 Planet 21 commitment: 65% of waste from hotel operations is recycled.

United Nations SDGs	Planet 21 Strategy Pillars	Main contributions of Accor
 7. Ensure access to affordable, reliable, sustainable and modern energy for all		
7.2 By 2030, substantially increase the share of renewable energy in the global energy mix.	Buildings	See section 3.7.1 Achieving “net-zero carbon” for all Accor-branded hotels by 2050
7.3 By 2030, double the worldwide rate of energy efficiency improvement.	Buildings	
 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all		
8.4 Through 2030, gradually improve global resource efficiency in consumption and production and endeavor to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programs on sustainable consumption and production, with developed countries leading by example.	-	See section 3.4.2.2 Planet 21 commitment: The 10 key hospitality product families are eco-responsible. See section 3.4.2.1, Worldwide commitment to eliminate single-use plastics
8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.	Employees	See section 3.2.2.2 Deployment and organization of the Ethics and CSR Charter.
8.6 By 2020, considerably reduce the proportion of youth not in employment, education or training.	Employees & Communities	See section 3.3.4 Providing learning solutions, the key to upskilling. See section 3.6.1.2 A commitment supported by the Group's endowment fund: Accor Heartist Solidarity.
8.7 Take immediate and effective measures to eradicate forced labor, end modern slavery and human trafficking, and secure the prohibition and elimination of the worst forms of child labor, including recruitment and use of child soldiers, and by 2025, end child labor in all its forms.	Employees & Partners	See section 3.1.2 Accor Group vigilance plan. See section 3.2.2.2 Deployment and organization of the Ethics and CSR Charter. See section 3.5.2 Policies and measures implemented and results obtained – Planet 21 commitment: deploying our Ethics and CSR risk management process among 100% of our partners by 2021 SNFP .
8.8 Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.	Employees	See section 3.3.8 Promoting open dialogue. See section 3.3.6.2 Preventing Covid-19 pandemic risks See section 3.3.6.3 Preventing workplace accidents and occupational illness and protecting health. See section 3.5.2 Policies and measures implemented and results obtained – Planet 21 commitment: deploying our Ethics and CSR risk management process among 100% of our partners by 2021 SNFP .
8.9 By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products.	Employees	See section 3.4.1.1 Planet 21 commitment: driving forward one key innovation per year to focus our guest interaction on sustainable development.

United Nations SDGs	Planet 21 Strategy Pillars	Main contributions of Accor
 11. Make cities and human settlements inclusive, safe, resilient and sustainable		
11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.	Buildings	See section 3.7 Transitioning to net-zero carbon buildings. See section 3.7.3.1 Planet 21 commitment: 65% of waste from hotel operations is recycled.
 12. Ensure sustainable consumption and production patterns		
12.2 By 2030, achieve the sustainable management and efficient use of natural resources.	Buildings & Guests	See section 3.4.2.1, Worldwide commitment to eliminate single-use plastics. See section 3.4.2.2 Planet 21 commitment: The 10 key hospitality product families are eco-responsible. See section 3.7 Transitioning to net-zero carbon buildings.
12.3 By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses.	Food	See section 3.8 Eliminating food waste and favoring healthy and sustainable food SNFP .
12.4 By 2020, achieve the environmentally sound management of chemicals and all waste throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.	Buildings & Guests	See section 3.4.2.1, Worldwide commitment to eliminate single-use plastics. See section 3.4.2.2 Planet 21 commitment: The 10 key hospitality product families are eco-responsible. See section 3.7.3.1 Planet 21 commitment: 65% of waste from hotel operations is recycled.
12.5 By 2030, significantly reduce waste generation through prevention, reduction, recycling and reuse.	Buildings	See section 3.7.3.1 Planet 21 commitment: 65% of waste from hotel operations is recycled.
12.6 Encourage companies, especially large corporations and multinationals, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.	-	See section 3.10 Independent third-party report on consolidated statement of non-financial performance SNFP .
12.b Develop and implement tools to monitor sustainable development impacts for sustainable tourism which creates jobs, promotes local culture and products.	-	See section 3.2.5 Planet 21 – Acting Here, the roadmap for 2021 SNFP .
 13. Take urgent action to combat climate change and its impacts		
13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.	Buildings	See section 3.7 Transitioning to net-zero carbon buildings.

United Nations SDGs	Planet 21 Strategy Pillars	Main contributions of Accor
 14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development		
14.1 By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution.	Buildings	See section 3.7.3.1 Planet 21 commitment: 65% of waste from hotel operations is recycled.
14.4 By 2020, effectively regulate harvesting and end overfishing, illegal, unreported and unregulated fishing and destructive fishing practices and implement science-based management plans, in order to restore fish stocks in the shortest time feasible, at least to levels that can produce maximum sustainable yield as determined by their biological characteristics.	Food	See section 3.8.2.1 Planet 21 commitment: 100% of our restaurants follow our Healthy and Sustainable Food Charter.
 15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss		
15.2 By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally.	Communities	See section 3.6.3 Plant for the Planet, a program to support agro-forestry. See section 3.4.2.2 Planet 21 commitment: The 10 key hospitality product families are eco-responsible.
15.3 By 2030, combat desertification, restore degraded land and soil, including land affected by desertification, drought and floods, and strive to achieve a land degradation-neutral world.	Buildings, Communities	See section 3.7.1.4 Accor climate indicators, objectives and commitments SNFP . See section 3.6.3 Plant for the Planet, a program to support agro-forestry.
15.5 Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species.	Food	See section 3.8.2.1 Planet 21 commitment: 100% of our restaurants follow our Healthy and Sustainable Food Charter. See section 3.4.2.1, Worldwide commitment to eliminate single-use plastics. See section 3.4.2.2 Planet 21 commitment: The 10 key hospitality product families are eco-responsible.
 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels		
16.2 End abuse, exploitation, trafficking and all forms of violence against and torture of children.	Communities	See section 3.6.2.2 Measures implemented and results – “WATCH – We act together for children” – Accor’s program to fight sexual exploitation of children in the tourism and travel sector.
16.5 Substantially reduce corruption and bribery in all their forms.	Partners	See section 3.2.2.1 Deployment and organization of the Ethics and CSR Charter. See section 3.2.3 – the compliance program SNFP .
16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels.	Employees	See section 3.3.2.1 The Accor Group’s “Be Limitless” employer promise.

-  SDGs and targets to which Accor actively contributes.
-  SDGs and targets to which Accor indirectly contributes.

3.12.3 Cross-reference tables with SASB industry standards

3.12.3.1 Sustainable development themes and indicators

Theme	Indicators	2019 data	2020 data	2021 data	Unit	SASB Code
Energy management	Total energy consumption	4,607	3,138	5,377	GWh	SV-HL-130a.1
	Percentage of grid energy	NA	NA	62	%	SV-HL-130a.1
	Percentage of renewable energy produce on site	NA	NA	0.06%	%	SV-HL-130a.1
	Percentage of renewable energy consumed	NA	NA	0.11%	%	SV-HL-130a.1
Water management	Total water withdrawals	NA	NA	NA	Thousands of m ³	SV-HL-140a.1
	Including percentage in areas of high or extreme water stress	NA	NA	NA	%	SV-HL-140a.1
	Total water consumption	34,690	18,920	35,004	Thousands of m ³	SV-HL-140a.1
	Including percentage in areas of high or extreme water stress	46%	42%	38%	%	SV-HL-140a.1
Environmental impacts	Number of accommodation establishments located in or near areas with biodiversity conservation status or habitats of threatened species	NA	NA	NA	Number	SV-HL-160a.1
	Environmental management policies and practices aimed at preserving ecosystem services		See section 3.8.3		NA	SV-HL-160a.2
Social practices	Voluntary turnover rate accommodation employees	34%	22%	30%	Rate	SV-HL-310a.1
	Involuntary turnover rate accommodation employees	27%	22%	13%	Rate	SV-HL-310a.1
	Total amount of monetary losses resulting from legal proceedings related to labor law violations ⁽¹⁾	NA	NA	NA	Currency	SV-HL-310a.2
	Average hourly wage	NA	NA	NA	Currency	SV-HL-310a.3
	Percentage of accommodation employees earning minimum wage, by region	NA	NA	NA	%	SV-HL-310a.3
	Description of policies and programs to prevent harassment of workers		See section 3.1.2.2		NA	SV-HL-310a.4
Adaptation to climate change	Number of accommodation establishments located in the 100-year flood zones	NA	NA	NA	Number	SV-HL-450a.1

(1) Note on SV-HL-310a.2 – The entity shall briefly describe the nature, context and any corrective actions taken as a result of monetary losses.

3.12.3.2 Activity indicators

Indicators	2019 data	2020 data	2021 data	Unit	SASB Code
Number of available nights	254	264	268	Million	SV-HL-000.A
Average occupancy rate ⁽¹⁾	69.3	32.1	42.3	Rates	SV-HL-000.B
Total surface area of accommodation facilities ⁽²⁾	ND	ND	ND	m ²	SV-HL-000.C
Number of units	739,537	753,344	777,714	Number	SV-HL-000.D
Of which % in management	59%	59%	58%	%	SV-HL-000.D
Of which % held directly	6%	4%	3%	%	SV-HL-000.D
Of which % under franchise	35%	37%	39%	%	SV-HL-000.D

(1) Note on SV-HL-000.B – Measured as number of occupied room-nights divided by available room-nights in all properties.

(2) Note on SV-HL-000.C – The scope includes facilities that were owned, operated, leased or franchised during any part of the reporting period.



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 23, 2022. It will be presented to shareholders at the next Annual Shareholders' Meeting to be held on May 20, 2022.

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 January 2020 and is available from the AFEP, the MEDEF or the Company's registered office.

The Board of Directors' operating procedures are described in its Bylaws, presented in Appendix A to this report on page 266.

In addition, each director is required to comply with the Board of Directors' Code of Conduct, set out in Appendix B on page 273.

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 ended the transition period by appointing Sébastien Bazin as Chairman and Chief Executive Officer and creating the role of Vice-Chairman of the Board and Senior Independent Director (position currently held by Iris Knobloch).

The Board considers that, by combining the roles of Chairman of the Board and Chief Executive Officer, the Group is able to have greater agility in its governance and management, particularly during periods of rapid transformation or economic downturns, while creating a direct relationship between management and shareholders. This type of governance structure also encourages extensive dialogue between the executive team and the Board of Directors. Since 2009, 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 Sébastien Bazin's re-election on June 30, 2020, reflecting shareholders' renewed confidence in the Board of Directors' decision.

Sébastien Bazin's re-election provides further confirmation that the Board selected the appropriate structure, one that combines the roles of Chairman of the Board of Directors and Chief Executive Officer and creates the role of Vice-Chairman and Senior Independent Director. This position is currently held by Iris Knobloch, who was also re-elected on the same day.

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' Bylaws:

- 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' Bylaws.

Report on the Senior Independent Director's activities

During 2021, Iris Knobloch notably:

- 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 at the end of the Board meetings, and chaired a meeting restricted to non-executive directors;
- participated in meetings of the four Committees of the Board throughout the year.

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' Bylaws;
- 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;

Founding Co-Chairmen

In accordance with the Company's Bylaws, Paul Dubrulle and Gérard Pélisson, as Accor's Founding Co-Chairmen, may attend Board meetings in a consultative capacity, and may be invited to attend meetings of the Board Committees.

Paul Dubrulle

Born on July 6, 1934 in Tourcoing, France, Paul Dubrulle 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. Dubrulle 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 and Senator for the Seine-et-Marne département between 1999 and 2004, and was Co-Chairman of the Institut Français du Tourisme until 2013. He is the founder of the Conseil Supérieur de l'OEnotourisme (2009) and the Association Sud Île-de-France Entreprendre (1999), as well as the

- 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.

founder of the Institut de Développement Durable (1999). A Paul Dubrulle Chair for Sustainable Development was created by INSEAD in 2002 and a Paul Dubrulle Chair for Innovation has been set up at the Haute École d'Hôtellerie in Lausanne, Switzerland. Mr. Dubrulle 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

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 Dubrulle 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.

Executive Committee ⁽¹⁾



Sébastien Bazin
Chairman and Chief Executive Officer



Jean-Jacques Morin
Deputy CEO and CFO



Steven Daines
Chief Talent & Culture Officer



Brune Poirson
Chief Sustainability Officer



Patrick Mendes
Group Chief Commercial Officer in charge of Sales, Marketing, Distribution, Digital and Loyalty



Alix Boulnois
Chief Digital Factory Officer



Floor Bleeker
Chief Technology Officer



Fabrice Carré
Chief Strategy Officer



Agnès Roquefort
Chief Development Officer



Stephen Alden
CEO Raffles & Orient Express



Gaurav Bhushan
CEO Accor Lifestyle & Entertainment, Co-CEO Ennismore



Maud Bailly
CEO Southern Europe



Duncan O'Rourke
CEO Northern Europe



Thomas Dubaere
CEO Latin America



Heather McCrory
CEO North & Central America



Mark Willis
CEO Middle East & Africa



Sarah Derry
CEO Pacific



Gary Rosen
CEO Greater China



Garth Simmons
CEO South East Asia

(1) As of the date of this Universal Registration Document.

4.2 Membership of the Board of Directors at December 31, 2021

4.2.1 Information about directors at December 31, 2021

Name	Independence	Gender	Nationality	Age	Number of shares held	First appointed on	Last renewal on	Term ends on	Board committee membership
Sheikh Nawaf Bin Jassim Bin Jabor Al-Thani	No	M	Qatari	49	1,019	03/21/2017	04/30/2019	ASM to approve financial statements for 2021	International Strategy Committee
Aziz Aluthman Fakhroo	No	M	French & Qatari	44	6,000	07/12/2016	04/30/2019	ASM to approve financial statements for 2021	Audit, Compliance & Risks Committee; Commitments Committee (Chair); Appointments, Compensation & CSR Committee
Sébastien Bazin ⁽¹⁾	No	M	French	60	295,734	01/09/2006	06/30/2020	ASM to approve financial statements for 2022	
Iliane Dumas ⁽²⁾	No	F	French	50	N/A	05/02/2014	05/02/2020	05/02/2023	Appointments, Compensation & CSR Committee
Sophie Gasperment	Yes	F	French	57	1,564	06/29/2010	04/30/2019	ASM to approve financial statements for 2021	Audit, Compliance & Risks Committee; Appointments, Compensation & CSR Committee (Chair)
Qionger Jiang	Yes	F	French	45	2,000	07/12/2016	04/30/2019	ASM to approve financial statements for 2021	International Strategy Committee
Iris Knobloch ⁽³⁾	Yes	F	German	58	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	59	1,500	06/30/2020	N/A	ASM to approve financial statements for 2022	Audit, Compliance & Risks Committee; Appointments, Compensation & CSR Committee
Nicolas Sarkozy	Yes	M	French	66	1,353	02/21/2017	04/30/2019	ASM to approve financial statements for 2021	International Strategy Committee (Chair)
Christine Serre ⁽²⁾	No	F	French	56	N/A	01/27/2021	N/A	01/27/2024	
Isabelle Simon	Yes	F	French	51	1,000	07/12/2016	04/30/2019	ASM to approve financial statements for 2021	Audit, Compliance & Risks Committee (Chair); Appointments, Compensation & CSR Committee
Sarmad Zok	No	M	Lebanese & British	53	70,000	07/12/2016	04/30/2019	ASM to approve financial statements for 2021	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	Chantale Hoogstoel's term as director representing employees expired on January 11, 2021	On January 27, 2021, the European Works Council appointed Christine Serre to a three-year term as director representing employees to replace Chantale Hoogstoel	N/A
Audit, Compliance & Risks Committee	Qionger Jiang no longer sits on the Audit, Compliance & Risks Committee as of January 1, 2021	N/A	N/A
Appointments, Compensation & CSR Committee	Qionger Jiang no longer sits on the Appointments, Compensation & CSR Committee as of January 1, 2021	Bruno Pavlovsky has sat on the Appointments, Compensation & CSR Committee since January 1, 2021	N/A

No changes were made to the membership of the Board of Directors between January 1, 2022 and the date of this Universal Registration Document.

Individual information on Directors in office as of December 31, 2021



Sheikh Nawaf Bin Jassim Bin Jabor Al-Thani

Director

BORN
January 1, 1972

NATIONALITY
Qatari

BIOGRAPHY - PROFESSIONAL EXPERIENCE

A graduate of Qatar University, Sheikh Nawaf bin Jassim bin Jabor Al-Thani served as Chairman of the Board of Directors of Katara Hospitality from 2003 until 2021, after a successful career at Qatar Airways. Sheikh Nawaf is a Member of the Board of the Qatar National Tourism Council and Chairman of the Jassim and Hamad bin Jassim Charitable Foundation.

FIRST APPOINTED AS A DIRECTOR ON: March 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, 2021.

PARTICIPATION IN BOARD COMMITTEES: International Strategy Committee.

NUMBER OF ACCOR SHARES HELD: 1,019.

OTHER POSITIONS HELD AT DECEMBER 31, 2021, WITH COMPANIES CONTROLLED ⁽¹⁾ BY ACCOR

None

OTHER POSITIONS HELD AT DECEMBER 31, 2021, WITH COMPANIES NOT CONTROLLED ⁽¹⁾ BY ACCOR

• In France

None

• Outside France

- Chairman of Quteifan Projects LLC (unlisted company) – Qatar
- Member of the Board of the Qatar National Tourism Council – Qatar

FORMER POSITIONS HELD IN THE PAST FIVE FISCAL YEARS

• In France

- Chairman of Q Hotels & Restaurants France SAS (unlisted company)
- Member of the Board of GVE

• Outside France

- Chairman of Al Hosn Investment Company SAOC (unlisted company) – Oman
- Chairman of Katara Hospitality (unlisted company) – Qatar
- Legal Manager of Qatar National Hotels Morocco SARL (unlisted company) – Morocco
- Chairman of Al Rayyan Hospitality LLC (unlisted company) – Qatar
- Legal Manager of Hotel Park LLC (unlisted company) – Qatar
- Legal Manager of Katara M.G.D LLC (unlisted company) – Qatar
- Legal Manager of Murwab Hotel Group LLC (unlisted company) – Qatar
- Legal Manager of Katara M.H.D LLC (unlisted company) – Qatar
- Legal Manager of Katara R.C.H.D LLC (unlisted company) – Qatar
- Legal Manager of Sealine Beach Resort LLC (unlisted company) – Qatar
- Legal Manager of Sharq Village Hotel LLC (unlisted company) – Qatar
- Legal Manager of Katara S.G.D.R LLC (unlisted company) – Qatar
- Legal Manager of Katara S.W.B LLC (unlisted company) – Qatar
- Legal Manager of Al Messila Resort LLC (unlisted company) – Qatar
- Legal Manager of Doha Port LLC (unlisted company) – Qatar
- Chairman of Lackberg Corporate SLU (unlisted company) – Spain
- Chairman of Dhofar Tourism Company – Oman
- Legal Manager of H&G Management Sarl – Luxembourg
- Director of FRHI Holding Limited – Cayman Islands

(1) Within the meaning of Article L. 233-16 of the French Commercial Code.



Aziz Aluthman Fakhroo

Director

BORN
July 20, 1977

NATIONALITY
French & Qatari

BIOGRAPHY - PROFESSIONAL EXPERIENCE

Since November 2020, Aziz Aluthman Fakhroo has been Managing Director of Ooredoo Group, where he has also been a member of the Board of Directors since 2011.

From 2014 to 2020, he served as Deputy Undersecretary for Budget, Treasury and Financial Affairs in the Ministry of Finance of Qatar. In the prior period (2007-2014), he held the position of Co-head of Mergers & Acquisitions at Qatar Investment Authority (QIA), where he completed a number of large-scale transactions for the sovereign wealth fund.

In March 2021, he was appointed Board member of KATARA Hospitality and member of the Board of Trustees of Qatar Museums.

Aziz Aluthman Fakhroo has been Vice-Chairman of the Board of Commissioners of Indosat Ooredoo Hutchison since December 2021.

He has also served on the Board of Directors of United Arab Shipping Company, Canary Wharf Group, Chelsfield LLP and CITIC Capital.

Aziz Aluthman Fakhroo is a graduate of Paris ESLSA Business School.

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, 2021.

PARTICIPATION IN BOARD COMMITTEES: Appointments, Compensation & CSR Committee; Commitments Committee; Audit, Compliance & Risks Committee.

NUMBER OF ACCOR SHARES HELD: 6,000.

PRINCIPAL POSITION OUTSIDE ACCOR: Managing Director of Ooredoo Group and Senior Advisor to the Qatar Minister of Finance.

OTHER POSITIONS HELD AT DECEMBER 31, 2021, WITH COMPANIES CONTROLLED ⁽¹⁾ BY ACCOR

None

OTHER POSITIONS HELD AT DECEMBER 31, 2021, WITH COMPANIES CONTROLLED ⁽¹⁾ BY ACCOR

- **In France**
 - Member of the Advisory Committee of Axa Real Estate DVIII (unlisted company)
- **Outside France**
 - Member of the Board and Managing Director of Ooredoo Group (listed company) – Qatar
 - Member of the Board of Qatar RAIL (unlisted company) – Qatar
 - Member of the Board of Chelsfield LLP (unlisted company) – United Kingdom
 - Member of the Board of Qatar Museums (unlisted company) – Qatar
 - Member of the Board of Katara Hospitality (unlisted company) – Qatar
 - Member of the Board of Indosat Ooredoo Hutchison (listed company) – Indonesia

FORMER POSITIONS HELD IN THE PAST FIVE FISCAL YEARS

- **In France**

None

- **Outside France**

- Member of the Board of Citic Capital – Hong Kong
 - Chairman of Ooredoo Myanmar Ltd – Burma
 - Member of the Board of Ooredoo Kuwait – Kuwait
 - Member of the Board of United Arab Shipping Company – United Arab Emirates
 - Member of the Board of Canary Wharf Plc (unlisted 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: 295,734.

OTHER POSITIONS HELD AT DECEMBER 31, 2021, WITH COMPANIES CONTROLLED ⁽¹⁾ BY ACCOR

• **In France**

- Director of Adagio SAS (unlisted company)
- Chairman of Orient Express (unlisted company)

• **Outside France**

- Director of AAPC India Hotel Management Private Limited (unlisted company) – India
- Chairman of the Board of Directors of Ennismore Ltd (unlisted company) – England

OTHER POSITIONS HELD AT DECEMBER 31, 2021, WITH COMPANIES NOT CONTROLLED ⁽¹⁾ BY ACCOR

• **In France**

- Chairman of the Board of Accor Acquisition Company (listed company), a SPAC of which Accor is the sponsor
- Chairman of the Board of Théâtre du Châtelet (unlisted company) ⁽²⁾
- Chairman of Bazeo Europe SAS (unlisted company)
- Legal Manager of SARL Rohan (unlisted company)
- Managing Partner of Bazeo Invest SNC (unlisted company)
- Managing Partner of SCI Nina (unlisted company)
- Managing Partner of SCI Haute Roche (unlisted company)

• **Outside France**

- Director of Sisters Soparfi (unlisted company) – Luxembourg
- Director of General Electric (listed company) – United States

FORMER POSITIONS HELD IN THE PAST FIVE FISCAL YEARS

• **In France**

- Chairman of Data 4 SAS
- Chairman of Adagio SAS
- Legal Manager of Société du Savoy à Méribel
- Managing Partner of SCI MB (formerly Madeleine Michelis)
- Managing Partner of SCI Ranelagh
- Legal Manager of CC Europe Invest

• **Outside France**

- Managing Director of Sisters Soparfi – Luxembourg
- Director of Huazhu (ex-China Lodging Group) (listed company) – China

(1) Within the meaning of Article L. 233-16 of the French Commercial Code.

(2) This term ended on January 28, 2022.



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 having served as social innovation project manager, Iliane Dumas is currently Head of the Diversity & Inclusion project within the Accor 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: Appointments, Compensation & CSR Committee.

NUMBER OF ACCOR SHARES HELD: N/A.

MAIN POSITION: Head of the Diversity & Inclusion project with the Accor Talent & Culture department.

OTHER POSITIONS HELD AT DECEMBER 31, 2021, WITH COMPANIES CONTROLLED⁽¹⁾ BY ACCOR

None

OTHER POSITIONS HELD AT DECEMBER 31, 2021, 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.



Sophie Gasperment

Independent Director ⁽¹⁾

BORN
August 1, 1964

NATIONALITY
French

BIOGRAPHY - PROFESSIONAL EXPERIENCE

Sophie Gasperment joined L'Oréal in 1986. After 14 years in operational and strategic marketing positions, she was appointed General Manager in the UK. She remained UK-based for the following 14 years, notably as L'Oréal UK/Ireland Managing Director, as well as Chair and global Chief Executive Officer of The Body Shop, the iconic English omnichannel brand spanning 60 countries and c. 20,000 people strong. She then led L'Oréal's Strategic Prospective and Financial communication, with a specific focus on the group's digital acceleration. Since 2019, Sophie Gasperment has been Senior Advisor at Boston Consulting Group, Non-Executive Director of listed companies and Angel investor in a number of innovative ventures. She serves on the board Kingfisher plc, of D'leteren Group, of Givaudan S.A., and is and Lead Independent Director of Nasdaq-listed technology company Cimpress. Sophie Gasperment is a graduate of ESSEC business school and of INSEAD. She was appointed Foreign Trade Advisor for France in 2005 and had the opportunity to contribute to the Business Advisory Council of Saïd Business School, Oxford University.

FIRST APPOINTED AS A DIRECTOR ON: June 29, 2010.

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, 2021.

PARTICIPATION IN BOARD COMMITTEES: Appointments, Compensation & CSR Committee ; Audit, Compliance & Risks Committee.

NUMBER OF ACCOR SHARES HELD: 1,564.

PRINCIPAL POSITION OUTSIDE ACCOR: Senior Advisor at Boston Consulting Group.

OTHER POSITIONS HELD AT DECEMBER 31, 2021, WITH COMPANIES CONTROLLED ⁽²⁾ BY ACCOR

None

OTHER POSITIONS HELD AT DECEMBER 31, 2021, WITH COMPANIES NOT CONTROLLED ⁽²⁾ BY ACCOR

- **In France**

None

- **Outside France**

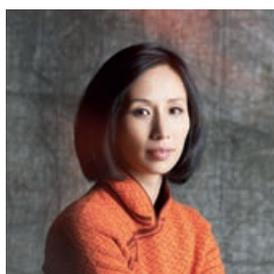
- Non-Executive Director of Kingfisher plc (listed company) – United Kingdom
- Lead Independent Director of Cimpress plc (listed company) – Ireland
- Independent Director of S.A. D'leteren N.V. (listed company) – Belgium
- Independent Director of Givaudan (listed company) – Switzerland

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.



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 and 2016, respectively, she was awarded the titles of *Chevalier des Arts et Lettres* and *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 also studied interior design and furniture design at École Nationale Supérieure des Arts Décoratifs de Paris.

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, 2021.

PARTICIPATION IN BOARD COMMITTEES: International Strategy Committee.

NUMBER OF ACCOR SHARES HELD: 2,000.

PRINCIPAL POSITION OUTSIDE ACCOR: Chief Executive Officer and Artistic Director of Shang Xia.

OTHER POSITIONS HELD AT DECEMBER 31, 2021, WITH COMPANIES CONTROLLED ⁽²⁾ BY ACCOR

None

OTHER POSITIONS HELD AT DECEMBER 31, 2021, WITH COMPANIES NOT CONTROLLED ⁽²⁾ BY ACCOR

• **In France**

None

• **Outside France**

- Chief Executive Officer of Shang Xia (unlisted company) – China

FORMER POSITIONS HELD IN THE PAST FIVE FISCAL YEARS

• **In France**

None

• **Outside France**

- Director of 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 Chairman and CEO of I2PO, a Special Purpose Acquisition Company (SPAC) dedicated to the entertainment and leisure sector. I2PO, which is listed on the Paris Stock Exchange, is the first SPAC in Europe founded and led by a woman. She is also the Vice Chairman and Senior Independent Director of the Board of Directors of Accor, a Director of the Board of Directors of Lazard Bank and a Governor of the American Hospital in Paris.

Iris Knobloch was a senior executive with WarnerMedia and its predecessor companies from 1996 to 2021, most recently as President of WarnerMedia in France, Germany, Benelux, Austria and Switzerland, responsible for the development and execution of WarnerMedia's strategy as well as coordinating and optimizing all commercial and group marketing activities in the region. Prior to that, Iris Knobloch served as Senior Vice President of Time Warner, in charge of International Relations and Strategic Policy, Europe, and since 1996 has worked in several positions out of Warner Bros' offices in Los Angeles, London and Paris.

Iris Knobloch is trilingual in English, German and French. She received a J.D. degree from Ludwig-Maximilians-Universität in Munich, Germany in 1987 and an L.L.M. degree from New York University in 1992. She is licensed to practice law in Germany, New York and California.

Iris Knobloch previously was a member of the Board of Directors of LVMH Louis Vuitton-Moët-Hennessy; a member of the Supervisory Board of Axel Springer in Germany, and a member of the Board of Directors of Central European Media Enterprises. In 2008, she was appointed *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: International Strategy Committee; Appointments, Compensation & CSR Committee; Commitments Committee; Audit, Compliance & Risks Committee.

NUMBER OF ACCOR SHARES HELD: 1,009.

PRINCIPAL POSITION OUTSIDE ACCOR: Chairman and CEO and member of the Board of Directors of I2PO.

OTHER POSITIONS HELD AT DECEMBER 31, 2021, WITH COMPANIES CONTROLLED ⁽²⁾ BY ACCOR

None

OTHER POSITIONS HELD AT DECEMBER 31, 2021, WITH COMPANIES NOT CONTROLLED ⁽²⁾ BY ACCOR

• **In France**

None

• **Outside France**

- Member of the Board of Directors of Lazard Ltd (unlisted company) – Bermuda

FORMER POSITIONS HELD IN THE PAST FIVE FISCAL YEARS

• **In France**

- Chairman of WarnerBros Entertainment France SAS (unlisted company)
- Member of the Board of Directors of LVMH (listed company)

• **Outside France**

- Member of the Board of Directors of Axel Springer – Germany
- Member of the Board of Directors of 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.



Bruno Pavlovsky

Independent Director ⁽¹⁾

BORN
November 8, 1962

NATIONALITY
French

BIOGRAPHY - PROFESSIONAL EXPERIENCE

Bruno Pavlovsky began his career with Deloitte before joining Chanel in 1990. He is currently Chairman of Chanel SAS and Chanel's President of Global Fashion. He is also President of Chanel's Métiers d'Art unit, Chairman of Eres, Vice Chairman of Chambre Syndicale de la Mode Féminine, Chairman of the Comité Colbert's Advocacy and Public Policy Commission and Chairman of Fondation de l'Institut Français de la Mode. Bruno Pavlovsky is a graduate of the Bordeaux École Supérieure de Commerce and holds a Master of Business Administration from Harvard Business School.

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: 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, 2021, WITH COMPANIES CONTROLLED ⁽²⁾ BY ACCOR

None

OTHER POSITIONS HELD AT DECEMBER 31, 2021 WITHIN CHANEL LIMITED (GROUP CONSOLIDATING ENTITY) AND COMPANIES CONTROLLED ⁽²⁾ BY CHANEL LIMITED

- **In France**
 - Chairman of 19M
 - Chairman of ATELIER DE MAY
 - Chairman of A.C.T 3
 - Chairman of BARRIE France
 - Chairman of CHANEL COORDINATION
 - Chairman of DEFILUXE
 - Chairman of DESRUES
 - Chairman of ERES
 - Chairman of ÉTABLISSEMENTS BODIN JOYEUX
 - Chairman of FYMA PRODUCTION
 - Chairman of GANT CAUSSE
 - Chairman of GOOSSENS PARIS
 - Chairman of HUGOTAG ENNOBLISSEMENT
 - Chairman of LE CREUSET D'ART
 - Chairman of LEMARIE
 - Chairman of LES ATELIERS DE VERNEUIL-EN-HALATTE
 - Chairman of LES MOULINAGES DE RIOTORD
 - Chairman of LESAGES INTÉRIEURS
 - Chairman of LESAGE PARIS
 - Chairman of MAISON MASSARO
 - Chairman of MAISON MICHEL
- **Outside France**
 - Director of CHANEL Limited – United Kingdom
 - Director of VASTRAKALA EXPORTS PRIVATE LIMITED – India
 - *Presidente Consiglio Amministrazione* CONCERTIA SAMANTA S.p.A. – Italy
 - Managing Director of CHANEL COORDINATION S.r.l. – Italy
 - Managing Director of ROVEDA S.r.l. – Italy
 - Managing Director of IMMOBILI ROSMINI S.r.l. – Italy
 - Board Chairman of MANUFACTURES DE MODE ITALIA S.r.l. – Italy
 - Director of BARRIE KNITWEAR LIMITED – United Kingdom
 - Director MAISON MICHEL UK LIMITED – United Kingdom
 - *Presidente Consiglio Amministrazione* CALZATURIFICIO GENSI GROUP S.r.l. – Italy
 - Manager of ERES BELGIQUE SPRL – Belgium
 - Director of ERES FASHION UK LIMITED – United Kingdom
 - Managing Director of ERES GMBH – Germany
 - Director of ERES PARIS S.L. – Spain
 - Chairman of ERES U.S INC. – United States
 - *Presidente Consiglio Amministrazione* CONCERTIA GAIERA GIOVANNI S.p.a. – Italy

-
- Chairman of MANUFACTURES DE MODE
 - Chairman of MEGISSERIE RICHARD
 - Chairman of MONTEX
 - Chairman of PALOMA
 - Chairman of PARAFFECTION
 - Chairman of PARTROIS
 - Legal Manager of SCI ODACE
 - Legal Manager of SCI ONURB
 - Legal Manager of SCI SAROULEAGAIN
 - Legal Manager of SCI SUREDESOI
 - Chairman of SETTELILLE
 - Chairman of TANNERIES HAAS
 - Chairman of ORLEBAR BROWN France
 - Chairman of L'ATELIER DES MATIER
 - Board Chairman of CELLINI 04 R.E. S.r.l. – Italy
 - Board Chairman of NILLAB MANIFATTURE ITALIANE S.p.A. – Italy
 - Board Chairman of VIMAR 1991 S.r.l. (ex BIELLA FILATURA S.R.L.) – Italy
 - Chairman, Director of COLOMER LEATHER GROUP SL – Spain
 - *Presidente Consiglio Amministrazione* FCL S.r.l. – Italy
 - *Presidente Consiglio Amministrazione* PAIMA S.r.l. – Italy
 - Director of INTERNATIONAL METAL AND JEWELRY Co., Ltd. – Thailand
 - Director of GOOSSENS UK Limited – United Kingdom
 - Director of ORLEBAR BROWN LIMITED – United Kingdom
 - Director of ULTIMATE YARNS & FIBRES Limited – United Kingdom
 - Director of ULTIMATE YARNS & FIBRES MONGOLIA LLC – Mongolia
-

OTHER POSITIONS HELD AT DECEMBER 31, 2021, WITH COMPANIES NOT CONTROLLED ⁽²⁾ BY CHANEL LIMITED

-
- **In France**
 - Director of RÉMY COINTREAU (listed company)
 - Legal Manager of N&B SOCIÉTÉ CIVILE
 - Legal Manager of SCI N&B TERRASSE
 - Legal Manager of SCI N&B SAINT GEORGES
 - Legal Manager of SCI N&B BASSUSSARY
 - Legal Manager of SCI N&B PENTHIEVRE
 - Legal Manager of SCI N&B JARDIN PUBLIC
 - Legal Manager of SCI BRUNIC
 - Legal Manager of SCI N&B Duphot
 - Legal Manager of SCI MANASO
 - **Outside France**
 - Chairman of CAMPELLI S.r.l. – Italy
-

FORMER POSITIONS HELD IN THE PAST FIVE FISCAL YEARS

-
- **In France**
 - Chairman of MANUFACTURE DE CUIRE 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.

(2) Within the meaning of Article L. 233-16 of the French Commercial Code.



Nicolas Sarkozy

Independent Director ⁽¹⁾

BORN

January 28, 1955

NATIONALITY

French

BIOGRAPHY - PROFESSIONAL EXPERIENCE

Nicolas Sarkozy was the sixth President of the French Fifth Republic from 2007 to 2012. His previous positions include Mayor of Neuilly-sur-Seine (1983-2002), National Assembly Representative for Hauts-de-Seine (1988-2002), President of the General Council for Hauts-de-Seine (2004-2007), Minister for the Budget (1993-1995), Minister for Communications (1994-1995), Government spokesman (1993-1995), Minister of the Interior, Internal Security and Local Freedoms (2002-2004), Minister of State, Minister for the Economy, Finance and Industry (2004), and Minister of State, Minister of the Interior and Town and Country Planning (2005-2007). He was also the elected leader of French political parties UMP (2004-2007) and Les Républicains (2014-2016). A trained lawyer, Nicolas Sarkozy is married and has four children. He is the author of several books, including *Libre, Témoignage, La France pour la Vie, Tout pour la France, Passion, Le temps des tempêtes* and *Promenades*. Nicolas Sarkozy also serves as a consultant to several international corporations (Member of the International Advisory Network of Natixis, Chairman of the Advisory Board of Corsair, Consultant with the Management Committee of Marietton group, Member of the Advisory Committee of Chargeurs and Axian).

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, 2021.

PARTICIPATION IN BOARD COMMITTEES: International Strategy Committee.

NUMBER OF ACCOR SHARES HELD: 1,353.

PRINCIPAL POSITION OUTSIDE ACCOR: Leader of the French political party, Les Républicains, from November 2014 to November 2016.

OTHER POSITIONS HELD AT DECEMBER 31, 2021, WITH COMPANIES CONTROLLED ⁽²⁾ BY ACCOR

None

OTHER POSITIONS HELD AT DECEMBER 31, 2021, WITH COMPANIES NOT CONTROLLED ⁽²⁾ BY ACCOR

• **In France**

- Director of Groupe Lucien Barrière (unlisted company)
- Director and member of the Appointments, Remunerations and CSR Committee of Lagardère SA (listed company)
- Member of the Supervisory Board of Lov Group Invest (unlisted company)
- Chief Executive Officer of SELAS CSC (unlisted company)

• **Outside France**

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 the Bordeaux Hotel School, Christine Serre joined Accor in 1992, where she was initially part of the hotel operations and sales teams in the Distribution Department. She has held several employee representative positions, notably at the European Works Council and France Group Works Council levels. After serving as Project Manager within the Top Line Southern Europe Department, 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, 2021, WITH COMPANIES CONTROLLED ⁽¹⁾ BY ACCOR

None

OTHER POSITIONS HELD AT DECEMBER 31, 2021, 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. In 2015, she was appointed Group General Secretary, and a member of the Executive Committee, of the Thales Group, in charge of the Governance, Ethics & compliance, CSR, Legal, Audit, risks & internal control and Safety functions. Isabelle Simon is a graduate of Sciences Po Paris, HEC and Harvard Law School. She also holds a DEA postgraduate diploma in English and North American business law from Paris I Panthéon-Sorbonne and a DESS postgraduate diploma in international taxation from the Université Jean Monnet. She is also a qualified lawyer, and has been admitted to the Paris Bar and the New York Bar.

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, 2021.

PARTICIPATION IN BOARD COMMITTEES: Appointments, Compensation & CSR Committee; Audit, Compliance & Risks Committee.

NUMBER OF ACCOR SHARES HELD: 1,000.

PRINCIPAL POSITION OUTSIDE ACCOR: Group General Secretary, member of the Executive Committee, Thales Group.

OTHER POSITIONS HELD AT DECEMBER 31, 2021, WITH COMPANIES CONTROLLED ⁽²⁾ BY ACCOR

None

OTHER POSITIONS HELD AT DECEMBER 31, 2021, WITH COMPANIES CONTROLLED ⁽²⁾ BY THALES

- | | |
|---|---|
| <ul style="list-style-type: none"> • In France <ul style="list-style-type: none"> • Member of the Supervisory Board of Thales Alenia Space SAS (unlisted company) • Director of Thales Corporate Ventures (unlisted company) • Director of the Thales Solidarity endowment fund | <ul style="list-style-type: none"> • Outside France <ul style="list-style-type: none"> • President of Gemalto Holding B.V. (unlisted company) |
|---|---|

OTHER POSITIONS HELD AT DECEMBER 31, 2021, WITH COMPANIES NOT CONTROLLED ⁽²⁾ BY THALES

None

FORMER POSITIONS HELD IN THE PAST FIVE FISCAL YEARS

- | | |
|--|---|
| <ul style="list-style-type: none"> • In France <ul style="list-style-type: none"> • Director of the Thales Foundation • Director of Neopost | <ul style="list-style-type: none"> • Outside France <ul style="list-style-type: none"> • None |
|--|---|

(1) Based on the independence criteria set out in the AFEP-MEDEF Code.
 (2) Within the meaning of Article L. 233-16 of the French Commercial Code.



Sarmad Zok

Director

BORN
August 9, 1968

NATIONALITY
Lebanese & British

BIOGRAPHY - PROFESSIONAL EXPERIENCE

Sarmad Zok is Chief Executive Officer of Kingdom Hotel Investments (UK) Ltd, 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, 2021.

PARTICIPATION IN BOARD COMMITTEES: International Strategy Committee; Appointments, Compensation & CSR Committee; Commitments Committee.

NUMBER OF ACCOR SHARES HELD: 70,000.

PRINCIPAL POSITIONS HELD OUTSIDE ACCOR: CEO of Kingdom Hotel Investments (UK) Ltd and Non-Executive Board Director of Kingdom Holding Company.

OTHER POSITIONS HELD AT DECEMBER 31, 2021, WITH COMPANIES CONTROLLED ⁽¹⁾ BY ACCOR

None

OTHER POSITIONS HELD AT DECEMBER 31, 2021 WITH COMPANIES CONTROLLED ⁽¹⁾ BY KINGDOM HOTEL INVESTMENTS AND KINGDOM HOLDING COMPANY

• **In France**

None

• **Outside France**

- Chairman and Chief Executive Officer of Kingdom Hotel Investments (unlisted company) - Cayman Islands
- Member of the Board of Kingdom Holding Company (listed company) - Saudi Arabia
- Member of the Board of Kingdom 5-KR-35, Ltd (unlisted company) - Cayman Islands
- Member of the Board of Kingdom Hotels (Europe) Ltd (unlisted company) - Dubai International Financial Centre
- Manager A (Member of the Board) of Shercock Sarl (unlisted company) - Luxembourg
- Manager B (Member of the Board) of Hotel George V BV (unlisted company) - The Netherlands

OTHER POSITIONS HELD AT DECEMBER 31, 2021, WITH COMPANIES NOT CONTROLLED ⁽¹⁾ BY KINGDOM HOTEL INVESTMENTS OR KINGDOM HOLDING COMPANY

• **In France**

None

• **Outside France**

- Member of the Board of Blackrock Frontiers Investment Trust Plc (unlisted company) - United Kingdom
 - Member of the Board of Four Seasons Holdings Inc. (unlisted company) - Canada
-

FORMER POSITIONS HELD IN THE PAST FIVE FISCAL YEARS

• **In France**

None

• **Outside France**

- Member of the Board of Yotel Investments Limited - British Virgin Islands
 - Member of the Board of Kingdom 5-KR-59, Ltd. - Cayman Islands
 - Member of the Board of FRHI Holdings Limited - Cayman Islands
 - Chairman of Kingdom Beirut SAL – Lebanon
 - Member of the Board of Mövenpick Hotels and Resorts Management AG - Switzerland
-

(1) Within the meaning of Article L. 233-16 of the French Commercial Code.

To the best of the Company's knowledge, and except as set forth below, in the last five years no director or executive officer has (i) been convicted of any fraudulent offense; (ii) been a member of the administrative, management or supervisory body of a company that has been declared bankrupt, or placed in liquidation or receivership; or (iii) been the subject of any official public incrimination and/or sanctions by statutory or regulatory authorities.

To the best of the Company's knowledge, in the last five years no director or executive officer has been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

In the context 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 affect Nicolas Sarkozy's ability to perform his duties as Director of the Company.

4.2.2 Directors' selection procedure

The procedure for selecting the Company's directors is described in the table below:

	Independent directors	Directors proposed by shareholders	Directors representing employees	
			1 st director representing employees	2 nd director representing employees
Identification of needs	<p>On an annual basis, definition by the Appointments, Compensation & CSR Committee (the "Committee") of profiles sought-after in consideration of:</p> <ul style="list-style-type: none"> the terms that will expire, the principles and objectives set out in the Board of Directors' diversity policy (in terms of skills nationality, gender, and independence), and any other issues that may have been raised in the course of the Board's assessment 	Proposal by the shareholders to be represented and Review of this proposal by the Committee	Appointment by the majority Trade Union	Appointment by the European Works Council
Candidate search	<ul style="list-style-type: none"> 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 			
Recruitment	<ul style="list-style-type: none"> 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 			
Selection	Selection by the Board of Directors based on the Committee's recommendations, with the latter made specifically to meet certain needs and match the desired profiles			
Approval	Approval of the appointment or ratification of the co-option by the Shareholders' Meeting	Approval of the appointment by the Shareholders' Meeting		

In 2021, the Appointments, Compensation & CSR Committee reviewed the list of directors whose terms of office were to expire in 2022. In this context, and in light of Sophie Gasperment's decision not to seek another term, the Appointments, Compensation & CSR Committee worked to define the needs and the type of background required to meet the Board's diversity objectives. With the help of an external firm, the Committee identified several candidates with particular skills in the areas of digital technologies and, after having interviewed several candidates, recommended that the

Board of Directors appoint H el ene Auriol Potier. This appointment will be submitted for approval at the next Shareholders' Meeting.

In addition, the term of the director representing employees, Chantale Hoogstoel, expired on January 11, 2021. The European Works Council, in accordance with the Company's Bylaws, therefore appointed Christine Serre as her replacement for a three-year term starting on January 27, 2021.

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, operational business management and the luxury market, 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.

As of the end of December 2021:

- six of the Board members are women, including the two directors representing employees, and the Vice-Chairman and Senior Independent Director is a woman;
- the Audit, Compliance & Risks Committee and the Appointments, Compensation & CSR Committee are both chaired by independent directors, who are women;
- a director representing employees participates in the work of the Board and of the Appointments, Compensation & CSR Committee;
- five 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 was over 90% in 2021.

*Skills mapping of Board members
 as of December 31, 2021*

7 HOSPITALITY

Experience in the hotel or broader hospitality industry.

6 INTERNATIONAL

Extended relevant experience acquired in sales and marketing positions in various regions or as an executive responsible for overseeing multinational operations.

3 BRANDS AND MARKETING

Experience enhancing the value of brands and products, leveraging client intelligence.

5 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).

5 LUXURY

Experience working for companies in the luxury industry.

3 DIGITAL

Recent experience or expertise in developing and deploying digital strategies, experience working in digital-driven companies.

5 nationalities

- French
- German
- British
- Lebanese
- Qatari

60%
*of directors
 are independent ⁽¹⁾*

OBJECTIVE

50% of directors to be independent, in accordance with the AFEP-MEDEF Code

40%
*of Board
 directors are women ⁽¹⁾*

OBJECTIVE

Proportion of directors of each gender to be at least at **40%**

(1) Directors representing employees are not taken into account for the calculation of the percentage of independent directors or the gender diversity rate.

4.2.4 Directors' independence

As of December 31, 2021, 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 & 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 18, 2022, the Appointments, Compensation & CSR Committee reviewed the independent director status of the members of the Board of Directors.

In particular, the Board of Directors focused 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 year with the companies in which the directors hold executive positions. It then compared those amounts with the Group's revenue and equity for 2021. 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 2021, Accor did not have any business relationships with the companies in which Sophie Gasperment, 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 General Secretary 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 as a Director of the Company. 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 23, 2022, the Board confirmed that Sophie Gasperment, Qionger Jiang, Iris Knobloch, Isabelle Simon, Nicolas Sarkozy and Bruno Pavlovsky qualify as independent directors.

(1) In accordance with the AFEP-MEDEF Code, in public limited companies with a Board of Directors, this concept covers the Chairman and Chief Executive Officer, the Chief Executive Officer and the Deputy Chief Executive Officer(s).

(2) Or be linked directly or indirectly to these persons.

Independence criteria applied

	Not to be/ have been an employee or executive officer of the Company ⁽¹⁾	No cross- directorships ⁽¹⁾	No material business relationships with the Company	No family ties with 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
Sheikh Nawaf Bin Jassim Bin Jabor Al-Thani	√	√	√	√	√	√		√
Aziz Aluthman Fakhroo	√	√	√	√	√	√		√
Sébastien Bazin		√	√	√	√	√	√	
Iliane Dumas ⁽³⁾		√	√	√	√	√	√	√
Sophie Gasperment	√	√	√	√	√	√	√	√
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, for 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' Bylaws, which describe the operating procedures of the Board Committees.

The Board met eleven times in 2021. 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 93% (97% in 2020).

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.

In addition to the duties required by law and the Company's Bylaws, the Board of Directors 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 2021, the Board of Directors' work included:

- reviewing developments in the health crisis and its impacts on both the Group's and the sector's activities;
- monitoring implementation of specific measures within the Group to address the health crisis under Accor's emergency plan;
- deciding not to propose to pay shareholders a dividend for the second consecutive year, in view of the ongoing global health crisis that has had a significant adverse impact on the hotel sector;
- monitoring the activities of the ALL Heartist fund;
- monitoring implementation of the "RESET" permanent cost savings plan;
- approving the sale of part of the Company's stake in Huazhu Group;
- approving the proposed creation of the Accor Acquisition Company, a special purpose acquisition vehicle of which Accor is a sponsor;

- authorizing the issue of a bond in the form of one or more senior bond issues, including any issue of bonds indexed to sustainable development goals (Sustainability-Linked Bonds);
- monitoring the completion of transactions authorized in fiscal 2020 and implemented in fiscal 2021, including the creation of the Lifestyle platform Ennismore;
- authorizing the signature of a shareholders' agreement in the perspective of the acquisition of a stake in Worklib SAS;
- monitoring implementation of the ALL-Accor Live Limitless loyalty program; and
- approving the 2020 parent company and consolidated financial statements and the 2021 interim financial statements.

The Board's work in the governance sphere included:

- approving the appointment of H  l  ne Auriol Potier as independent director to succeed Sophie Gasperment, whose term expires at the close of the 2022 Annual Shareholders' Meeting (Sophie Gasperment did not wish to seek another term);
- reviewing the membership of the Board Committees;
- reviewing the independence criteria set out in the AFEP-MEDEF Code and confirming the independence of certain Board members;
- reviewing the succession plan for the Chairman and Chief Executive Officer;
- deciding on the variable compensation payable to the executive officer of the Company for fiscal 2020;
- being informed of and discussing the Company's CSR strategy; and
- proposing to the Annual Shareholders' Meeting the compensation policy for the executive officer and directors for the year 2021.

The Board of Directors continued to receive updates from the different Committees throughout the fiscal year.

Lastly, the Board called the Annual Shareholders' Meeting, held behind closed doors due to the health crisis, 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 periodically performs a formal assessment of its operations and those of its Committees. Every three years, it also conducts a formal assessment with the assistance of an external consultant. The Company uses the assessment report to draw up an action plan aimed at enhancing the Board of Directors' operating procedures.

During the first quarter of 2021, the Board of Directors carried out a new formal assessment of its operations and those of its Committees with the assistance of an external consultant. This assessment was based on a documentary analysis and on the results of interviews conducted with all directors, under the supervision of the Vice-Chairman and Senior Independent Director and the Chair of the Appointments, Compensation & CSR Committee. This external review covers both the overall operations of the Board and its Committees and each director's individual contribution.

The Board of Directors reviewed the findings at its meeting on February 23, 2021. The results of this assessment were presented in section 3.3.2 of the 2020 Universal Registration Document.

During the first quarter of 2022, the Board of Directors launched an internal assessment of its operations and those of its Committees. This assessment was performed on the basis of a questionnaire prepared by the Board Secretary and circulated to all directors, who may also request a meeting with the Vice-Chairman on any topic they wish.

The Board of Directors will review the conclusions of this assessment and will adopt an action plan consequently.

4.3.3 *Minimum shareholding requirement and preventing conflicts of interest*

Pursuant to Article 12 of the Company's Bylaws, all directors, with the exception of the directors representing employees, are required to hold at least 1,000 of the Company's registered shares. 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, two-thirds of the fees paid to directors must be based on their attendance record (formerly attendance fees).

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 an usual agreement entered into on an arm's length basis.

The Board also adopted an internal Charter relating to the qualification and regular assessment of agreements, 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 an annual statement disclosing any and all direct or indirect ties they have with any Group companies, their executives or their competitors, clients, partners or suppliers.

Under the terms of Article 9 of its Bylaws (presented in Appendix A), and in addition to the statement hereabove mentioned, 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 or the corresponding section in the minutes of the Board meeting.

In addition, directors adhere to the Board of Directors Code of Conduct (presented in Appendix B), which defines the scope of their duty of diligence, discretion and confidentiality, and specifies the rules applicable to trading in the Company's securities.

At its meeting of February 23, 2022, the Board of Directors reviewed the related-party agreements approved during 2021 as well as those approved in prior fiscal years that remained in force in 2021 in application of the procedure provided for in Article L. 225-38 et seq. of the French Commercial

4.3.4 Assessment of agreements entered into in the usual course of business and under normal conditions

In accordance with the provisions of Article L. 22-10-12 of the French Commercial Code, the Board of Directors adopted an internal Charter relating to the qualification and regular assessment of agreements.

This Charter sets out the regulatory framework applicable to the qualification of related-party agreements and agreements entered into in the usual course of business and under normal conditions ("Usual Agreements").

For the regular assessment of Usual Agreements, the procedure is as follows: every year, the Group Legal Department draws up a list of current Usual Agreements. The Group Legal Department, in collaboration with the Group Finance Department, then reviews this list to confirm that the conditions necessary to qualify Usual Agreements 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 subsequently believe that an agreement on the list of Usual Agreements should be treated as a related-party agreement, the Audit, Compliance & Risks 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 provided for 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 May 26, 2021. This review did not result in the reclassification of any Usual Agreements as related-party agreements.

4.3.5 Board Committees

Board discussions and decisions in certain areas are prepared by specialized Board Committees made up of directors appointed by the Board for the duration of their term of office. These Committees examine matters falling within their scope, as well as any matters referred to them for consideration by the Chairman and Chief Executive Officer. They report regularly to the Board 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 specialized Committees.

In accordance with Article 6 of the Board of Directors' Bylaws (presented 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' Bylaws.

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 2021

Director	Board	Audit, Compliance & Risks Committee	Commitments Committee	Appointments, Compensation & CSR Committee	International Strategy Committee
Aziz Aluthman Fakhroo	91%	100%	100%	100%	-
Sébastien Bazin	100%	-	-	-	-
Sheikh Nawaf Bin Jassim Bin Jabor Al Thani	91%	-	-	-	100%
Iliane Dumas	100%	-	-	100%	-
Sophie Gasperment	91%	100%	-	100%	-
Qionger Jiang	73%	-	-	-	0% ⁽²⁾
Iris Knobloch	100%	100%	100%	100%	100%
Bruno Pavlovsky	91%	75%	-	80%	-
Nicolas Sarkozy	82%	-	-	-	100%
Christine Serre ⁽¹⁾	100%	-	-	-	-
Isabelle Simon	100%	100%	-	80%	-
Sarmad Zok	100%	-	100%	100%	100%

(1) Director whose term began on January 27, 2021.

(2) Only one meeting of the International Strategy Committee was called in fiscal 2021. This meeting was held in person and Qionger Jiang was unable to attend due to the travel restrictions in effect at the time.

4.4 Board Committees

4.4.1 Audit, Compliance & Risks Committee

Information at December 31, 2021

5
**Number
of directors**

80%
**Percentage
of independent
directors**

4
**Number of meetings
in 2021**

95%
**Average Committee
attendance rate
in 2021**

Composition of the Committee

The Audit, Compliance & Risks Committee comprises five members, four of whom being qualified by the Board as independent:

- Isabelle Simon ⁽¹⁾, Chairman,
- Aziz Aluthman Fakhroo,
- Sophie Gasperment ⁽¹⁾,
- Iris Knobloch ⁽¹⁾, and
- Bruno Pavlovsky ⁽¹⁾,

all having the necessary technical knowledge to fulfill their duties on this Committee. The Company believes that, based on their training and professional experience ⁽²⁾, whether in investment banking and senior management of international groups or Ministries of Finance, the members of this Committee have the required financial and accounting expertise.

Thus, in accordance with the provisions 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.

The 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 end 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' Bylaws, which can be found in Appendix A.

Work of the Committee in 2021

During its meetings in 2021, 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;
- updated the internal Charter on the periodic qualification and evaluation of related-party agreements;
- 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 cybersecurity 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 & CSR Committee

Information at December 31, 2021

7
**Number
of directors**

67%
**Percentage
of independent
directors ⁽¹⁾**

5
**Number of meetings
in 2021**

94%
**Average Committee
attendance rate
in 2021**

Composition of the Committee

The Appointments, Compensation & CSR Committee comprises seven members, four of whom being qualified by the Board as independent:

- Sophie Gasperment ⁽²⁾, Chairman,
- Aziz Aluthman Fakhroo,
- Iliane Dumas ⁽³⁾,
- Iris Knobloch ⁽²⁾,
- Bruno Pavlovsky ⁽²⁾,
- Isabelle Simon ⁽²⁾, and
- Sarmad Zok.

Thus, in accordance with the provisions of the AFEP-MEDEF Code:

- the Committee is chaired by an independent director;
- the Committee includes a director representing employees; and
- the Committee consists mostly of independent directors.

Roles and responsibilities of the Committee

The roles and responsibilities of the Appointments, Compensation and CSR Committee are defined in the Board of Directors' Bylaws, which can be found in Appendix A.

Work of the Committee in 2021

During its meetings in 2021, 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 2021 long-term incentive plan (performance shares) and the mechanisms for employee share ownership;
- proposed to the Board the establishment of a free share plan not subject to performance conditions, benefiting to certain employees (but not to the executive officer) with a view to talent retention;

- reviewed the compensation policy for the executive officer as well as the conditions set for the performance share plans;
- reviewed the compensation policy for directors as well as the allocation of their compensation (formerly defined as directors' fees);
- defined the profile of the director to be sought following Sophie Gasperment's decision not to be proposed for renewal. The Committee appointed an external consultant to carry out this search and examined in detail the various candidates in the light of the diversity objectives defined, and in particular in consideration of the mapping of the desired skills within the Board. The Committee therefore proposed to the Board that it should retain the candidacy of Mrs. H  l  ne Auriol Potier as a Director, whose appointment will be proposed to the shareholders at the 2022 Annual Shareholders' Meeting, in particular thanks to her skills in the fields of technology and digital;
- reviewed the independence criteria for directors;
- initiated, organized and discussed the results of a formal assessment process of the Board of Directors and its Committees, and proposed an action plan to the Board;
- was informed of and discussed the CSR strategy and reviewed the Company's CSR initiatives during a dedicated session and throughout the year;
- reviewed the Company's gender diversity policy, objectives and action plan proposed;
- reviewed and discussed the Group's talent management policy and the mechanisms put in place to attract and retain talents;
- performed the annual review of related-party agreements approved in prior years that remained effective in 2020; and
- monitored the application of the recommendations contained in the AFEP-MEDEF Code.

In December 2021, the Appointments, Compensation & 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, 2021

3
**Number
of directors**

33%
**Percentage
of independent
directors**

5
**Number of meetings
in 2021**

100%
**Average Committee
attendance rate
in 2021**

Composition of the Committee

The Commitments Committee comprises three members, one of whom being qualified by the Board as independent:

- Aziz Aluthman Fakhroo, 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' Bylaws, which can be found in Appendix A.

Work of the Committee in 2021

In 2021, the Commitments Committee primarily:

- reviewed the creation of the Lifestyle platform Ennismore;
- reviewed the investment made by Accor as a sponsor of the Accor Acquisition Company special purpose acquisition company;
- reviewed the proposed issue of bonds indexed to sustainable development goals (Sustainability-Linked Bonds);
- monitored the performance of AccorInvest, in which the Company has a 30% shareholding interest;
- 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, 2021

5
**Number
of directors**

60%
**Percentage
of independent
directors**

1
**Number of meetings
in 2021**

80%
**Average Committee
attendance rate
in 2021**

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,
- Sheikh Nawaf Bin Jassim Bin Jabor Al-Thani,
- Qionger Jiang ⁽¹⁾,
- Iris Knobloch ⁽¹⁾, and
- Sarmad Zok.

Other directors may be invited to attend any and all meetings 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' Bylaws, which can be found in Appendix A.

Work of the Committee in 2021

In 2021, the International Strategy Committee discussed international current affairs and their impact over the Group's operations, including challenges related to the inflation, the situation of the United States and the influence of the European Union on the international stage.

⁽¹⁾ Independent director.

4.5 Executive officers' compensation

4.5.1 2022 Compensation policy for the Chairman and Chief Executive Officer

The Chairman and Chief Executive Officer of the Company serves a three-year term. The Board of Directors may end the Chairman and Chief Executive Officer's term of office at any given moment.

Sébastien Bazin was re-elected as Director and Chairman and Chief Executive Officer on June 30, 2020. The Board of Directors took this opportunity, at its February 19, 2020 meeting, to review and revise his compensation package for the duration of his term, in order to align it with market practices and link it even more closely to the Group's performance.

The compensation policy of the Chairman and Chief Executive Officer is determined by the Board of Directors, on the recommendation of the Appointments, Compensation & CSR Committee.

In determining this policy, the Board constantly ensures that it complies with the principles of comprehensiveness, consistency with the company's other executives and employees' compensation policy, comparability, motivation, comprehensibility of the rules and measurement, while ensuring that a balance is maintained between the compensation packages.

By setting up incentives to reward performance, based on demanding criteria geared to value creation, the compensation policy for executive directors is consistent with the interests of the Company and its shareholders, and with the Group's business strategy. The long-term compensation system enables executive officers like all beneficiaries, to share in the capital, with all the risks that this entails, but also aims to build loyalty and encourages sustainable performance.

In making its recommendations, the Appointments, Compensation & CSR Committee relies in particular on studies conducted by external consultants on the practices of 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 the recommendations of the AFEP-MEDEF and the AMF, and to account for shareholder

feedback, if any. This policy is then submitted for shareholder approval at the Annual Shareholders' Meeting. If it is not approved, the most recent compensation policy approved by the Annual Shareholders' Meeting remains in force.

In addition, the Appointments, Compensation & CSR Committee regularly reviews the proper application of the compensation policy adopted by the Shareholders' Meeting. Consequently, fixed, variable and long-term compensation principles, criteria and targets are analyzed by the Appointments, Compensation & 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 Appointments, Compensation & CSR Committee undertake to prevent and manage any conflicts of interest that may arise, in particular with respect to the compensation decision-making process. To this end, the Appointments, Compensation & CSR Committee is composed of a majority of independent directors as well as a Director representing employees. Lastly, in accordance with the provisions of the Board of Directors' Bylaws, the Chairman and Chief Executive Officer shall not participate in the discussions or voting on any item relating to his compensation package.

The measures taken by the Company to prevent conflicts of interest are outlined in section 4.3.3 of this Universal Registration Document.

On February 23, 2022, based on the recommendation of the Appointments, Compensation & CSR Committee, the Board of Directors decided to leave the principles of the current compensation policy for the Chairman and Chief Executive Officer substantially unchanged.

The components of 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 2022, 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 and qualitative objectives (for 80% and 20%, respectively) set by the Board of Directors, as explained below. Each quantitative objective, depending on the achievement rate, triggers the payment of between 0% and 160% of the share of variable compensation it represents. Each qualitative objective, depending on the achievement rate, triggers the payment of between 0% and 120% of the share of variable compensation it represents.

For 2022, the annual variable compensation will represent between 0% and 150% of a gross reference amount set at €1,250,000, equivalent to between 0% and 197% of his annual fixed compensation (amount and percentage unchanged since January 1, 2016). If his variable compensation reaches 100% of the reference amount, this will represent 132% of his annual fixed compensation.

On February 23, 2022, the Board has decided that Sébastien Bazin's annual variable compensation will be based on the achievement of the following performance objectives:

1. quantitative objectives (accounting for 80% of the total):

- Financial criteria (50% weighting):
 - consolidated EBITDA in line with the 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).

The Board of Directors, on the recommendation of the Appointments, Compensation & CSR Committee, decided to increase the weighting of the "ESG criteria" objective (formerly the "combination of criteria") from 10% to 15% to better reflect the impact of ESG issues in the Group's strategy. It also decided to replace the "ALL Safe rollout" health and safety criterion, which was very closely tied to hotel reopenings after the Covid-19 crisis, by new ESG criteria that are more relevant and in line with the commitments publicly disclosed by the Group (elimination of plastic, reduction of carbon emissions..).

On March 16, 2022, the Board of Directors, on the recommendation of the Appointments, Compensation & CSR Committee, decided to set the composition of the ESG criteria as follows:

- percentage of managed and franchised hotels that have eliminated single-use plastics from the guest experience (except disposable water bottles) on December 31, 2022 (5% weighting);
- percentage of women on Management Committees worldwide on December 31, 2022 (5% weighting);
- percentage of managed and franchised hotels with a carbon measurement tool in place by the end of 2022 (5% weighting).

The expected level of achievement of these new ESG criteria has been precisely set. The targets are as follows:

- For the criterion relating to the removal of plastics, the target has been set at 80% of managed and franchised hotels complying with this ambition (compared to 34 % by the end of 2021).
- For the criterion relating to the percentage of women on Management Committees worldwide, the target has been set at 39%.
- For the criterion relating to the percentage of managed and franchised hotels with a carbon measurement tool in place, the target has been set at 60%.

The respective weightings of the "EBITDA" and "RESET savings" quantitative objectives have thus been revised accordingly, to account not only for the change in the weighting of the "ESG criteria" objective but also for the reduction in the weighting of the "RESET savings" objective from 30% to 15%. The latter remains a relevant criterion but has become less important in a more stable post-pandemic environment and because the RESET plan itself was largely implemented in 2021. In any event, the overall weighting of the financial criteria remains high.

2. qualitative objective (accounting for 20% of the total):

- Agility and operational adaptation of the model and talent development (20% weighting)

The Board of Directors, on the recommendation of the Appointments, Compensation & CSR Committee, decided to replace the qualitative objectives of "crisis exit strategy and management of the team through the exit", with a 10% weighting and "operational excellence of the organization and talent development", with a 10% weighting, with a single "agility and operational adaptation of the model and talent development" criterion, with a 20% weighting.

After implementing a new operational organization at the end of 2020, the Board of Directors decided, against the backdrop of the post-pandemic business recovery and significant talent retention challenges, to emphasize the need to adapt the organization.

The fixed compensation, the target amount and the structure of the annual variable compensation have remained unchanged since January 1, 2016. However, it should be noted the reduction in the Chairman and Chief Executive Officer's fixed compensation for the period from April 1 to December 31, 2020, in the context of the health crisis stemming from the Covid-19 pandemic.

Criteria and weighting of the variable components of the Chairman and Chief Executive Officer's compensation

Quantitative objectives	Weighting	% of the Reference Amount		
		Min	Target	Max ⁽¹⁾
Actual versus budgeted consolidated EBITDA for 2022	25%	0%	25%	40%
Actual versus budgeted free cash flow (excluding disposals and acquisitions) after change in operating working capital for 2022	10%	0%	10%	16%
Actual versus budgeted RESET savings for 2022	15%	0%	15%	24%
Actual versus budgeted organic growth in the number of rooms (net of transfers to another banner) for 2022	15%	0%	15%	24%
Percentage of managed and franchised hotels that have eliminated single-use plastics from the guest experience (except for disposable water bottles)	5%	0%	5%	8%
Percentage of women on Management Committees worldwide	5%	0%	5%	8%
Percentage of managed and franchised hotels with a carbon measurement tool in place	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.

Qualitative objective	Weighting	% of the Reference Amount		
		Min	Target	Max ⁽¹⁾
Agility and operational adaptation of the model 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%	132%	197%

(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 2022 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 2023 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 23, 2022, based on recommendations put forward by the Appointments, Compensation & CSR Committee, the Board of Directors decided to maintain the cap on the number of performance shares that may be granted to the Chairman and Chief Executive Officer at a number equivalent to 250% 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 granted to all employees, under the resolution which authorized the grant of the performance shares, valid for a period of 38 months.

In addition to the requirement that the Chairman and Chief Executive Officer continues to be employed by the Group at the end of the three-year vesting period, these performance shares shall only vest in accordance with the 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, based on recommendations put forward by the Appointments, Compensation & CSR Committee, decided to include a "reduction in the carbon footprint" condition, with a 20% weighting, in order to diversify the performance conditions (beyond financial criteria), balance the economic performance requirements with those of the environmental and societal commitment, and align with the practices of companies of comparable size (even though, to date, our main hotel peers are not yet following this practice). Furthermore, in the long term, the ESG issues are in line with the plans' performance condition measurement periods (three years). Lastly, in order to take account for the inclusion of this new criterion, the weighting of the other performance conditions has been revised accordingly.

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** in the event of job loss. 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 from the thirty-first consecutive day of unemployment. The maximum

This new ESG criterion concerns carbon emissions divided into three scopes (source: GHG Protocol):

Scope 1: concerns direct (on-site) greenhouse gas emissions from energy sources owned or controlled by the managed hotels.

Scope 2: refers to indirect (off-site) greenhouse gas emissions from energy consumption owned or controlled by the managed hotels, including electricity consumption, heating and district cooling.

Scope 3: concerns indirect greenhouse gas emissions from energy production upstream of the sites and from goods and services purchased (food and drink, outsourced laundry) for the managed hotels, as well as direct and indirect emissions from the energy consumption of the franchised hotels.

A first target (for 10%) is to achieve a 21% reduction in carbon emissions by the end of 2024 for scope 1 and scope 2 and a second target (for 10%) is to achieve a 12.5% reduction in carbon emissions for scope 3 by the end of 2024. These targets have been set on a trajectory in line with the Group's 2030 carbon reduction ambition.

The achievement rates have been set for the other internal criteria 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.

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%.

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 254).

This compensation policy does not include a mechanism for restitution of the variable compensations (annual variable compensation and long-term).

length of time that Sébastien Bazin could be paid benefits under the plan is 24 months, and the total amount of benefits is capped at €411,360 (based on the applicable rate for 2022).

(iii) A maximum of 100 hours of financial advisory services per year provided by an external company.

(iv) **Supplementary pension benefits:**

- A **defined contribution plan**, formerly an "Article 83" plan, which was converted in 2021 into a **mandatory retirement savings plan (plan d'épargne retraite obligatoire – PERO)** under the conditions described in section 4.5.3 of this Universal Registration Document.

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 mandatory retirement savings plan (*plan d'épargne retraite obligatoire* – PERO). He will 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 participation in the plan. The annual contribution paid by the Company will represent 8% of his gross annual compensation for the previous year, capped at eight times the PASS.

However, in the case of Sébastien Bazin, the Board of Directors may decide to cancel the benefit of this plan.

• **A "L. 137-11-2" defined benefit plan under Article L.137-11-2 of the French Social Security Code**

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.

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 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 determine the pension annuity that will ultimately be received.

Based on recommendations put forward by the Appointments, Compensation & CSR Committee, the Board of Directors decided to make payment of the annuity payable under the "L. 137-11-2" supplementary defined benefit plan subject to the following two performance conditions:

- actual versus budgeted consolidated EBITDA (50% weighting);
- actual versus budgeted free cash flow (excluding disposals and acquisitions) after change in operating working capital (50% weighting).

Benefit entitlements vest in full if the performance conditions are at least 75% met (below 75%, the vested entitlement is calculated on a straight-line basis). Each year, these performance conditions and their achievement rates are reviewed and approved by the Board of Directors.

The vested entitlement 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 length of service and compensation conditions.

However, in the case of Sébastien Bazin, the Board of Directors may decide to cancel the benefit of this plan.

Sébastien Bazin may also continue to be covered by the previous "Article 39" defined benefit 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 Sébastien Bazin, the Board of Directors may decide to cancel the benefit of this plan.

- (v) **Compensation for loss of office:** the Board of Directors decided that the compensation payable to the Chairman and Chief Executive Officer in the event of loss of office would be equal to twice the aggregate amount of his fixed and variable compensation due for the fiscal year preceding that of the loss of office. This termination benefit would only be payable if (i) the performance criteria set by the Board of Directors are met, and (ii) his departure is involuntary, i.e., if Mr. Bazin's term of office as Chairman and Chief Executive Officer is terminated (except in the event of gross or willful misconduct) or if he is not re-elected as a director. It would not be payable if Mr. Bazin resigns or decides not to stand for re-election as a director, if he moves to a new position within the Group, or if he would be able to claim his full-rate pension within a short period of time.

The performance criteria applicable to the termination benefit are as follows:

- 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.

(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.

Compensation as a member of the Board of Directors (Directors' fees)

The Chairman and Chief Executive Officer does not receive any compensation as a member of the Company's Board of Directors (formerly named Directors' fees).

Adjustment to the compensation policy

The Board of Directors decided, in the context of uncertainty and lack of visibility associated with the current health crisis, including its length and its impact on the Group's activities, to provide that it may change the criteria and objectives applicable to the short- and long-term variable components of the Chairman and Chief Executive Officer's compensation if these criteria and objectives appear to be inappropriate or irrelevant, following what may be planned by Management for all Group employees.

This would allow the Board of Directors, if necessary, to take more directly into account the impact of the Covid-19 pandemic, in particular on the Group's EBIT, and to more directly align the criteria and objectives with the Group's activities and challenges during this period.

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 & CSR Committee. This possibility of adjustment is different from the one provided for in section L.22-10-8, III, 2° of the French Commercial Code.

Any use of these provisions by the Board of Directors will be disclosed as necessary.

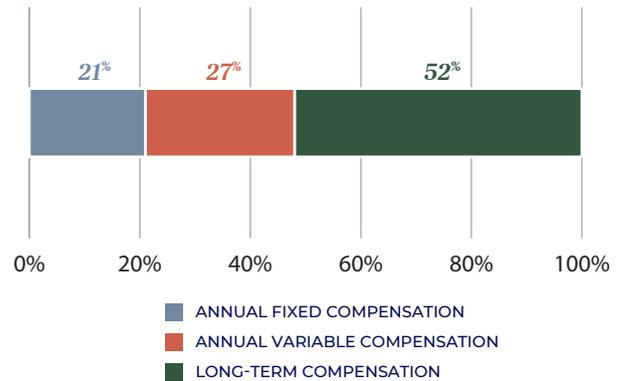
Summary of the overall structure of the Chairman and Chief Executive Officer's compensation package

Components	Criteria and objectives	Amount/Weighting
Annual fixed compensation	<p>Determined by the Board of Directors based on the recommendation of the Appointments, Compensation & CSR Committee, taking into account:</p> <ul style="list-style-type: none"> • his experience; • his responsibilities; • market practices. 	<p>€950,000 Unchanged since January 1, 2016 ⁽¹⁾</p>
Annual variable compensation	<p>Annual variable compensation that varies depending on performance in relation to the following objectives:</p> <p>Quantitative objectives (accounting for 80% of the annual variable compensation):</p> <ul style="list-style-type: none"> • financial objectives (actual versus budgeted consolidated EBITDA for 2022, actual versus budgeted free cash flow (excluding disposals and acquisitions) after change in operating working capital for 2022, actual versus budgeted RESET savings for 2022); • non-financial objectives (organic growth in the number of rooms (net of transfers to another banner) in line with the 2022 budget, ESG criteria: percentage of managed and franchised hotels that have eliminated single-use plastics from the guest experience (except disposable water bottles), percentage of women on Management Committees worldwide and percentage of managed and franchised hotels with a carbon measurement tool in place). <p>Qualitative objective (accounting for 20% of the annual variable compensation):</p> <ul style="list-style-type: none"> • agility and operational adaptation of the model and talent development 	<p>The annual variable compensation will represent between 0% and 150% of a reference amount set at €1,250,000, and will therefore be equivalent to between 0% and 197% of his annual fixed compensation</p> <p>Each quantitative objective, depending on the achievement rate, may trigger the payment of between 0% and 160% of the share of variable compensation it represents</p> <p>This qualitative objective may trigger the payment of between 0% and 120% of the share of variable compensation it represents</p>
Long-term components	<p>Performance shares, which vest subject to fulfillment of performance conditions decided by the Board of Directors and to continued presence in the Group.</p>	<p>The grants represent a maximum of 250% of annual fixed compensation, determined by the Board of Directors</p>

(1) Given the health crisis and the use of part-time work in 2020, the Board of Directors had accepted the proposal of the Chairman and Chief Executive Officer to reduce his fixed compensation by 25% from April 1 to December 31, 2020.

This compensation policy for the Chairman and Chief Executive Officer will be submitted to the vote of the shareholders at the 2022 Annual Shareholders' Meeting. Payment of the variable and, where applicable, exceptional compensation described in this policy is subject to approval by the Annual Shareholders' Meeting convened to approve the financial statements for fiscal year 2022.

Overall structure of the Chairman and Chief Executive Officer's compensation package for 2022



4.5.2 2022 Compensation policy for Directors

Directors are appointed for a three-year term. Directors elected by the Shareholders' Meeting may be revoked by the Shareholders' Meeting at any time.

The compensation policy for directors is set by the Board of Directors upon recommendation of the Appointments, Compensation & CSR Committee, and within the limit of the maximum amount set by the 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, in addition to the fixed portion of directors' compensation payable to all directors, 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 & 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 restitution of the variable portion of the compensation allocated to directors.

The compensation policy for directors is reviewed annually by the Board of Directors on the recommendation of the Appointments, Compensation & CSR Committee. This policy is then submitted to shareholders for approval at the Annual Shareholders' Meeting.

The compensation policy described above will be submitted to shareholders for approval at the 2022 Annual Shareholders' Meeting.

4.5.3 2021 Compensation of the Chairman and Chief Executive Officer

The compensation paid or awarded to the Chairman and Chief Executive Officer for fiscal 2021 complies with the compensation policy approved by the Annual Shareholders' Meeting of April 29, 2021 in application of Article L. 22-10-8 of the French Commercial Code, as presented in section 3.5.1 of the 2020 Universal Registration Document.

In 2021, the Company did not deviate from the approved compensation policy.

An overview of the fixed, variable and exceptional components of the total compensation and benefits of any kind paid in fiscal 2021 or awarded in respect of that fiscal year to the Chairman and Chief Executive Officer, which will be submitted to the 2022 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 2021.

Fixed and variable compensation

Sébastien Bazin's gross annual **fixed compensation** for fiscal 2021 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):**
 - consolidated EBITDA in line with the 2021 budget (15% weighting);
 - Free cash flow (excluding disposals and acquisitions) after change in operating working capital, in line with the 2021 budget (10% weighting);
 - RESET savings in line with the 2021 budget (30% weighting);
 - net organic growth in the number of rooms (net of transfers to another banner), in line with the 2021 budget (15% weighting),
 - a combination of criteria:
 - rollout of the ALL Safe health and safety program to hotels (5% weighting);
 - percentage of women on Management Committees (5% weighting);
- **qualitative objectives (accounting for 20% of the total):**
 - crisis exit strategy and management of the team through the exit (10% weighting),
 - operational excellence of the new organization and talent development (10% 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 April 29, 2021.

Following an assessment of the degree to which Sébastien Bazin's objectives had been achieved, at its meeting on February 23, 2022 the Board set his variable compensation for fiscal 2021 at €1,420,208, breaking down as:

- **€1,120,208 for the quantitative objectives**, for which the overall achievement rate was 112%. 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 rate. However, it is specified that objectives relating to the budget (EBITDA, Free Cash-Flow (excluding disposals and acquisitions, after change in operating working capital), RESET savings and organic growth in the number of rooms (net of transfers to another banner)), have been achieved or even exceeded. The objectives relating to the ALL Safe rollout and the percentage of women on Management Committees, were partially met.
- **€300,000 for the qualitative objectives**, for which the overall achievement rate was 120%, of which 120% for crisis exit strategy and management of the team through the exit and 120% for operational excellence of the new organization and talent development.

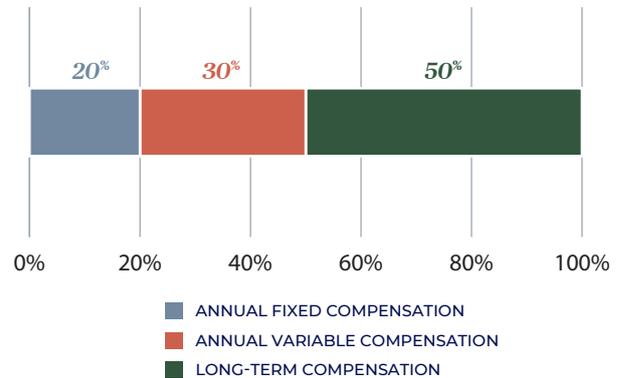
The Board noted Sébastien Bazin's leadership and commitment, as the uncertainty associated with the health crisis had a particularly adverse impact on the Group, as well as his ability to mobilize the teams. The Board also recognized the quality of execution in implementing the new organization and identifying and promoting new talents to support the Group transformation.

Consequently, Sébastien Bazin's variable compensation represents 113.6% of the annual reference amount and 149.5% his fixed compensation for the year.

In addition, the Chairman and Chief Executive Officer has been granted **performance shares**, as presented in section 4.6 of this Universal Registration Document.

No mechanism for restitution of the variable compensation was implemented during the fiscal year.

Overall structure of the compensation received by the Chairman and Chief Executive Officer for 2021



Termination benefits

Compensation payable to Sébastien Bazin in the event of loss of office as Chairman and Chief Executive Officer

The compensation for loss of office that would be payable to the Chairman and Chief Executive Officer is described in section 4.5.1. "2022 Compensation policy for the Chairman and Chief Executive Officer" in the sub-section entitled "Other benefits awarded to the Chairman and Chief Executive Officer".

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 consists of a **defined contribution plan**, formerly an "Article 83" plan, which was converted in 2021 into a **mandatory retirement savings plan (plan d'épargne retraite obligatoire - PERO)** under the conditions described below. It was implemented under Articles L. 242-1 and L. 911-1 of the French Social Security Code and is supplemented with a "**L. 137-11-2**" **defined benefit plan** under Article L. 137-11-2 of the French Social Security Code. Both plans have been re-insured to an accredited organization, to which the relevant contributions are paid.

The **defined contribution plan**, formerly an "Article 83" plan, was converted into a PERO effective July 1, 2021. Under the law of May 22, 2019 on business growth and transformation (the "PACTE" law), the French Order concerning the reform of retirement savings created new retirement savings plans, including the PERO. These new plans are governed by similar rules and are simpler and more flexible for savers. Another impact of this reform was to halt the marketing of the previous plans.

Those eligible for this plan are the Company's executive officer and 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 2021.

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 2021 therefore amounted to €26,327. In accordance with the French Social Security Code, if participants leave the Group before their date of retirement, they will retain the rights accrued under the plan.

The employer's contribution paid by the Company for fiscal 2021 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).

The “**L. 137-11-2**” defined benefit plan under Article L. 137-11-2 of the French Social Security Code was set up by the Company as of 2021 (note that this new plan notably follows the closure of the “Article 39” defined benefit plans from December 31, 2019 and the freeze on potential rights under the plan pursuant to the reform relative to defined benefit plans ushered in by French Order No. 2019-697 of July 3, 2019).

Those eligible for this plan are the executive officer and senior executives with over six months of service and annual reference compensation of more than eight times the PASS, i.e. €329,088 in 2021. For 2021, the year of setting up the plan, a presence condition in the company at the time of the signature of the regulations is required. 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 that will ultimately be received.

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 unbroken day of unemployment.

Based on recommendations put forward by the Appointments, Compensation & 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 2021, 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). 100% of the rights for the year vested based on the performance condition achievement rate were noted by the Board of Directors at its meeting of February 23, 2022.

The rights vesting by Sébastien Bazin for 2021 correspond to a pension annuity amounting to €24,481, i.e. 1.52% of the annual reference compensation for 2021.

Furthermore, 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.

The maximum length of time that Sébastien Bazin could be paid benefits under the plan is 24 months, and the total amount of benefits is capped at €411,360 (based on the applicable rate for 2021).

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 2020 and 2021:

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 2020 (in €)	Fiscal 2021 (in €)
Compensation awarded for fiscal year (see Table 2 for details)	1,434,224	2,407,557
	including variable compensation of 625,000	including variable compensation of 1,420,208
Value of multi-year variable compensation awarded during the fiscal year	-	-
Value of stock options granted during the fiscal year	-	-
Value of performance shares granted during the fiscal year (see Table 11 for details) ⁽¹⁾	2,375,002	2,374,972
Value of other long-term compensation plans	-	-
TOTAL	3,809,226	4,782,529

(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)

Sébastien Bazin Chairman and Chief Executive Officer since August 27, 2013	Fiscal 2020		Fiscal 2021	
	Amounts awarded for 2020 (in €)	Amounts paid in 2020 (in €)	Amounts awarded for 2021 (in €)	Amounts paid in 2021 (in €)
Fixed compensation ⁽¹⁾	771,875 ⁽⁵⁾	771,875 ⁽⁵⁾	950,000	950,000
Annual variable compensation ⁽²⁾	625,000	1,126,113	1,420,208	625,000
Multi-year variable compensation	-	-	-	-
Exceptional bonus	-	-	-	-
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	37,349	37,349
TOTAL	1,434,224	1,935,337	2,407,557	1,612,349

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 fiscal 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 fiscal 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 236 and (iii) financial advisory services provided by an external company.

(5) Given the health crisis and the use of part-time work in 2020, the Board of Directors had accepted the proposal of the Chairman and Chief Executive Officer to reduce his fixed compensation by 25% from April 1 to December 31, 2020.

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, Accor Academy, GIE AH Fleet Services), the other headquarters in France and the subsidiary hotels, in each case with two fiscal years of continuous presence. This expanded scope covered a total of 83% of headcount in France in 2021.

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 2017 ⁽¹⁾	Fiscal 2018	Fiscal 2019 ⁽²⁾	Fiscal 2020 ⁽³⁾	Fiscal 2021 ⁽³⁾
Change (in %) in the total compensation paid or awarded for the fiscal year to the Chairman and Chief Executive Officer – Sebastien Bazin		32%	25%	-8%	-7%
Information relative to the scope of consolidation of ACCOR SA					
Change (in %) in average Employees' compensation		10%	16%	0%	-11%
Ratio relative to average Employees' compensation	34	41	44	40	42
Change in ratio (in %) versus previous fiscal year ⁽⁴⁾		20%	8%	-9%	4%
Ratio relative to median Employees' compensation	45	56	67	61	61
Change in ratio (in %) versus previous fiscal year ⁽⁴⁾		26%	18%	-9%	0%
Additional information on the enlarged scope (headquarters + French hotel subsidiaries)					
Change (in %) in average Employees' compensation		7%	10%	-3%	-7%
Ratio relative to average Employees' compensation	39	48	55	52	52
Change in ratio (in %) versus previous fiscal year ⁽⁴⁾		23%	14%	-6%	0%
Company performance					
Reported EBITDA (in €m)	626	712	825	-391	22
Change (in %) versus previous fiscal year		14%	16%	-147%	106%

(1) 2017 compensation does not take into account performance share grants made under the co-investment plan, because this plan does not represent a component of compensation. It consists of a dynamic instrument for promoting executive engagement and aligning executives' long-term interests with those of shareholders, which is based on the participants' significant unsecured personal investment in Accor shares.

(2) 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.

(3) 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.

(4) Changes are calculated on the basis of non-rounded ratios.

Table 4: Summary of commitments made to executive officers (Table 11 – AFEP-MEDEF code)

	Employment contract	Supplementary pension benefits ⁽¹⁾	Compensation or benefits payable in the case of:		Non-competence indemnity
			termination/ removal from office ⁽²⁾	transfer to a new position within the Group	
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 236 and 237 for details of the supplementary pension plans of which the Chairman and Chief Executive Officer is a member.

(2) See page 237 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 2021 by the Group's French and non-French companies to members of the Executive Committee as of December 31, 2021 – other than the Chairman and Chief Executive Officer, whose compensation is described earlier in this document – amounted to €9.9 million, including aggregate gross variable compensation of €2.1 million.

Compensation paid to the members of the Board of Directors (Directors' fees)

The Board of Directors, in accordance with the compensation policy approved at the Annual Shareholders' Meeting held on April 29, 2021 and presented in section 3.5.2 of the 2020 Universal Registration Document, allocated a total gross amount for fiscal 2021 of €1,291,767 (out of a maximum total gross amount set at €1,320,000 by the Annual Shareholders' Meeting held on April 20, 2018), which is detailed in the table below.

It is reminded that Sébastien Bazin, Chairman and Chief Executive Officer, does not receive any compensation for his position as member of the Board of Directors (Directors' fees).

The directors did not receive any compensation from any company included in the scope of consolidation in fiscal 2021, except Mrs Iliane Dumas and Mrs Christine Serre, Directors representing the employees who both receive a compensation as a result of their employment agreement.

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 2022 Annual Shareholders' Meeting in the framework of the global report on compensation of the executive officers for 2021.

Table 5: Compensation received by non-executive directors (Table 3 – AFEP-MEDEF Code)

Board of Directors (in €)	Due for the fiscal year						Paid during the fiscal year			
	2020			2021			2020		2021	
	Total	Fixed portion	Variable portion	Total	Fixed portion	Variable portion	Fixed portion	Variable portion	Fixed portion	Variable portion
Sheikh Nawaf Bin Jassim Bin Jabor Al-Thani	54,616	17,220	37,396	66,672	22,680	43,992	23,103	50,039	17,220	37,396
Aziz Aluthman Fakhroo	134,905	38,235	96,670	173,940	51,067	122,873	47,049	122,630	38,235	96,670
Iliane Dumas ⁽¹⁾	69,025	19,847	49,178	98,284	26,228	72,055	26,429	70,545	19,847	49,178
Sophie Gasperment	108,996	35,608	73,388	140,053	47,519	92,534	46,384	97,079	35,608	73,388
Chantale Hoogstoel ^{(1) (2)}	74,736	17,220	57,515	N/A	N/A	N/A	23,103	70,545	17,220	57,515
Qionger Jiang	91,645	32,981	58,664	53,019	22,680	30,339	43,058	70,768	32,981	58,664
Iris Knobloch	185,708	88,235	97,473	233,800	101,067	132,733	99,709	112,225	88,235	97,473
Bruno Pavlovsky	41,825	14,216	27,610	117,272	36,874	80,398	N/A	N/A	14,216	27,610
Nicolas Sarkozy	61,081	22,474	38,607	69,976	29,777	40,199	29,755	55,844	22,474	38,607
Patrick Sayer ⁽³⁾	N/A	N/A	N/A	N/A	N/A	N/A	15,295	25,688	N/A	N/A
Christine Serre ^{(1) (4)}	N/A	N/A	N/A	52,090	14,167	37,924	N/A	N/A	N/A	N/A
Isabelle Simon	106,983	35,608	71,374	137,777	47,519	90,258	46,384	86,937	35,608	71,374
Sarmad Zok	115,179	30,355	84,825	148,884	40,422	108,462	39,732	106,820	30,355	84,825
TOTAL		1,044,699			1,291,767		1,309,121		1,044,699	

(1) In accordance with Article 8 of the Board of Directors' Bylaws, directors representing employees do not receive directors' fees. The Company has pledged to allocate the equivalent amount to the Accor Solidarity fund.

(2) Directors' fees due until the end of the term as director in 2021.

(3) Directors' fees due until the end of the term as director in 2019.

(4) Directors' fees due for the term as director that began in 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 2021

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.

It should be noted that the September 26, 2013 stock option plan, in which Sébastien Bazin participated, expired on September 26, 2021. Sébastien Bazin did not exercise the options he acquired under this plan.

Table 8: Historical information concerning stock options granted to employees and/or executive officers (Table 8 - AFEP-MEDEF Code)

Stock option plans	Plan 27
Grant date	09/26/2013 ⁽³⁾
Date of Shareholders' Meeting approval	04/25/2013
Date of Board of Directors' decision	08/27/2013
Total number of grantees	1
Total number of options granted	40,000
(i) Of which to executive officers	40,000
(ii) Of which to the top 10 employee grantees ⁽¹⁾	-
Exercisable from	09/27/2017
Expiry date	09/26/2021
Exercise price (in €)	30.13
Options exercised in 2021	-
Total options exercised at 12/31/2021	-
Total options canceled at 12/31/2021 ⁽²⁾	40,000
Options outstanding at 12/31/2021	-

(1) Excluding executive officers.

(2) Options canceled due to grantees leaving the Group or performance conditions not being met. Cancellations due to failure to meet performance conditions are carried out at the end of the last performance measurement period.

(3) All options granted subject to performance conditions.

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.

Lock-up conditions

In accordance with the French Commercial Code and the recommendations of the AFEP-MEDEF Code, when executive officers or other Executive Committee members purchase shares on exercise of stock options granted since March 22, 2007, a significant proportion of these shares, as set by the Board of Directors, must be

held by the grantee until he or she either leaves the Group or ceases to hold the position of executive officer or member of the Executive Committee of the Group, as applicable. The lock-up conditions vary depending on the plan concerned, as shown in the table below.

Table 10: Lock-up conditions on shares arising from the exercise of options granted to executive officers and members of the Executive Committee

Plan ⁽¹⁾	Grant date	Lock-up conditions applicable to executive officers	Lock-up conditions applicable to other Executive Committee members
Plan 27	09/26/2013	For as long as the grantee is an executive officer: Shares corresponding to the equivalent of 40% of the net capital gain on the exercised options. However, if the value of the shares exceeds two years of the grantee's fixed compensation, the minimum number of shares locked up following the exercise of stock options is reduced to the equivalent of 10% of the net capital gain on the exercised options.	N/A.

(1) Plans granted to current executive officers and Executive Committee members and subject to this obligation.

Share equivalents – Stock options granted to employees and executive officers

At December 31, 2021, there were no longer any stock options outstanding.

Hedging instruments

Accor's executive officer has undertaken not to use any hedging instruments in relation to the stock options he receives out to the end of their term. Furthermore, members of the Executive Committee who receive stock options are banned by the Company from using any such instruments.

4.6.2 Free share plans

Free share plans (without performance condition) issued in 2021

The Shareholders' Meeting held on April 29, 2021 authorized, in its nineteenth resolution, the grant of free shares not subject to performance conditions ("free shares").

Under the terms of this resolution, the total number of free shares that may be granted and the number of shares that may be acquired by the employee beneficiaries may not exceed 0.2% of the Company's share capital. It is also specified that the executive officer cannot receive any free shares granted under this authorization.

On May 17, 2021, the Company made use of this authorization by issuing a free share plan to 127 employees, for a total number of shares allocated of 336,410 shares, i.e. 0.13% of the share capital as of December 31, 2021.

This free share grant is part of the goal of motivating and fostering loyalty for the talent the Group needs to manage the recovery in Group business anticipated over the next two years. The term of this free share grant plan is consequently two years from the date of issue, corresponding to a two-year acquisition period with no lock-up period.

Grantees must also continue to be part of the Group in order for the shares to vest: all beneficiaries must be full-time employees of the Accor Group throughout the period from the grant date up to May 17, 2023 inclusive (the plan vesting date), except in the case of death, disability or retirement. In the event of termination of the employees contract before the vesting date, his or her rights to all the shares initially granted will be forfeited, unless the Board of Directors decides otherwise.

Free share plans (without performance condition)	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 12/31/2021	–
Number of shares canceled ⁽¹⁾	762
Free shares outstanding at 12/31/2021	335,648
Performance condition(s)	Without performance conditions

(1) Free shares canceled due to grantees leaving the Group.

4.6.3 Performance share plans

Performance share plans issued in 2021

Under the terms of the authorization given in the thirty-first resolution of the April 30, 2019 Annual Shareholders' Meeting, the number of shares granted subject to performance conditions and continued presence in the Group may not correspond to more than 2.5% of the Company's capital. Moreover, the number of performance shares granted to executive officers of the Company may not represent more than 15% of the total performance shares granted under that resolution.

Accor has a discretionary profit-sharing plan covering at least 90% of all employees in the Company and its subsidiaries in France. It therefore fulfills the pre-condition for setting up a performance share plan specified in Article L. 22-10-60 of the French Commercial Code.

In this respect, two performance share plans have been set up:

- a first plan set up on June 23, 2021 concerned 1,398 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 250). The applicable performance conditions are based on the following:
 - actual versus budgeted consolidated EBITDA (50% weighting);
 - actual versus budgeted free cash flow (excluding disposals and acquisitions) after change in operating working capital (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) (30% weighting).
- a second plan set up on October 29, 2021 concerned 46 beneficiaries. The performance conditions applicable to this plan are identical to those described above for the plan set up on June 23, 2021.

The performance share plans have a three-year vesting period and the shares are not subject to any lock-up period.

The performance conditions for these plans are measured at the end of a three-year period. The number of shares that vest, provided that the grantees have not left the Group, will be based on the achievement rates for the performance conditions set out above, as validated by the Board of Directors. 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 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%. The non-disclosable nature of the other objectives relating to the budget or to the internal ambition (in view of their confidential nature) does not allow for disclosure of the achievement rate.

At the end of the measurement period, an objective under one performance condition that has not been met may be offset by outperformance in relation to the objective for another performance condition. However, the number of shares that vest at the end of the vesting period will not exceed 100% of the number of shares originally granted.

Grantees must also continue to be part of the Group in order for the shares to vest. For all of the performance shares initially granted to vest, and subject to fulfillment of the performance conditions, the grantee must continue to be either an executive officer of the Company or an employee of the Accor Group throughout the period from the grant date to June 23, 2024, for the plan set up on June 23, 2021, and from the grant date to October 29, 2024, for the plan set up on October 29, 2021 (the plan vesting dates), except in the case of death, disability or retirement. In the event of termination of the

executive officer's term of office or the employee's employment contract before the vesting date, his or her rights to all of the performance shares initially granted

will be forfeited, regardless of the performance condition achievement rates, unless the Board of Directors decides otherwise.

Table 11: Performance shares granted to the executive officer in fiscal 2021 (Table 6 – AFEP-MEDEF Code)

With respect of 2021, Sébastien Bazin was granted 79,034 performance shares in accordance with the 2021 compensation policy approved by the Company's shareholders. This corresponds to 250% of the Chairman and Chief Executive Officer's initial gross annual fixed compensation as approved by the Annual Shareholders' Meeting of April 29, 2021.

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	06/23/2021 performance share plan	79,034	2,374,972 ⁽¹⁾	06/23/2024	06/23/2024	<ul style="list-style-type: none"> Actual versus budgeted consolidated EBITDA. Actual versus budgeted free cash flow (excluding disposals and acquisitions) after 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).

⁽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 2021, as explained above, and which were still valid at the date of this Universal Registration Document would represent 0.03% of the Company's capital at December 31, 2021 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 2021 (Table 7 – AFEP-MEDEF Code)

Grantee	Grant date	Number of vested shares no longer subject to lock-up	Performance conditions
Sébastien Bazin	06/26/2018 performance share plan	28,040	<ul style="list-style-type: none"> Actual versus budgeted EBIT margin ⁽¹⁾. Actual versus budgeted free cash flow excluding acquisitions and disposals, after change in working capital ⁽¹⁾. Accor's Total Shareholder Return (TSR) relative to eight other international hotel groups and relative to that of other CAC 40 companies

⁽¹⁾ In order to take account for the health and economic crisis, in accordance with the decisions adopted by the Board of Directors on May 14, 2020, the fulfillment of these conditions has been measured, for 2020, against the internal budget revised in June 2020, and the number of shares that may vest under these conditions will not exceed 100% of the number of shares originally granted.

Table 13: Performance shares granted in fiscal 2021 to the top 10 employee grantees other than the executive officer

	Number of shares
Performance shares granted in 2021 to the 10 employee grantees other than executive officers who received the largest number of shares	207,000

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 23, 2022) for outstanding performance share plans.

Table 14: Performance condition achievement rates in 2021 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)
05/31/2019 10/25/2019	Achievement rate for Group EBITDA versus the 2019 and 2021 budgets ⁽¹⁾	40%	Average achievement rate for Group EBITDA at end-2019 and end-2021 equal to the average of budgeted EBITDA for 2019 and 2021	173.4%	60%	
	Achievement rate for Group Free Cash Flow excluding acquisitions and disposals, after change in working capital versus the 2019 and 2021 budgets ⁽¹⁾	13%	Average achievement rate for Group Free Cash Flow (excluding disposals and acquisitions), after change in working capital at end-2019 and end-2021 equal to the average budgeted Free Cash Flow (excluding disposals and acquisitions), after change in operating working capital for 2019 and 2021	120.4%	20%	
	Achievement rate of actual versus 2020 budgeted savings ⁽¹⁾	27%	Achievement rate of savings at end-2020 equal to the savings target defined versus the initial EBITDA budget	160.4%	29.3%	
	Accor TSR versus the change of the Stoxx Europe 600 Travel & Leisure Gross Return index ⁽²⁾	7%	Accor TSR equal to the objective set versus the change of the Stoxx Europe 600 Travel & Leisure Gross Return index from January 1, 2019 to December 31, 2019	93.8%	4.1%	
	Accor TSR versus the change of a composite index comprising peer European and international hotel groups ⁽²⁾	13%	Accor TSR equal to the objective set versus the change of a composite index comprising peer European and international hotel groups from January 1, 2020 to December 31, 2021	87.1%	0%	
TOTAL		100%			113.4%	100%

(1) In order to take 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 2020 budgeted savings (80% weighting).

(2) Pursuant to the decisions adopted by the Board of Directors on March 5, 2021, the Stoxx Europe 600 Travel and Leisure index Gross Return was replaced by a composite index comprising peer European and international hotel groups (Melia, NH Hoteles, Whitbread, Hilton, Hyatt, Marriott, IHG) for 2020 and 2021.

Table 15: Historical information concerning stock options granted to employees and/or executive officers

Performance share plans	06/26/2018 Plan	10/17/2018 Plan	05/31/2019 Plan
Grant date	06/26/2018	10/17/2018	05/31/2019
Date of Board of Directors' decision	02/20/2018	02/20/2018	02/20/2019
Date of Shareholders' Meeting approval	04/22/2016	04/22/2016	04/30/2019
Total number of grantees	1,288	21	1,459
Total number of shares granted	632,462	22,830	1,275,75
Of which to executive officers	52,930	-	81,290
Of which to the top 10 employee grantees ⁽¹⁾	101,234	20,450	182,000
Vesting date	06/26/2021	10/17/2021	05/31/2022
End of lock-up period	06/26/2021	10/17/2021	05/31/2022
Total vested shares at 12/31/2021	447,516	17,224	3,300
Number of shares canceled⁽²⁾	184,946	5,606	96,654
Performance shares outstanding at 12/31/2021	-	-	1,175,721
Performance condition(s)	Actual versus budgeted EBIT margin ⁽³⁾ , Actual versus budgeted Free Cash Flow excluding disposals and acquisitions, including change in working capital ⁽³⁾ , Accor's Total Shareholder Return (TSR) relative to that of the eight other international hotel groups and relative to that of the other CAC40 companies	Actual versus budgeted EBIT margin ⁽³⁾ , Actual versus budgeted Free Cash Flow excluding disposals and acquisitions, including change in working capital ⁽³⁾ , Accor's Total Shareholder Return (TSR) relative to that of the eight other international hotel groups and relative to that of the other CAC40 companies	Actual versus budgeted EBITDA ⁽⁴⁾ , Actual versus budgeted Free Cash Flow excluding disposals and acquisitions, including change in working capital ⁽⁴⁾ , Accor's Total Shareholder Return (TSR) versus the change of the Stoxx Europe 600 Travel & Leisure Gross Return index ⁽⁵⁾

(1) Excluding executive officers.

(2) Shares canceled due to grantees leaving the Group or performance conditions not being met.

(3) In order to take account for the health and economic crisis, in accordance with the decisions adopted by the Board of Directors on May 14, 2020, the fulfillment of these conditions has been measured, for 2020, against the internal budget revised in June 2020, and the number of shares that may vest under these conditions will not exceed 100% of the number of shares originally granted.

	10/25/2019 Plan	05/28/2020 Plan	10/21/2020 Plan	06/23/2021 Plan	10/29/2021 Plan
	10/25/2019	05/28/2020	10/21/2020	06/23/2021	10/29/2021
	02/20/2019	05/14/2020	05/14/2020	02/23/2021 and 03/05/2021	02/23/2021 and 03/05/2021
	04/30/2019	04/30/2019	04/30/2019	04/30/2019	04/30/2019
	39	1506	28	1398	46
	37,120	1,796,551	38,390	1,353,236	50,205
	-	108,512	-	79,034	-
	20,800	267,725	26,000	207,000	32,725
	10/25/2022	05/28/2023	10/21/2023	06/23/2024	10/29/2024
	10/25/2022	05/28/2023	10/21/2023	06/23/2024	10/29/2024
	0	5,500	-	-	-
	1,200	104,356	-	8,621	-
	35,920	1,686,695	38,390	1,344,615	50,205
Actual versus budgeted EBITDA ⁽⁴⁾ ,	Actual versus budgeted EBITDA, in 2021 and 2022,	Actual versus budgeted EBITDA, in 2021 and 2022,	Actual versus budgeted EBITDA, in 2021 and 2022,	Actual versus budgeted EBITDA,	Actual versus budgeted EBITDA,
Actual versus budgeted Free Cash Flow excluding disposals and change in working capital ⁽⁴⁾ ,	Actual versus budgeted Free Cash Flow excluding acquisitions and disposals, including change in operating working capital, in 2021 and 2022,	Actual versus budgeted Free Cash Flow excluding acquisitions and disposals, including change in operating working capital, in 2021 and 2022,	Actual versus budgeted Free Cash Flow excluding acquisitions and disposals, including change in operating working capital, in 2021 and 2022,	Actual versus Free Cash Flow excluding acquisitions and disposals, including change in operating working capital,	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 the Stoxx Europe 600 Travel & Leisure Gross Return index ⁽⁵⁾	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	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	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 01/01/2021 to 12/31/2023	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 01/01/2021 to 12/31/2023	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 01/01/2021 to 12/31/2023

(4) In order to take 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).

(5) Pursuant to the decisions adopted by the Board of Directors on March 5, 2021, the Stoxx Europe 600 Travel & Leisure Gross Return index was replaced by a composite index comprising peer European and international hotel groups (Melia, NH Hoteles, Whitbread, Hilton, Marriott, Hyatt, IHG) for 2020 and 2021.

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 who benefited from the free share plan without performance condition 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	<p>The following conditions apply until the grantee ceases to hold an executive officer's position within the Group:</p> <ul style="list-style-type: none"> 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/her fixed compensation. <p>For the purposes of the above paragraph:</p> <ul style="list-style-type: none"> 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. <p>Once the two year compensation threshold is reached:</p> <ol style="list-style-type: none"> the 25% lock-up no longer applies; and the grantee is required to acquire, or keep, 3% of his/her vested shares. 	<p>The following conditions apply until the grantee ceases to be a member of the Group Executive Committee:</p> <ul style="list-style-type: none"> 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/her fixed compensation. <p>For the purposes of the above paragraph:</p> <ul style="list-style-type: none"> 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. <p>Once the above threshold is reached, the 25% lock-up condition no longer applies.</p>
2015 to 2021 plans	<p>The following conditions apply until the grantee ceases to hold an executive officer's position within the Group:</p> <ul style="list-style-type: none"> 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/her fixed compensation. <p>For the purposes of the above paragraph:</p> <ul style="list-style-type: none"> 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. <p>Once the two year compensation threshold is reached:</p> <ol style="list-style-type: none"> the 25% lock-up no longer applies; and the grantee is required to acquire, or keep, 3% of his/her vested shares. 	<p>The following conditions apply until the grantee ceases to be a member of the Group Executive Committee:</p> <ul style="list-style-type: none"> 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/her fixed compensation. <p>For the purposes of the above paragraph:</p> <ul style="list-style-type: none"> 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. <p>Once the above threshold is reached, the 25% lock-up condition no longer applies.</p>

Share equivalents – Performance shares granted to employees and executive officers

At December 31, 2021, a total of 4,667,194 performance share rights were outstanding.

If all of these rights had vested at December 31, 2021, this would have led to the issuance of 4,667,194 shares, representing 1.782% of the Company's capital at that date, of which 0.103% corresponding to performance share rights granted to current executive officers.

Hedging instruments

Accor's executive officer has undertaken not to use any hedging instruments in relation to his performance shares, and members of the Executive Committee who receive performance shares have been banned by the Company from using any such instruments.

4.6.4 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 = $1/2 \times (\text{net profit} - 5\% \text{ of equity}) \times (\text{salaries/value added})$.

Applying this formula to the results of each of the companies covered by the scope of application of the Group's special profit-sharing reserve which amounted to around 263,000 euros for 2020, will be exceptionally paid in 2022.

Amounts allocated to the special profit-sharing reserve in previous years were:

- 2019 special profit-sharing reserve paid in 2020: around 1.2 million euros;
- 2018 special profit-sharing reserve paid in 2019: around 863,000 euros.

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. In the case of Accor SA, the amount is dependent partly on meeting objectives for reducing support costs and partly on achieving EBIT targets.

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-sharing has been optional rather than compulsory since 2009. Consequently, in 2020, 31.39% of 2019 profit sharing was paid immediately to beneficiaries. The choice for 2020 profit sharing will not be known until 2022.

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 (PERCO) 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.

As a result, in 2020, 17.19% of the total profit sharing was allocated to the Group Retirement Savings Plan (PERCO) and 51.42% to the Corporate Savings Plan (PEEG), as 23% of beneficiaries did not request otherwise. The choice for 2020 profit sharing will not be known until 2022.

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.

4.6.5 Transactions carried out by the executive officers involving Accor SA shares

Schedule of transactions involving shares of the Company carried out during the 2021 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
Paul Dubrule	November 26, 2021	Share purchase	10,000
Paul Dubrule	November 30, 2021	Share purchase	10,000
Sébastien Bazin	June 28, 2021	Vesting of performance shares	28,040
Sarmad Zok	February 26, 2021	Sale of call options	40,000

4.7 2021 Say on pay for the Chairman and Chief Executive Officer

Compensation paid in or awarded in respect of fiscal 2021	Amounts (or accounting value) submitted to the vote	Description
Annual fixed compensation	€950,000	<p>Sébastien Bazin's annual fixed compensation for 2021 was decided by the Board of Directors, based on the recommendation put forward by the Appointments, Compensation & CSR Committee.</p> <p>It complies with the 2021 compensation policy approved by the Annual Shareholders' Meeting of April 29, 2021, as presented in section 3.5.1 of the 2020 Universal Registration Document.</p> <p>It was paid in monthly installments during fiscal 2021.</p>
Annual variable compensation	€1,420,208	<p>According to the 2021 compensation policy approved by the Annual Shareholders' Meeting of April 29, 2021, Sébastien Bazin's variable compensation could represent between 0% and 150% of an annual reference amount of €1,250 000, representing 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.</p> <ul style="list-style-type: none"> • quantitative objectives (accounting for 80% of the total): <ul style="list-style-type: none"> • consolidated EBITDA in line with the 2021 budget (15% weighting); • Free cash flow (excluding disposals and acquisitions) after change in operating working capital, in line with the 2021 budget (10% weighting); • RESET savings in line with the 2021 budget (30% weighting); • net organic growth in the number of rooms (net of transfers to another banner), in line with the 2021 budget (15% weighting); • a combination of criteria: <ul style="list-style-type: none"> • rollout of the ALL Safe health and safety program to hotels (5% weighting); • percentage of women on Management Committees (5% weighting); • qualitative objectives (accounting for 20% of the total): <ul style="list-style-type: none"> • crisis exit strategy and management of the team through the exit (10% weighting), • operational excellence of the new organization and talent development (10% weighting). <p>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%.</p> <p>Following an assessment of the degree to which Sébastien Bazin's objectives had been achieved, at its meeting on February 23, 2022 the Board set his variable compensation for fiscal 2021 at €1,420,208, breaking down as:</p> <ul style="list-style-type: none"> • €1,120,208 for the quantitative objectives, which, overall were achieved to the extent of 112%. 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 rate. However, it is specified that objectives relating to the budget (EBITDA, Free Cash-Flow (excluding disposals and acquisitions, after change in operating working capital), RESET savings and organic growth in the number of rooms (net of transfers to another banner)), have been achieved or even exceeded. The objectives relating to the ALL Safe rollout and the percentage of women on Management Committees, were partially met. • €300,000 with respect to the qualitative objectives, which, overall were 120% achieved, of which 120 % for the crisis exit strategy and management of the team through the crisis exit and 120% with respect to operational excellence of the organization and new talents organization and development. <p>As a result, the total annual variable compensation for Sébastien Bazin's amounts to 113.6% of the reference amount and 149.5% of his annual fixed compensation for 2021.</p> <p>Payment of this variable compensation for fiscal 2021 is subject to shareholder approval at the 2022 Annual Shareholders' Meeting.</p>
Exceptional bonus	NA	Sébastien Bazin did not receive an exceptional bonus in fiscal 2021.

Compensation paid in or awarded in respect of fiscal 2021	Amounts (or accounting value) submitted to the vote	Description
Performance conditions	Number of shares = 79,034 (€2,374,972)	<p>At its meetings on February 23, 2021 and March 5, 2021, the Board of Directors decided to grant performance shares to executive officers of the Company and Group employees.</p> <p>In accordance with the 2021 executive officer compensation policy approved by the Annual Shareholders' Meeting of April 29, 2021, 79,034 performance shares were granted to Sébastien Bazin, representing 250% of his gross annual fixed compensation (and 0.03% of the Company's share capital at December 31, 2021). The performance conditions attached to the shares are as follows:</p> <p>(i) Internal conditions:</p> <ul style="list-style-type: none"> • actual versus budgeted consolidated EBITDA (50% weighting); • actual versus budgeted free cash flow (excluding disposals and acquisitions) after change in operating working capital (20% weighting); <p>(ii) External condition: 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) (30% weighting).</p> <p>The performance conditions under these plans are measured at the end of the three-year period.</p> <p>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.</p> <p>Concerning the external performance condition, the shares will vest if the achievement rate is at least 90%. The non-disclosable nature of the other objectives relating to the budget or to internal ambition (in view of their confidential nature) does not allow for disclosure of the achievement rate. At the end of the measurement period, an objective under one performance condition that has not been met may be offset by potential outperformance in relation to the objective for another performance condition. However, the number of shares that vest at the end of the vesting period will not exceed 100% of the number of shares originally granted. Grantees must also continue to be part of the Group in order for the shares to vest.</p> <p>Sébastien Bazin must also 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 June 23, 2024, 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.</p>
Compensation as a Director	NA	Sébastien Bazin does not receive any compensation as a Director (formerly defined as "directors' fees").
Benefits in kind	€37,349	In accordance with the 2021 executive officer compensation policy approved by the Annual Shareholders' Meeting of April 29, 2021, Sébastien Bazin benefits from a company car and is a member of a private unemployment insurance plan (GSC). He was also entitled to up to 100 hours' services from financial advisors in 2021.

Compensation paid in or awarded in respect of fiscal 2021	Amounts (or accounting value) submitted to the vote	Description
Termination benefits	NA	<p>At its meeting on December 16, 2013, the Board of Directors approved the principle of paying compensation for loss of office to 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.</p> <p>In accordance with the 2021 executive officer compensation policy approved by the Annual Shareholders' Meeting of April 29, 2021, Mr. 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. 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.</p> <p>Payment of the compensation for loss of office would be subject to the following performance criteria being met:</p> <ul style="list-style-type: none"> • 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. <p>These performance criteria would be applied as follows:</p> <ul style="list-style-type: none"> • 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. <p>Moreover, no compensation would be due if Mr. 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.</p> <p>Sébastien Bazin did not receive any compensation for loss of office in fiscal 2021.</p>
Non-compete indemnity	NA	Sébastien Bazin is not entitled to any non-compete indemnity.

Compensation paid in or awarded in respect of fiscal 2021	Amounts (or accounting value) submitted to the vote	Description
Supplementary pension benefits	€0	<p>Details of the supplementary pension plan are provided in the description of the 2021 executive officer compensation policy approved by the Annual Shareholders' Meeting of April 29, 2021.</p> <p>The supplementary pensions plans awarded to Sébastien Bazin are: a defined contribution plan, formerly an "Article 83" plan, which was converted in 2021 into a mandatory retirement savings plan (<i>plan d'épargne retraite obligatoire – PERO</i>) under the conditions described below. It was implemented under Articles L. 242-1 and L. 911-1 of the French Social Security Code, supplemented by a defined benefit plan under Article L. 137-11-2 of the French Social Security Code. Both plans have been re-insured to an accredited organization, to which the relevant contributions are paid. In addition, Sébastien Bazin will continue to benefit from an "Article 39" defined benefit plan, it being recalled that this plan has been frozen and no new conditional benefit entitlements have been allocated for periods of employment after December 31, 2019.</p> <p>Regarding the defined contribution plan, formerly an "Article 83" plan, it was converted into a PERO effective July 1, 2021. Under the law of May 22, 2019 on business growth and transformation (the "PACTE" law), the French Order concerning the reform of retirement savings created new retirement savings plans, including the PERO. These new plans are governed by similar rules and are simpler and more flexible for savers. Another impact of this reform was to halt the marketing of the previous plans.</p> <p>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 obligatory pension savings 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 2021.</p> <p>At December 31, 2021, the estimated pension annuity that Sébastien Bazin will receive under this plan is €3,658.</p> <p>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 <i>Contribution Sociale Généralisée</i> (CSG) and <i>Contribution au Remboursement de la Dette Sociale</i> (CRDS) levies, which are calculated on the basis of the portion of the Company's contribution allocated to them.</p> <p>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).</p>

Compensation paid in or awarded in respect of fiscal 2021	Amounts (or accounting value) submitted to the vote	Description
Supplementary pension benefits (continued)	€0	<p>Regarding the “L. 137-11-2” defined benefits plan under Article L. 137-11-2 of the French Social Security Code: it was set up by the Company as of 2021 (note that this new plan notably follows the closure of the “Article 39” defined benefit plans from December 31, 2019 and the freeze on potential rights under the plan pursuant to the reform relative to defined benefit plans ushered in by French Order No. 2019-697 of July 3, 2019).</p> <p>Sébastien Bazin, Chairman and Chief Executive Officer of the Company, with more than six months of service, present in the company at the time of the signature of the regulations and with an annual reference salary of more than eight times the PASS, also fulfils the eligibility conditions of the “L. 137-11-2” pension plan which was set up by the Company. He will be entitled to a pension annuity with the possibility of opting for survivor benefits.</p> <p>He acquires rights gradually, calculated for each year fore which he was a plan member. Each year of plan membership represents between 1.6% and 2.4% of the annual reference compensation, depending on the compensation brackets concerned, i.e.:</p> <ul style="list-style-type: none"> • 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%. <p>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.</p> <p>Based on recommendations put forward by the Appointments, Compensation & 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 2021, subject to the following two performance conditions:</p> <ul style="list-style-type: none"> • 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). <p>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). 100% of the rights for the year vested based on the performance condition achievement rate noted and approved by the Board of Directors at its meeting of February 23, 2022.</p> <p>Rights acquired by Sebastien Bazin in respect of 2021, correspond to a final pension annuity of €24,481, i.e. 1.52% of the annual reference compensation for 2021.</p> <p>Regarding the “Article 39” defined benefit plan, 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.</p>

Compensation paid in or awarded in respect of fiscal 2021	Amounts (or accounting value) submitted to the vote	Description
Supplementary pension benefits (continued)	€0	<p>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.</p> <p>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:</p> <ul style="list-style-type: none"> 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. <p>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.</p> <p>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.:</p> <ul style="list-style-type: none"> 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%. <p>The annuity payable under the supplementary defined benefit plan was subject to the following two performance conditions:</p> <ul style="list-style-type: none"> 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). <p>Each year, the performance condition achievement rates was validated by the Board of Directors.</p> <p>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.</p> <p>Two caps are applied to the final amount of the pension annuity:</p> <ul style="list-style-type: none"> 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. <p>Consequently, Sébastien Bazin's estimated potential benefits under this plan at December 31, 2021 amount to €246,126.</p> <p>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 <i>Contribution Additionnelle de Solidarité pour l'Autonomie</i> (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 (top-hat plans), a <i>Contribution Sociale</i> levy is also due by the retiree at a rate that varies depending on the amount of the annuity and the retirement date.</p>

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 349 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 4.11 of this Universal Registration Document.

In addition, shareholders at the Annual Shareholders' Meeting of April 29, 2021 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 2022 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 usual agreements entered into under normal conditions and of related-party agreements referred to in the special report issued by the Company's statutory auditors on related-party agreements, no agreements have been signed, either directly or via an

intermediary, between an executive officer or a shareholder that holds more than 10% of the Company's voting rights and another company controlled by the Company within the meaning of Article L. 233-3 of the French Commercial Code.

4.10 *Annual Shareholders' Meeting*

The Annual Shareholders' Meeting will be held on May 20, 2022 at 9:00 a.m. at the Company's head office located at 82 rue Henri Farman, 92130 Issy-les-Moulineaux, subject to further developments in the health and regulatory situation.

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 and the specific provisions relating thereto (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 fiscal 2021
Reduction of capital by canceling treasury stock	Annual Shareholders' Meeting of April 29, 2021 10 th 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 11 th to 15 th 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

Type of authorization	Date of authorization	Nominal amount authorized	Term and expiry date	Utilization in fiscal 2021
Issuance of new shares by capitalizing reserves, retained earnings or additional paid-in capital	Annual Shareholders' Meeting of April 29, 2021 16 th 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 April 29, 2021 18 th resolution	2% of the Company's share capital on the date of the Board of Directors' decision to increase the share capital	26 months June 29, 2023	None
Grant of bonus shares, subject to performance conditions	Annual Shareholders' Meeting of April 30, 2019 31 st resolution	2.5% of the share capital at April 30, 2019 Executive officers: capped at 15% of all shares granted pursuant to the 32 nd resolution of the Annual Shareholders' Meeting of April 30, 2019	38 months June 30, 2022	Grant, subject to performance and presence conditions, of (i) 1,353,236 shares on June 23, 2021 and (ii) 50,205 shares on October 29, 2021.
Grant of bonus shares, not subject to performance conditions	Annual Shareholders' Meeting of April 29, 2021 19 th resolution	0.2% of the share capital at April 29, 2021	38 months June 29, 2024	Grant, subject to presence conditions, of 336,410 shares on May 17, 2021.
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 April 29, 2021 21 st resolution	25% of the share capital approx. €196 million ⁽¹⁾	12 months April 29, 2022	None

(1) As of the date of the authorization given by the Annual Shareholders' Meeting held on April 29, 2021.

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⁾).

(1) As of the date of the authorization given by the Annual Shareholders' Meeting held on April 29, 2021.

4.12 Appendix

4.12.1 Appendix A - Board of Directors' Bylaws

Board of Directors' Bylaws

The members of the Board of Directors of Accor (hereinafter the Company) abide by the following operating procedures, which constitute the Bylaws 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.

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 noted as well that the Board's prior approval is not required for borrowings due in less than one year, whatever the amount borrowed.

(ii) Any and all transactions that may impact the Group's strategy or lead to a material change in the Group's business base (mainly entry into a new business or withdrawal from an existing business), whatever the amount of the transaction;

(iii) Any and all transactions involving the Company's shares carried out in application of Article L. 225-209 of the French Commercial Code that exceed one million shares per transaction or two million shares per year;

- Authorize the Chairman and Chief Executive Officer to issue guarantees, bonds and endorsements in the Company's name, up to a cumulative amount of €1 billion per year. In accordance with the Company's Bylaws, any such authorizations may be given for a period of one year. The Chairman and Chief Executive Officer is required to report to the Board of Directors each year on the amount and nature of guarantees, bonds and endorsements issued under the authorization.
- discussing and deciding on any proposed changes to the Group's management structure and reviewing information about the main organizational changes.

5. Vice-Chairman of the Board of Directors – Senior Independent Director

In accordance with Article 14 of the Company's Bylaws, the Board of Directors may appoint one of its independent members to act as Vice-Chairman for the duration of his or her term as director. The appointment may be terminated at any time by decision of the Board of Directors.

In accordance with the Company's Bylaws, the Vice-Chairman may call meetings of the Board of Directors if the Chairman and Chief Executive Officer is unable to do so, and shall chair Board meetings in the Chairman and Chief Executive Officer's absence.

The Vice-Chairman shall act as the preferred contact for the other independent directors. Whenever necessary and at least once a year, he or she shall organize and lead a meeting reserved exclusively for independent directors to allow them to discuss certain issues outside full Board meetings.

The Vice-Chairman shall ensure that requests from shareholders not represented on the Board are answered, and shall make him or herself available to hear their comments and suggestions and, where necessary, answer their questions. A specific e-mail address shall be created for this purpose. The Vice-Chairman shall inform the Board of Directors about such contact with the shareholders.

In addition, the Vice-Chairman shall oversee formal assessments of the Board of Directors' practices, approve the list of strategic issues to be discussed at Board meetings, as prepared each year by the Chairman and Chief Executive Officer, and deal with any conflicts of interest affecting Board members under the procedure for managing conflict of interest situations as described in Article 9.

He or she shall be assisted by the Corporate Secretary for any related administrative tasks.

6. Board Committees

Board discussions and decisions in certain areas shall be prepared by specialist Board Committees made up of directors appointed by the Board for the duration of their term. These Committees shall examine matters falling within their terms of reference, as well as any matters referred to them for consideration by the Chairman and Chief Executive Officer. They shall report regularly to the Board on their work, and provide the Board with their observations, opinions, proposals or recommendations.

To assist them in their work, the Board Committees may commission technical reports from management or from external consultants, at the Company's expense. In both cases, the Chairman and Chief Executive Officer shall be notified in advance. The Committees may also arrange meetings with members of Company management responsible for the areas under review, without any executive officers being present. In this case also, the Chairman and Chief Executive Officer shall be informed in advance.

There are four standing Board Committees:

- **the Audit, Compliance & Risks Committee;**
- **the Commitments Committee;**
- **the Appointments, Compensation & 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 & 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 & 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 meetings shall be issued by the Committee Chairman and include the meeting agenda. Meetings to review the interim and annual financial statements shall be held at least two days prior to the Board meeting called to approve the financial statements. The members of the Audit, Compliance & Risks Committee must receive all necessary documents on a timely basis. When members are first appointed to the Committee, they are given detailed information about accounting, financial and operational issues that are specific to the Group. The Chairman and Chief Executive Officer, the Chief Financial Officer and the Statutory Auditors shall attend Audit, Compliance & Risks Committee meetings as needed.

6.2. The Commitments Committee

The Commitments Committee is comprised of no more than seven members. Meetings of the Committee may be called at any time, in writing or verbally, by the Committee Chairman or the Chairman and Chief Executive Officer.

The Commitments Committee's recommendations are adopted by a simple majority and must then be discussed by the Board of Directors before the commitments can be implemented by the Group. The Commitments Committee is therefore responsible for preparing Board meetings and making recommendations to the Board on the following matters:

- any mergers, demergers or asset transfers;
- any amendments to the Company's corporate purpose;
- any and all commitments or transactions for which the Chairman and Chief Executive Officer is required to obtain the Board of Directors' prior approval in accordance with Article 4. c) of these Bylaws.

6.3. The Appointments, Compensation & CSR Committee

The Appointments, Compensation & 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 & 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 Appointments, Compensation & CSR Committee shall hold at least two meetings per year. Calls to meetings are issued on instructions from the Committee Chairman and include the meeting agenda.

6.4. 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 Compensation, Appointments & 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 & 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.

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. 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 their 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, 2021)

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.

Accor

Tour Sequana
82, rue Henri Farman
92130 Issy-les-Moulineaux
France

To the Shareholders,

In our capacity as Statutory Auditors of Accor, we hereby report to you on related-party agreements.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of agreements that have been disclosed to us or that we may have identified as part of our engagement, as well as the reasons given as to why they are beneficial for the Company, without commenting on their relevance or substance or identifying any undisclosed agreements. Under the provisions of Article R.225-31 of the French Commercial Code (*Code de commerce*), it is the responsibility of the shareholders to determine whether the agreements are appropriate and should be approved.

Where applicable, it is also our responsibility to provide shareholders with the information required by Article R.225-31 of the French Commercial Code in relation to the implementation during the year of agreements already approved by the Annual Shareholders' Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

Agreements to be submitted for the approval of the Annual Shareholders' Meeting

Agreements authorized and entered into during the year

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 Worklib SAS

Person(s) 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

Conclusion of a Shareholders' Agreement between 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 SAS, 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"). In accordance with the law and the Board of Directors' Internal Rules, Sébastien Bazin did not take part in the discussions nor in the vote of the Board of Directors. As at October 11, 2021, the signature date of the Agreement, the respective interests of the Company and BAZEO Europe SAS stood at 26.66% and 6.66%. They have been 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 SAS, half to be paid on entry into the capital and half at a later date and in any event before January 31, 2022.

Reasons why the agreement is beneficial for the Company

The Board of Directors believes that 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.

In accordance with French law, we inform you that Accor has not complied with Article L.22-10-13 paragraph 1 of the French Commercial Code, which provides for the publication on its website of information on this agreement no later than the time of its signing. This information was published on Accor's website on October 22, 2021.

Agreements already approved by the Annual Shareholders' Meeting

Agreements approved in previous years

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 Katara Hospitality company (Kasada Project)

Person(s) concerned

Sheikh Nawaf Bin Jassim Bin Jabor Al-Thani and Aziz Aluthman Fakhroo, directors of the Company appointed by Qatar Investment Authority, controlling company of Katara Hospitality.

Nature and purpose

Partnership agreement entered into with Katara Hospitality with a view to setting up 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 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).

In 2021, the Kasada Capital Management fund acquired hotels to be operated under the Accor banner and worked on other new hotel acquisition projects, which required both investors (the Company and Katara Hospitality) to pay a portion of their investment in proportion to their respective commitments. The Company paid a total of €7.6 million under the agreement for the year ended December 31, 2021.

With Paris Saint-Germain Football company (SASP)

Person(s) concerned

Sheikh Nawaf Bin Jassim Bin Jabor Al-Thani and Aziz Aluthman Fakhroo, directors of the Company appointed by Qatar Investment Authority, of which SASP Paris Saint-Germain Football is an indirect subsidiary.

Nature and purpose

Partnership agreement signed 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 becomes the main partner of the Paris Saint-Germain professional football club and the ALL-Accor Live Limitless logo is featured on the club's team jerseys. The Board of Directors believes that this partnership agreement, signed on February 21, 2019, gives the new ALL-Accor Live Limitless program worldwide visibility, by benefiting from the club's and its players' extensive media exposure, and that it also allows the Accor Group, through its loyalty program, to offer unique experiences to its members, such as attending a match or meeting players.

Neuilly-sur-Seine and Paris-La Défense, March 29, 2022

The Statutory Auditors

PricewaterhouseCoopers

Cédric Haaser

ERNST & YOUNG et Autres

Jean-Christophe Goudard

François-Guillaume Postel



Section 5



Business review and subsequent events

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5.1 2021 business review

RevPAR of Accor network hotels was down 46% in 2021 compared with 2019. This decline reflects the impact of health measures linked to the resurgence in the Covid-19 pandemic, despite the marked improvement in business from April 2021.

Since April 2021, Accor enjoyed a sequential recovery in its activity, with RevPAR improving every month. This improvement in demand led to average room prices being close or even higher than pre-Covid-19 levels for many destinations at the end of 2021.

Although the impacts of this unprecedented crisis linked to the Covid-19 pandemic have not disappeared, all of the Group's geographies now appear to be on the path to returning to more normalized business levels. This improvement slowed towards the end of the year with the appearance of the Omicron variant.

In 2021, the Group reported revenue of €2,204 million, up 34% like-for-like (LFL) compared with 2020, and current EBITDA of €22 million. Operating profit for the year 2021 amounted to €53 million. This includes notably the negative contribution from equity-accounted investments of -€273 million (mainly related to AccorInvest losses) and other income and expenses for €554 million (including a €649 million impact recognized following the partial disposal of a 1.5% stake in Huazhu in February 2021). The net financial expense amounted to -€109 million. The net profit, Group share, amounted to €85 million, after recognition of tax income of €69 million and a gain on discontinued operations of €77 million (mainly corresponding to reversals of provisions related to AccorInvest disposal).

After a positive impact of €20 million on current EBITDA in 2020, the incremental impact of the RESET costs savings plan of €200 million was €110 million over the year 2021. This number reflects an acceleration compared with the €70 million targeted initially, thanks to the implementation of the staff redundancy plan and tight control of consulting costs.

During 2021, Accor opened 288 hotels (organic growth) corresponding to 40,643 rooms, i.e. 3% growth over the past twelve months. At end-December, the Group had a hotel portfolio of 777,714 rooms (5,298 hotels) and a pipeline of 214,000 rooms (1,218 hotels).

Furthermore, in October 2021, Accor finalized the merger with Ennismore Holdings Limited (EHL) to create the largest Lifestyle hospitality operator in the world. Pursuant to this transaction, carried out through exchanges of shares, Accor became the majority shareholder of this new entity, called Ennismore, thus taking control over the activities contributed by EHL.

The year 2021 was an opportunity for Accor to optimize its debt profile while at the same time aligning its financing strategy with its CRS ambitions. Accor issued its first Sustainability-Linked Bond (SLB) indexed on the Group's sustainable development objectives. At December 31, 2021, the average cost of Group debt stood at 2.2% with an average maturity of four years. At end-December 2021, including the two undrawn credit lines of €1.8 billion, Accor had €3.4 billion of liquidity.

Consolidated results at December 31, 2021

(in €m)	2020	2021
Revenue	1,621	2,204
Current EBITDA	(391)	22
Current EBITDA margin	(24.1)%	1.0%
Current EBIT	(665)	(228)
Share of net profit/(loss) of equity-investments	(578)	(273)
Other income and expenses	(958)	554
Operating profit (loss)	(2,201)	53
Profit (loss) from continuing operations, Group share	(2,244)	8
Profit (loss) from discontinued operations	257	77
NET PROFIT (LOSS), GROUP SHARE	(1,988)	85

Revenue

Group revenue amounted to €2,204 million, up 36.0% on a like-for-like basis (34.0% on a reported basis) versus 2020.

(in €m)	2020	2021	Change	LFL change vs 2020 ⁽¹⁾	LFL change vs 2019 ⁽¹⁾
HotelServices	1,142	1,582	39%	36%	(46)%
Hotel Assets & Other	489	633	30%	29%	(35)%
Holding & Intercos	(9)	(11)	N/A	N/A	N/A
TOTAL	1,621	2,204	36%	34%	(42)%

(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 and disposals) had a positive impact of €47 million primarily due to the full consolidation of sbe since the fourth quarter of 2020;
- Currency effects had a negative impact of -€13 million, mainly linked to the appreciation of the US dollar (4%).

Current EBITDA

Group current EBITDA amounted to €22 million at December 31, 2021. Sensitivity of EBITDA to RevPAR changes amounted to -€16.4 million for each percentage point decline in RevPAR versus 2019, this number was -€18.7 million in 2020.

(in €m)	2020	2021	LFL change vs 2019 ⁽¹⁾
HotelServices	(257)	93	(82)%
Hotel Assets & Other	(22)	48	(57)%
Holding & Intercos	(112)	(119)	N/A
TOTAL	(391)	22	(87)%

(1) Like-for-like: at constant scope of consolidation and exchange rates.

HotelServices EBITDA was positive at **€93 million** whereas it was negative at -€257 millions in 2020. This amount includes a positive performance for Management & Franchise and a negative contribution from Services to Owners. The latter reflects a high portion of fixed cost for the Sales, Marketing, Distribution and Loyalty (SMDL) business in a context of sharp decrease in RevPAR. Rebilling of hotel costs (which represented €55 million revenue) remained at breakeven at EBITDA level.

The Management & Franchise business of HotelServices reported EBITDA of €275 million, significantly higher than in 2020 (€25 million) and down by 64% on a like-for-

like basis compared to 2019. All regions now show a positive EBITDA.

EBITDA from Hotel Assets & Other amounted to €48 million in 2021 versus a negative -€22 million in 2020. This segment was mainly driven by Asia-Pacific where business benefited from a recovery in the first half and at the end of 2021. New Activities, included in this segment since early 2021, are close to breakeven at the EBITDA level.

The **Holding & Intercos** line includes Group headquarter costs.

Current EBIT

Group current EBIT was a loss of **-€228 million** at December 31, 2021 compared to a loss of -€665 million at December 31, 2020.

(in €m)	2020	2021
Revenue	1,621	2,204
Personnel expenses	(1,115)	(1,300)
Variable leases payments	(12)	(27)
Other operating expenses	(885)	(855)
Current EBITDA	(391)	22
Depreciation and amortization	(274)	(249)
CURRENT EBIT	(665)	(228)

Personnel expenses amounted to **€1,300 million** in 2021 versus €1,115 million in 2020. The increase over the year is primarily driven by an increase in staff costs incurred on behalf of hotel owners as part of hotels management (and fully recharged to them), mainly in North America, reflecting the recovery in business in that region during the second half. The Group's personnel expenses also increased under the combined effect of the reduction in government support measures, the end of furloughing and the reopening of hotels.

Rent expense increased over the year, corresponds to the variable part of rents for hotel properties operated under lease contracts, that is contractually based on their performance. It amounted to €27 million in 2021, compared to €12 millions in 2020.

Other operating expenses which mainly include marketing, advertising, promotional, selling and information systems costs remained stable over the year.

Depreciation and amortization amounted to **€249 million** in 2021, compared to €274 millions in 2020.

Operating profit (loss)

Operating profit sharply increased to **€53 million**, compared to a loss of -€2,201 million in 2020.

(in €m)	2020	2021
CURRENT EBIT	(665)	(228)
Share of net profit/(loss) of equity-investments	(578)	(273)
Impairment losses	(1,031)	(51)
Restructuring costs	(167)	(14)
Gains and losses on disposal	1	646
Other non recurring income and expenses	240	(26)
OPERATING PROFIT (LOSS)	(2,201)	53

- The **share of net results of equity-accounted investments** was a loss of -€273 million in 2021, mainly driven by the operating losses of AccorInvest. The company was hardly by travel restrictions in Europe during the first half of the year. Easing of restrictions in subsequent months allowed to limit those losses during the second half.
- **Impairment losses** amounted to **€51 million**, of which €27 million on hotel management contracts, €17 million on equity-accounted investments and €8 million on hotel assets operated in Australia, compared with €1,031 million in 2020.
- Restructuring costs amounted to €14 million.
- **Gains and losses on disposal** amounted to **€646 million** and mainly included a €649 million impact recognized following the partial disposal of Huazhu Group Ltd shares in February 2021.

Net profit (loss), Group share

<i>(in €m)</i>	2020	2021
Operating profit (loss)	(2,201)	53
Net financial expense	(108)	(109)
Income Tax	62	69
Net profit (loss) from discontinued operations	257	77
Net profit (loss) of the year	(1,990)	90
NET PROFIT (LOSS), GROUP SHARE	(1,988)	85
NET PROFIT (LOSS), MINORITY INTERESTS	(2)	6
EARNINGS PER SHARE <i>(in €)</i>	(7.71)	0.19

In 2021, the **net financial expense** amounted to **-€109 million**, stable compared to 2020, reflecting a deterioration in the cost of net debt offset by an improvement in other financial income and expenses.

In 2021, the Group reported a **tax profit of €69 million**, mainly due to the recognition of deferred tax assets.

The **net profit from discontinued operations** amounted to **€77 million** in 2021. It mainly corresponds to a partial release of the provisions covering the risks associated with the guarantees given as part of the sale of AccorInvest.

The **net result of the year, Group share**, is a **profit of €85 million**, whereas it was a loss of -€1,988 million in 2020. Based on a weighted average number of shares outstanding of 261 621 001, **net earnings per share** was **€0.19** in 2021, compared with a loss of -€7.71 in 2020.

Recurring free cash flow

<i>(in €m)</i>	2020	2021
Current EBITDA	(391)	22
Interests received/(paid)	(66)	(83)
Income tax paid	16	(36)
Repayment of lease liability (excluding interests)	(83)	(88)
Non-cash income and expenses included in EBITDA and dividends received	160	49
Current funds from operations (after rent payments)	(365)	(137)
Recurring investments	(102)	(122)
Change in working capital and contract assets (excluding key money)	(260)	13
Recurring free cash flow	(727)	(246)

Group **recurring free cash flow** improved significantly, from -€727 million in 2020 to -€246 to 2021.

The increase in interests paid is mainly due to the downgrading of Accor's financial rating by S&P in August 2020, which resulted in a higher **cost of net debt** in 2021 compared to 2020.

Recurring investments mainly included key money paid by the Group as part of the development of its Management & Franchise business and investments in Information Systems and digital technologies. Recurring investments were contained in 2021, ending the year below the initially targeted range of €150 to €200 million.

Optimization of debt profile and cash

The year 2021 was an opportunity for Accor to continue optimizing its debt profile, while at the same time pursuing the alignment of its financing strategy with its CSR ambitions. Accor issued its first Sustainability-Linked bond (SLB) indexed to the Group's sustainable development objectives. The coupon of the €700 million bond issued is indexed to Accor's carbon emission reduction objectives.

The net proceeds of this issue notably enabled the €448 million refinancing of existing debt maturing in 2023 and 2024, via a Liability Management operation associated with the new issue. Furthermore, this operation illustrated the Group's desire to step up its transition to sustainable growth, and to continue pursuing its commitments, particularly in terms of reducing green house gas emissions, and to reaffirm its commitments, notably environmental, at every stage of the value chain.

RESET recurring cost savings plan

After a positive EBITDA impact of €20 million in 2020, the incremental impact of RESET cost savings plan was €110 million in 2021. This number reflects an acceleration compared with the €70 million targeted initially, thanks

Dividend and payout ratio

Accor is concentrating its efforts on ensuring the return to profitability initiated in 2021, capitalizing on the activity rebound and the positive impact from its RESET cost savings plan. The Group targets to reinstall an ordinary dividend payment calculated on the basis of 50% of the

The **change in working capital**, which was negatively impacted by the extension of payment terms granted to certain hotel owners, returned closely to breakeven in 2021. The payment of fees was in line with the level of activity in 2021, in addition to the collection of certain fees for which extension of payment terms had been granted to certain hotel owners.

Average monthly cash burn amounted to €20 million in 2021, strongly decreasing compared to 2020 (€61 million). During the second half of 2021, the Group resumed generating cash.

Group net financial debt at December 31, 2021 amounted to €1,844 million, versus €1,346 million at December 31, 2020.

At December 31, 2021, the average cost of Accor's debt was to 2.2% with an average maturity of 4 years.

At end-December 2021, including the two undrawn credit lines of €1.8 billion, Accor had liquidity of €3.4 billion. In November 2021, the Group notably successfully renegotiated the terms of its main €1,200 million credit facility. The initial financial leverage covenant, which had been suspended until 2022 in the context of the health crisis, will be effective again from June 2024. Only a minimum liquidity covenant will apply in 2022 and 2023.

to the implementation of the staff redundancy plan and tight control of consulting costs. In 2022, the finalization of the plan should result in an additional positive impact of €50 million on EBITDA.

recurring free cash flows, in line with its historical dividend policy. Besides, Accor will continue working on restoring its pre-covid credit profile and could contemplate an additional return beyond its ordinary dividend subject to the respect of this objective.

(in €m)	2020	2021
Recurring free cash flow ⁽¹⁾	(727)	(246)
Weighted average shares outstanding (in millions of shares)	262	262
Recurring free cash flow ⁽¹⁾ per share (in €)	(2.8)	(0.9)
Ordinary dividend per share (in €)	- ⁽²⁾	- ⁽²⁾
Ordinary dividend	-	-
Payout ratio	-	-

(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 fiscal 2020 or 2021 due to the health crisis.

Results by strategic business

The Group is organized around the two main strategic divisions presented below. The cost of central support functions (governance, finance, communication, human resources, legal, etc.) is presented separately in the "Holding & Interco" section.

HOTELSERVICES	HOTEL ASSETS & OTHER	HOLDING & INTERCOS
MANAGEMENT & FRANCHISE <ul style="list-style-type: none"> Northern Europe Southern Europe <ul style="list-style-type: none"> IMEAT Asia-Pacific Americas 	<ul style="list-style-type: none"> Owned or leased hotel assets New activities 	<ul style="list-style-type: none"> Central support functions Elimination of internal flows
SERVICES TO OWNERS		

Key performance indicators

In 2021, Accor presented a **current EBITDA** of **€22 million**, compared with negative EBITDA of -€391 million in 2020. The **EBITDA margin** was up 25 points to 1.0%.

(in €m)	HotelServices	Hotel Assets & Other	Holding & Interco	Total
2021 revenue	1,582	633	(11)	2,204
Current EBITDA 2021	93	48	(119)	22
Current EBITDA margin 2021	6%	8%	N/A	1%
2020 revenue	1,142	489	(9)	1,621
Current EBITDA 2020	(257)	(22)	(112)	(391)
Current EBITDA margin 2020	(23)%	(5)%	N/A	(24)%

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 consists in collecting fees from hotel owners. It also includes the commissions received on centralized purchases.
- **Franchise agreements:** hotels are operated by their owners under an Accor brand. The Group provides access to various services, mainly the right to use its brands, the access to its distribution system and additional services, such as centralized purchases or the access to the Accor Academy (training for hotels staff). Accor revenue corresponds to the fees invoiced to hotel owners (trademark fee, distribution and marketing fee and, if any, 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 management fees generally based on the hotel's profitability.

The performance of Management & Franchise business is presented for 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 reimbursements costs incurred on behalf of hotel owners.

Revenue

HotelServices reported a **business volume of €12 billion** versus €9 billion in 2020, and **revenue of €1,582 million**, up 36% like-for-like compared with 2020. This increase reflects the strong recovery in business observed during the second half of the year.

(in €m)	2020	2021
Business volume (in billions of euros)	9	12
Revenue	1,142	1,582
of which Management & Franchise	292	518
of which Services to owners	850	1,064
CURRENT EBITDA	(257)	93
Current EBITDA margin	(22.5)%	+5.8%

Management & Franchise revenue by region

Management & Franchise (M&F) revenue amounted to **€518 million**, up by 74% on a like-for-like basis compared to 2020, with regional performances correlated to the recovery in business in the countries considered. This reflects a 51% decrease on a like-for-like basis compared to 2019, i.e. a sharper decline compared with RevPAR over the same period (-46%), mainly due to a strong decrease in management fees based on the hotels' profitability ("incentive fees").

(in €m)	2020	2021	LFL change vs 2020 ⁽¹⁾	LFL change vs 2019 ⁽¹⁾
Southern Europe	80	141	72%	(47)%
Northern Europe	51	91	81%	(64)%
ASPAC	72	98	34%	(52)%
IMEAT	36	77	112%	(43)%
Americas	52	111	97%	(41)%
TOTAL	292	518	74%	(51)%

(1) Like-for-like: at constant scope of consolidation and exchange rates.

2021 RevPAR⁽¹⁾ (excl. tax) vs 2019 by segment

	Occupancy rate		Average room rate		RevPAR	
	%	Chg. pts LFL	€	Chg. % LFL	€	Chg. % LFL
Luxury & Upscale	36.8	(33.2)	214	4.5	79	(43.8)
Midscale	40.0	(29.4)	100	(5.2)	40	(45.1)
Economy	46.5	(24.0)	61	(5.5)	28	(37.6)
Southern Europe	43.8	(26.2)	80	(6.6)	35	(41.3)
Luxury & Upscale	30.0	(43.1)	162	1.9	49	(57.2)
Midscale	36.7	(37.0)	79	(12.0)	29	(56.2)
Economy	36.4	(38.7)	61	(12.4)	22	(57.6)
Northern Europe	35.8	(38.4)	79	(11.1)	28	(56.9)
Luxury & Upscale	41.0	(23.7)	89	(22.3)	37	(49.5)
Midscale	47.1	(28.6)	63	(15.7)	30	(48.4)
Economy	52.7	(25.1)	33	(21.8)	17	(47.9)
ASPAC	46.3	(26.1)	62	(20.3)	29	(49.2)
Luxury & Upscale	43.3	(23.4)	135	12.2	58	(27.3)
Midscale	54.9	(10.8)	55	(11.0)	30	(25.1)
Economy	47.6	(18.3)	38	(12.5)	18	(36.9)
IMEAT	46.5	(19.6)	95	+2.5	44	(27.8)
Luxury & Upscale	34.6	(33.9)	217	1.7	75	(47.5)
Midscale	38.8	(24.9)	54	(12.4)	21	(46.3)
Economy	38.5	(18.9)	29	(6.8)	11	(37.3)
Americas	37.2	(25.7)	96	(10.1)	36	(46.3)
Luxury & Upscale	39.2	(27.5)	134	(5.7)	52	(43.6)
Midscale	42.6	(29.6)	74	(11.9)	31	(48.3)
Economy	44.2	(26.8)	49	(11.3)	21	(45.0)
TOTAL	42.3	(27.9)	78	(9.9)	33	(45.7)

(1) RevPAR, or Revenue Per Available Room, is an indicator of business performance reflecting the revenue generated per available room over a given period. It is calculated by multiplying the average room rate by the average occupancy rate.

Group RevPAR was down by **-46%** in 2021 compared with 2019. This decline reflects the impact of health measures linked to the resurgence in the Covid-19 pandemic, despite the marked improvement in business from April 2021.

Southern Europe, driven by France, saw a **-41%** decline in RevPAR in 2021 compared with 2019. This number reflects a marked sequential improvement in the second half year-on-year, with a decline of “just” **-17%** (compared with 2019) seen in the fourth quarter of 2021 (i.e. **+7** percentage points compared with third quarter).

- In **France**, RevPAR was down **-39%** in 2021 compared with 2019. The strength of domestic leisure tourism demand enabled regional cities to report a recovery in demand from the summer (RevPAR down **-27%** over 2021 compared with 2019). In subsequent months, the return of business customers (notably intra-company events) benefited the Paris region, with RevPAR down **-56%** over 2021 compared with 2019.

- In **Spain**, RevPAR was down by **-52%** over 2021 compared with 2019 with a sharp recovery in business from June.

Northern Europe showed a more modest sequential improvement (**+2** percentage points between the third and fourth quarters) and ended 2021 with RevPAR down **57%** compared with 2019.

- In the **United Kingdom**, RevPAR was down **-49%** over 2021 compared with 2019, with a similar recovery profile to France. London, which is more dependent on international travelers, suffered a **-63%** decline in RevPAR. The rest of the country (RevPAR down **-34%** in 2021 compared with 2019) benefited from domestic Leisure demand, with average prices higher than the levels seen in 2019.
- In **Germany**, where health restrictions were tougher than in neighboring countries, RevPAR was down **-66%** in 2021 compared with 2019.

The **Asia-Pacific** region enjoyed a sequential improvement in RevPAR (+9 percentage points between the third and fourth quarters) after a third quarter hit by tighter Covid restrictions. RevPAR was down -49% for FY 2021 compared with FY 2019.

- The **Pacific** region benefited from the gradual easing of restrictions since the start of October in Sydney and the gradual reopening of internal borders in Australia. RevPAR was down -42% over 2021 compared with 2019. The recovery in business was confirmed in January 2022 and is expected to continue with the reopening of Australia's international borders from February 21.
- In **China**, the recovery in RevPAR was more mixed, impacted by the resurgence in Covid-19 cases and the application of a strict zero Covid policy. RevPAR was down -32% over 2021 compared with 2019.
- In **South-East Asia**, signs of improvement began to appear as a result of the step-up in vaccination campaigns and easing of health restrictions, notably in Thailand and Indonesia. Business in Singapore remained heavily dependent on traveler quarantines. In the region, RevPAR was down -66% in 2021 compared with 2019.

In the **India, Middle East, Africa & Turkey** region, the recovery in business between the third and fourth quarters was remarkable (+28 percentage points, with RevPAR higher than levels seen in 2019 for the closing quarter. While business in Saudi Arabia remains held back by restrictions on religious pilgrimages, the United

Arab Emirates benefited from demand linked to Expo 2020, open since October 1, 2021. RevPAR was down -28% in 2021 compared with 2019 in this region.

In the **Americas**, the improvement in RevPAR was also noteworthy (+18 percentage points between the third and fourth quarters) to end FY 2021 with RevPAR down -46% compared with FY 2019.

- **North/Central America and the Caribbean** saw a -48% decline in RevPAR in 2021 compared with 2019. The easing of travel restrictions between Canada and the United States and Christmas holidays accelerated the recovery trend at the end of the year.
- In **South America**, RevPAR was down -42% in 2021 compared with 2019. The improvement continued throughout the year with the acceleration of vaccination campaigns. Over the last months of 2021, average prices returned to levels higher than those seen in 2019 LFL.

Services to Owners revenue amounted to €1,064 million in 2021, down by -43% compared to 2019. The figure includes revenue linked to the expiry of loyalty points at year-end.

Current EBITDA

HotelServices EBITDA was positive at **€93 million** in 2021. This amount includes a positive performance for Management & Franchise and a negative contribution from Services to Owners.

<i>(in €m)</i>	M&F	Services to Owners	HotelServices
2021 revenue	518	1,064	1,582
Current EBITDA 2021	275	(182)	93
<i>Current EBITDA margin 2021</i>	53.1%	(17.1)%	5.9%
2020 revenue	292	850	1,142
Current EBITDA 2020	25	(282)	(257)
<i>Current EBITDA margin 2020</i>	8.4%	(33.2)%	(22.5)%

- The **Management & Franchise EBITDA margin** was **53.1%** versus 8.4% in 2020.
- The **EBITDA margin generated by Services to Owners was negative** at -17.1% compared with -33.2% in 2020. Given the very sharp fall in RevPAR because of the health crisis, costs could not be reduced in the same proportion as revenue (IT and sales force), thereby creating a €182 million loss in 2021.
- During 2021, Accor opened 288 hotels (organic growth) corresponding to 40,643 rooms, i.e. **3% growth** over the past twelve months. At end-December, the Group had a hotel portfolio of 777,714 rooms (5,298 hotels) and a pipeline of 214,000 rooms (1,218 hotels).

The Management & Franchise business of HotelServices reported EBITDA of €275 million, significantly higher than in 2020 (€25 million), and down by -64% on a like-for-like basis compared to 2019. All regions now show a positive EBITDA.

Management & Franchise EBITDA by region

(in €m)	2020	2021	LFL change vs 2019 ⁽¹⁾
Southern Europe	14	96	(54)%
Northern Europe	(12)	47	(74)%
ASPAC	21	51	(64)%
IMEAT	1	41	(63)%
Americas	0	40	(67)%
TOTAL	25	275	(64)%

(1) Like-for-like: at constant scope of consolidation and exchange rates.

Hotel Assets & Other

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 hotels common areas).
- And, since early 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 €m)	2020	2021
Revenue	489	633
EBITDA	(22)	48
EBITDA margin	(4.5)%	7.6%

Revenue in the "Hotels Assets & Other" business amounted to **€633 million** in 2021 compared with €489 million in 2020. This segment, which is closely linked to business in Australia, notably benefited from a pick-up in leisure tourism demand during the first half of the year and at the end of 2021 on the North-East coast of the country where most of the Group's Strata activities are located (i.e. room and apartment distribution activities and managed properties).

As at end-December 2021, this segment, which includes owned and leased hotels, represented 117 hotels and 23,309 rooms.

New activities were impacted differently by the health crisis, with, on the one hand, very hard-hit activities directly linked to travel such as onefinestay private home rentals and, on the other hand, digital activities which were much less impacted such as the digital services provided by D-EDGE.

EBITDA from Hotel Assets & Other amounted to **€48 million** in 2021 versus a negative -€22 million in 2020. This segment was mainly driven by Asia-Pacific where business benefited from a recovery in the first half and at the end of 2021. New activities are close to breakeven at EBITDA level.

5.2 2021 parent company management report as of December 31, 2021

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 two branches outside France, in Dubai and in Egypt. Their accounting losses contributed -€5.8 million to the Company's net loss as of December 31, 2021.

The spread of the Covid-19 virus as well as the measures taken by governments to slow its transmission (in particular travel bans, border closures and lockdowns) seriously affected the tourism and hospitality sectors since the start of 2020. In 2021, sector activities continued to be impacted by the pandemic, although positive trends between the first and second half of the year were observed on the back of vaccination campaigns to stem the spread of the pandemic and easing of restrictions, with disparities by region. The hotel occupancy rate improved steadily throughout the year, ending at 42%. At the height of the crisis, in Q2 2020, it stood at 15%.

Review of 2021 results

The Company's **revenue** amounted to €630.2 million at end-December 2021, compared with €530.6 million at end-December 2020 across all operations. This 18.77% (€99.6 million) increase resulted primarily from a slight recovery in billing of fees to managed and franchised hotels.

Revenue includes fees from the hotel operations of Accor SA, fees under management leases and income from services.

(in €m)	2020	2021
France	295	363
International	236	267
REVENUE EXCL. TAX	531	630

At December 31, 2021, **own work capitalized, reversals of depreciation, amortization and provisions and expense transfers and other income** amounted to €107.6 million, compared with €74.5 million at December 31, 2020. This €33.1 million increase can be notably attributed to:

- the increase in the value of own work capitalized for €9.7 million related to the recovery in IT projects in 2021;
- the reversal of the provisions for amortization and expense transfers for an amount of €23 million for which increases of €22.7 million of charges to be allocated for bond issues and €12.6 million related to ALL points offset by a reversal of €7.9 million from a restructuring provision.

Operating expenses stood at €1,006.3 million at December 31, 2021, compared with €1,009.9 million at December 31, 2020. The €3.6 million reduction was mainly due to the €4.7 million decline in other external purchases and charges and in particular the €85.9 million external service and fee line items, offset by an increase in advertising costs amounting to €39.4 million, banking fees of €23.6 million related to debt

refinancing, and €19.8 million in rebates and discounts. Wages and social charges increased by €11.7 million, primarily given the halt to Covid measures in place in 2020.

Operating provisions increased by €3.2 million. This increase stemmed from €8.4 million in provisions for contingencies and charges, €2.5 million for depreciation and amortization and €1.1 million in depreciation of management contracts, partly offset by an €8.9 million reduction in receivables impairment. Other operating expenses were down €14.2 million, including €18.1 million in losses on a minimum guaranteed payment offset by an increase in Soluxury fees amounting to €4.4 million.

The **operating loss** at December 31, 2021 amounted to €268.6 million, compared with a €404.9 million loss at end-December 2020, representing a decrease in the loss of €136.3 million.

Net financial expenses at December 31, 2021 came to €48.9 million, compared with €947.3 million in 2020, a €898.4 million decrease mainly reflecting the decline in impairment and provisions on investments in subsidiaries.

At end-December 2021, dividend income amounted to €71.1 million compared with €79.9 million at end-December 2020. The limited decline was mainly due to health crisis during which dividend payments were suspended.

Total **increases and reversals of financial provisions** represented a net expense of €30.9 million at end-2021, compared with a net expense of €958.7 million in 2020. Increases and reversals of financial provisions mainly related to impairment of investments in subsidiaries.

Recurring income (expense) before tax came to a negative (€317.5) million in 2021, compared with (€1,352.2) million in 2020.

Net non-recurring expenses came to €238 million in 2021, versus net non-recurring income of €294 million in 2020. This amount can be attributed to:

- the impact of internal legal restructuring and disposals linked to the formation of the Lifestyle (Ennismore) platform, which, for AccorSA, led to a net loss of €243 million stemming mainly from the sale of shares in the Tribe Hotel Group, AH New Lifestyle Holdings in the US and the 25Hours Hotel Company (excluding any

additional earn-outs to be paid), the disposals of Tribe management contracts and the Jo&Joe brand as well as fees related to these transactions,

- the capital gain of €31 million linked to the disposal of the TARS reservation activities to D-Edge, a 100%-owned company.
- the booking of a €21 million provision within the framework of the liability guarantee relative to the tax audit of a subsidiary sold to Accor Invest,
- the booking of a net restructuring charge of €9 million linked to the RESET plan.

In 2021, **income tax** broke down into group relief of €14.4 million and an income tax gain of €1.4 million, compared with group relief of €1.7 million and an income tax expense of €1.8 million at December 31, 2020.

The Company ended 2021 with a net loss of €539.7 million, versus a loss of €1,054.5 million in 2020.

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 €m)	2017	2018	2019	2020	2021
Year-end financial position					
Share capital	870	848	813	784	786
Share capital in number of shares	290,122,153	282,607,800	270,932,350	261,382,728	261,856,268
Annual transactions and results					
Revenue excl. tax	915	992	1,218	531	630
Profit before tax, depreciation, amortization and provisions	(3,596)	362	90	(33)	(522)
Income tax	(60)	(19)	(19)	(3)	(16)
Profit after tax, depreciation, amortization and provisions	(3,698)	(60)	(208)	(1,055)	(540)
Profits distributed	305	297	284	-	-
Earnings per share (in units)					
Profit after tax but before depreciation, amortization and provisions	(12.60)	1.35	0.40	(0.11)	(1.93)
Profit after tax, depreciation, amortization and provisions	(12.75)	(0.21)	(0.77)	(4.03)	(2.06)
Net dividend allocated to each share	1.05	1.05	-	-	-
Staff					
Number of employees ⁽¹⁾	1,285	1,343	1,419	1,298	1,183
Payroll and other employee benefits (social security, other staff benefits, etc...)	152	171	196	141	151

(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	2,585	1,566	138	100	350	2,154
Total amount of invoices (in €)	118,591,355	50,298,982	1,662,038	1,019,777	6,497,733	59,478,530
Percentage of total purchases for the period (excl. tax)	16.16%	6.85%	0.23%	0.14%	0.89%	8.10%
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 (in €)	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	6,202	595	631	347	4,475	6,048
Total amount of invoices (in €)	205,489,827	6,770,486	6,724,273	7,203,302	94,397,326	115,095,387
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)	32.61%	1.07%	1.07%	1.14%	14.98%	18.26%
(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 (in €)	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 2021

Over the year, Accor continued to implement mitigation measures to adapt its variable costs to the sharp drop in business and preserve its liquidity position (including furloughing and partial unemployment measures, reductions in sales and marketing expenses and recurring investments). The Group also decided not to pay a dividend in respect of fiscal 2020.

As part of the development of its Lifestyle hospitality activity, on October 1, 2021, Accor concluded a partnership with Ennismore Holdings Limited (EHL), a London-based

hotel operator, exclusively via a share exchange. This partnership notably covers the following main transactions for Accor SA:

- The acquisition of additional interests in Mama Shelter, Town and Shelter, 25Hours Hotel Company and Tribe Hotel Group, for an acquisition price of €117 million, bringing Accor SA's stakes in these companies to 100%. The payment of part of the acquisition price has been deferred and is recognized as "Other Financial Debt for an amount of €61 million.

- The reorganization of assets in the hotel management activity within the new Ennismore Holdings Limited subsidiary, in the form of the transfer to this subsidiary of shares in Mama Shelter, Tribe and SBE notably. At December 31, 2021, Accor SA held 66.67% of this company (shares valued at €509 million), with the former shareholders in Ennismore Holdings Limited maintaining a 33.33% stake.
- The creation of a partnership with the KEYS Asset Management investment fund and Norlake Hospitality of the KNSA Hotels France company, in which Accor SA held a 24.5% stake at December 31, 2021, and sale to this entity of the shares in the companies holding the hotel assets of Mama Shelter and 25Hours for €20 million (excluding any additional earn-outs to be paid).

For Accor SA, these internal reorganisation and disposal operations generated a net capital gain on disposal of these shares of €247.3 million.

Between April and June 2021, Accor SA created and carried out the stockmarket flotation of a Special Purpose Acquisition Company (SPAC).

On April 30, 2021, Accor SA created the Accor Acquisition Company (AAC), a special purpose acquisition company (SPAC), with the purpose of carrying out one or several acquisitions in the 24 months following its stockmarket flotation, in services related to hospitality: catering, shared workspaces, wellness, entertainment and events, as well as technologies linked to the hospitality industry.

On June 1, 2021, AAC was floated on the stock market, raising €300 million with qualified investors as part of a private placement. Accor SA subscribed for €20 million. A further €25 million was also subscribed by Accor SA and

immediately transferred to Goldman Sachs Bank Europe SE acting as stabilizing agent for the stabilization mechanism attached to the transaction.

At December 31, 2021, Accor SA held a 23.52% stake in the capital of AAC for a net investment of €34 million. This investment includes 6.8 million unlisted preference shares and 2 million ordinary shares under the same conditions as for institutional investors, together with 3.5 million share warrants exercisable over a five-year period from the date of the acquisition.

During the year, the Company also carried out two transactions impacting its shareholdings, subscribing to two capital increases by Accor Invest for €146.4 million in January and March 2021, the capital reduction of Accor Hotel Belgium for an amount of €512 million in October 2021 and the early dissolution without liquidation of Town and Shelter, leading to the transfer of all assets and liabilities to its sole partner Accor SA. The transaction led to a merger loss of €14.5 million booked in financial expenses.

On December 8, 2021, Accor SA signed a partnership agreement with the Organization Committee to become an official partner of the Olympic and Paralympic Games Paris 2024. As well as a financial contribution, the company has committed to providing management services for athlete and media accommodation in the two Villages planned, in exchange for rights to use of the Olympic and Paralympic Games brands and certain benefits. An intangible asset was booked in respect of this right, which is amortized on a straight line basis over the term of the partnership (out to December 31, 2024).

Transactions in the Company's shares

On April 29, 2021, the Annual General Meeting voted that no dividend would be paid in respect of 2020.

On May 27, 2013, the Company 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 securities regulator association (AMAFI) and recognized by the

French securities regulator (AMF). To fund the contract, an amount of €30 million was allocated to the liquidity account. The related bank fees amount to a total of €260,000 per year.

In 2021, Group share capital was impacted by the creation of 473,540 shares which increased the share capital by €1.4 million.

Financing and placements

To optimize its financial structure, on November 18, 2021, Accor SA launched a bond issue indexed to the Group's sustainable development objectives (the Sustainability-Linked Bond), for an amount of €700 million. This new financing notably enabled the €448 million partial redemption of bond issues from September 2015 and January 2017 for a total of €652 million, with maturities in 2023 and 2024 respectively. On February 5, 2021, the Group also redeemed the remaining outstanding amount of €550 million on its €900 million bond issue from February 2014, maturing in February 2021.

As of December 31, 2021, Accor SA had the following bank debts:

- Bond borrowing of CHF150 million (€138 million as at December 31, 2021) in 1.750% eight-year bonds issued in June 2014 on the Swiss market;
- A €60 million, 1.679% seven-year private placement completed in December 2014;

- 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 €206 million, bringing the remaining outstanding amount to €295 at December 31, 2021;
- A €600 million, 1.25% seven-year bond issue was carried out in January 2017. In November 2021, this issue was partially redeemed by €243 million, bringing the remaining 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.

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 March 2021, Accor SA acquired an additional 3.34% stake in the capital of Energy Observer Developments, bringing its total stake to 11.57%.

In April 2021, Accor created the Accor Acquisition Company SPAC, which was floated on the stockmarket on May 26, 2021. Following various capital transactions, Accor's stake stood at 23.52% on December 31, 2021.

Subsequent events

On February 9, 2022, Accor SA Acquired Société d'Exploitation et de Gestion de Spectacles de Music-Halls Internationaux (SEGSMHI), with the main activity of operating "Le Lido" entertainment venues in Paris. This transaction enabled the Group to increase its hospitality

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.

Accor SA also has two undrawn credit lines amounting to €1,760 million. On November 15, 2021, the Company favorably renegotiated the terms of its main €1,200 million credit facility, maturing in June 2025. The initial financial leverage covenant, which had been suspended until June 2022 owing to the health crisis, will not reapply until June 2024. Only a minimum liquidity covenant will apply in 2022 and 2023. Furthermore, on April 15, 2021 and October 27, 2021, the Company exercised two options to extend by six months each the 12-month revolving credit line of €560 million, concluded in May 2020, extending its maturity to May 2022. There are no covenants attached to this credit line.

In addition, at December 31, 2021, the Company had €555 million in term deposits and €744 million in cash. The Company also has €210.9 million invested in mutual funds.

In May 2021, the Company acquired an additional 9.97% in the capital of Mama Shelter, increasing its stake to 45.35% as well as 100% of shares in the Mama Shelter group entities: Mama Paris West, Mama Bordeaux, Mama Marseille, Mama Lyon, Mama Paris, Mama Paris La Défense.

In parallel, the Company acquired an additional 36.64% in the capital of Town and Shelter, increasing its stake to 100%.

In July 2021, the Company acquired a 13.52% in the capital of Paris Society, bringing its stake to 42.97%.

In October 2021, Accor SA took a 26.67% stake in Worklib. Since the transaction was covered by the scope of regulated agreements, it was approved by the Accor Board of Directors on September 28, 2021.

offering notably with members of the ALL loyalty program. The acquisition price came to one euro, increased by an earn-out additional payment linked to the financial situation of the company.

5.3 *Material contracts*

In fiscal 2021, 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 are described in Notes 3 and 6 to the consolidated financial statements.

5.4 *Subsequent events*

On February 9, 2022, Accor SA Acquired Société d'Exploitation et de Gestion de Spectacles de Music-Halls Internationaux (SEGSMHI), with the main activity of operating "Le Lido" entertainment venues in Paris. This transaction enabled the Group to increase its hospitality offering notably with members of the ALL loyalty program. The acquisition price came to one euro, increased by an earn-out additional payment linked to the financial situation of the company.

The Group operates seven hotels in Ukraine, under management and franchise contracts, four of which were still open on March 21, 2022. Employees, their families, NGO and international media workers are currently staying at these hotels. The Group has mobilized its teams in Poland, Slovakia, Hungary and Moldavia to

welcome citizens fleeing Ukraine and set up solidarity action financing mechanisms through the All Heartist and Accor Solidarity funds. So far, around 100,000 people have been welcomed at Accor brand hotels.

On March 7, 2022, Accor suspended:

- Development in Russia and hotel openings planned;
- Partnerships set up with Russian companies as part of the ALL loyalty program;
- All contractual obligations relative to owners under international sanctions.

On March 21, 2022, the Group operated less than 60 hotels in Russia, representing around 1% of its global network.



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

<i>(In millions of euros)</i>	Notes	2020	2021
REVENUE	4	1,621	2,204
Operating expense	4	(2,012)	(2,182)
CURRENT EBITDA	4	(391)	22
Depreciation and amortization		(274)	(249)
CURRENT EBIT		(665)	(228)
Share of net profit/(loss) of equity-investments	6	(578)	(273)
EBIT INCLUDING SHARE OF NET PROFIT/(LOSS) OF EQUITY-ACCOUNTED INVESTMENTS		(1,243)	(501)
Other income and expenses	7	(958)	554
OPERATING (LOSS)/PROFIT		(2,201)	53
Net financial expense	11	(108)	(109)
Income tax	12	62	69
(LOSS)/PROFIT FROM CONTINUING OPERATIONS		(2,247)	13
(Loss)/profit from discontinued operations	3	257	77
NET (LOSS)/PROFIT OF THE YEAR		(1,990)	90
• Group share		(1,988)	85
• from continuing operations		(2,244)	8
• from discontinued operations		257	77
• Minority interests		(2)	6
• from continuing operations		(2)	6
• from discontinued operations		-	-
Basic earnings per share <i>(in euros)</i>			
Earnings per share from continuing operations		(8.69)	(0.10)
Earnings per share from discontinued operations		0.98	0.29
Basic earnings per share	13	(7.71)	0.19
Diluted earnings per share <i>(in euros)</i>			
Diluted earnings per share from continuing operations		(8.69)	(0.10)
Diluted earnings per share from discontinued operations		0.98	0.29
Diluted earnings per share	13	(7.71)	0.19

6.1.2 Consolidated statement of other comprehensive income

(In millions of euros)

	Notes	2020	2021
NET PROFIT OF THE YEAR		(1,990)	90
Currency translation adjustments	13	(310)	256
Effective portion of gains and losses on hedging instruments	13	(28)	20
Currency translation adjustments from discontinued operations	13	(10)	0
Items that may be reclassified subsequently to profit or loss		(348)	275
Changes in the fair value of non-consolidated investments	13	(27)	(193)
Actuarial gains and losses on defined benefit plans	13	3	14
Items that will not be reclassified to profit or loss		(24)	(179)
Other comprehensive income, net of tax		(372)	96
TOTAL COMPREHENSIVE INCOME OF THE YEAR		(2,362)	186
• Group share		(2,357)	177
• Minority interests		(5)	10

6.1.3 Consolidated statement of financial position

Assets

<i>(In millions of euros)</i>	Notes	Dec. 2020*	Dec. 2021
GOODWILL	8	1,786	2,158
OTHER INTANGIBLE ASSETS	8	2,751	2,908
PROPERTY, PLANT & EQUIPMENT	8	242	230
RIGHT-OF-USE ASSETS	9	377	318
Equity-accounted investments	6	1,155	898
Other non-current financial assets	11	180	595
NON-CURRENT FINANCIAL ASSETS		1,335	1,494
Deferred tax assets	12	175	192
Contract assets	4	201	289
Other non-current assets		3	3
Non-current assets		6,869	7,591
Inventories	4	21	9
Trade receivables	4	534	697
Other current assets	4	222	256
Current financial assets	11	38	45
Cash and cash equivalents	11	2,474	1,666
Assets classified as held for sale	3	395	406
Current assets		3,684	3,079
TOTAL ASSETS		10,553	10,669

* Restated amounts following the purchase price allocation of sbe acquired in 2020 (see Note 8.1).

Equity and Liabilities

<i>(In millions of euros)</i>	Notes	Dec. 2020*	Dec. 2021
Share capital	13	784	786
Additional paid-in capital and reserves	13	4,298	2,422
Net profit of the year		(1,988)	85
ORDINARY SHAREHOLDERS' EQUITY		3,094	3,292
Perpetual subordinated bonds	13	1,000	1,000
Shareholders' equity – Group share		4,094	4,292
Minority interests	13	66	256
Shareholders' equity	13	4,161	4,549
Non-current financial debt	11	2,473	2,572
Non-current lease liabilities	9	314	263
Deferred tax liabilities	12	513	510
Non-current provisions	10	61	63
Pensions and others benefits	5	74	56
Non-current contract liabilities	4	23	23
Non-current liabilities		3,459	3,486
Trade payables	4	327	441
Current liabilities	4	579	718
Current provisions	10	425	282
Current contract liabilities	4	205	180
Current financial debt	11	969	630
Current lease liabilities	9	102	90
Liabilities classified as held for sale	3	326	294
Current liabilities		2,934	2,635
TOTAL EQUITY AND LIABILITIES		10,553	10,669

* Restated amounts following the purchase price allocation of sbe acquired in 2020 (see Note 8.1).

6.1.4 Consolidated statement of cash flows

<i>(In millions of euros)</i>	Notes	2020	2021
Current EBITDA	4	(391)	22
Interests received / (paid)	11	(66)	(83)
Income tax paid		16	(36)
Non-cash revenue and expenses included in current EBITDA		152	39
Dividends received		8	10
FUNDS FROM (USED IN) OPERATIONS		(281)	(49)
Decrease / (increase) in working capital	4	(270)	34
Decrease / (increase) in contract assets and liabilities	4	(35)	(73)
NET CASH FLOWS FROM (USED IN) RECURRING OPERATING ACTIVITIES		(586)	(88)
Cash received / (paid) on non-recurring items		135	(146)
Net cash flows used in operating activities of discontinued operations	3	(13)	-
NET CASH FLOWS FROM (USED IN) CURRENT OPERATING ACTIVITIES (A)		(463)	(234)
Acquisition of subsidiaries, net of cash acquired	8	(9)	(9)
Acquisition of property, plant and equipment and intangible assets	8	(66)	(82)
Acquisition of equity-investments and non-current financial assets	8	(97)	(248)
Loans granted to third parties		(3)	(15)
Proceeds from disposal of subsidiaries, net of cash transferred		1,067	(7)
Proceeds from disposal of equity-investments and non-current financial assets		-	248
Net cash flows used in investing activities of discontinued operations	3	(7)	-
NET CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES (B)		885	(113)
Increase (decrease) of rights granted over share capital	13	61	(0)
Share buyback programs	13	(300)	-
Proceeds from issue of perpetual subordinated bonds		(127)	-
Coupons on perpetual subordinated bonds	13	(34)	(35)
Dividends paid		(2)	(1)
New loans issued	11	1,738	2,204
Repayment of loans	11	(1,465)	(2,517)
Repayment of lease liabilities	9	(83)	(88)
Changes in other short-term debts	11	(18)	(18)
Net cash flows used in investing activities of discontinued operations		1	-
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES (C)		(229)	(456)
Effect of changes in exchange rates (D)		(64)	26
NET CHANGE IN CASH AND CASH EQUIVALENTS (E) = (A) + (B) + (C) + (D)		129	(777)
Cash and cash equivalents at beginning of the year		2,236	2,419
Fair value restatement on cash and cash equivalents		(2)	26
Net change in cash and cash equivalents from assets held for sale		56	(11)
Cash and cash equivalents at end of the year		2,419	1,658
NET CHANGE IN CASH AND CASH EQUIVALENTS		129	(777)

6.1.5 Consolidated statement of changes in equity

<i>(In millions of euros)</i>	Number of shares	Share capital	Additional paid-in capital	Currency translation reserve	Retained earnings	Equity Group share	Minority interests	Total Equity
BALANCE AT JANUARY 1, 2020	270,932,350	813	1,943	(163)	4,229	6,822	153	6,975
Capital decrease	(10,175,309)	(31)	(270)	-	(2)	(303)	(0)	(303)
Capital increase	625,687	2	2	-	-	4	-	4
Dividends paid		-	-	-	0	0	(2)	(2)
Share-based payments		-	-	-	32	32	-	32
Perpetual subordinated bonds		-	-	-	(160)	(160)	-	(160)
OCEANE equity component		-	-	-	44	44	-	44
Effects of scope changes		-	-	(0)	13	13	(80)	(67)
Transactions with shareholders	(9,549,622)	(29)	(268)	(0)	(74)	(371)	(82)	(453)
Net (loss)/profit of the year		-	-	-	(1,988)	(1,988)	(2)	(1,990)
Other comprehensive income		-	-	(318)	(52)	(369)	(2)	(372)
Total comprehensive income	-	-	-	(318)	(2,039)	(2,357)	(5)	(2,362)
BALANCE AT DECEMBER 31, 2020	261,382,728	784	1,675	(481)	2,116	4,094	66	4,161
Restatement IAS 19*	-	-	-	-	4	4	-	4
RESTATED 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

* See Note 1.1 on IFRS IC decision.

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, 2021, were authorized for issue by the Board of Directors on February 23, 2022. They will be submitted to shareholders for final approval at the Annual General Meeting on May 20, 2022.

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 at December 31, 2021. These standards are available on the European Commission's website ⁽¹⁾.

New standards and amendments

As at December 31, 2021, the Group applied the same accounting policies and measurement methods as were applied in its consolidated financial statements for the year ended December 31, 2020, except for changes required by new IFRS applicable from January 1, 2021.

Amendments to IAS 39, IFRS 7, IFRS 9 Interest Rate Benchmark Reform (phase 2)

The IASB has issued amendments to IAS 39, IFRS 7, IFRS 9 *Interest rate benchmark reform (phase 2)*, which are mandatory as at January 1, 2021. Those amendments provide certain reliefs to account for changes to financial instruments measured at amortized cost and hedging instruments, that are made necessary by the implementation of new benchmark rates.

Accor identified a limited number of financial instruments that are affected by the Interest Rate Benchmark (IBOR) reform. The Group has a variable financial debt indexed to the US 3-month Libor rate, acquired as part of the takeover of sbe in November 2020, which has not been amended yet. As at December 31, 2021, the carrying amount of this debt is €45 million. In addition, two derivative instruments are indexed to the Euribor rate, which has been deemed compliant by the European regulator: a swap, maturing in October 2026, fixing the rate of the mortgage loan (which is indexed to the Euribor rate) set up for the acquisition of the Group's head office, as well as a floor on this swap, maturing in October 2021. The Group has also subscribed a Cross Currency Swap, maturing in December 2028, to hedge an AUD 900 million intragroup loan, indexed to the 3-month Euribor and BBSW ("Bank Bill Swap rate"), the Australian reference rate. As part of the IBOR reform, the Euribor and BBSW will continue to be issued in their revised version.

The implementation of those amendments had no significant impact on the Group's consolidated financial statements.

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).

Amendment to IFRS 16 Rent Concessions beyond June 30, 2021

The Group applied the amendment that extended by one year the provisions of the amendment to IFRS 16 Covid-19 Related Rent Concessions issued in May 2020, which was early adopted by the Group in its 2020 consolidated financial statements. These amendments allow a lessee to recognize concessions granted by lessors (such as rent allowances and rent-free periods), as negative variable lease payment recognized in profit or loss over the period in which the event that triggers those payments occurs. The application of this amendment does not have a significant impact on the consolidated financial statements.

Decision on Attributing Benefit to Periods of Service (IAS 19)

In April 2021, the IFRS Interpretations Committee ("IFRS IC") provided clarifications on how to determine the periods to which retirement benefit is attributed for some defined benefit plans. For pension plans whose rights depend on the seniority of the employee on retirement date and are capped after a certain number of years of seniority, the entity's obligation would only raise from the last years of service that provide rights to the employee (and not over the full period of service within the company). The application of those new provisions resulted in a €4 million increase in equity as at January 1, 2021.

Future standards, amendments and interpretations

The Group has not applied any standards, amendments to standards or interpretations early applicable on January 1, 2021, regardless of whether they were adopted by the European Union.

Amendment to IAS 37 Onerous Contracts – Cost of Fulfilling the Contract

IAS 37 has been amended to clarify that the direct costs of fulfilling a contract, when determining whether a contract is onerous, include both the incremental costs (such as direct labor costs) and an allocation of other directly related costs. This amendment is mandatory from January 1, 2022. Its application should not have a material impact on the Group's financial statements.

(1) <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02008R1126-20220101>

Decision on configuration and customization costs of SaaS cloud arrangements

In April 2021, the IFRS IC issued its final decision on configuration and customization costs associated with a Software as a Service (SaaS) cloud arrangement, which provides to the client, access to software functionalities hosted on an infrastructure operated by an external provider *via* an internet connection. These costs should be recognized immediately as operating expenses, except when the configuration and customization service

does not constitute a service that is distinct from the SaaS arrangement. In that case, the payments made for the configuration and customization service are recognized as prepaid expenses and recognized as operating expenses over the term of the SaaS contract as the services are received.

The Group has started identifying the contracts affected by this decision. Analyses are in progress to determine their impact on the Group's consolidated financial statements.

1.2 Foreign currency translation

The consolidated financial statements are presented in euro, 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 euro 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 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

In preparing its financial statements, Accor has considered the impact of climate change and the transition to a lower carbon economy. There has been no material impact on the 2021 consolidated financial reporting judgements and estimates arising from our considerations.

The risks and opportunities related to climate change, which could affect the Group's revenue in the long term, cannot be reliably assessed today.

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 reducing carbon emissions, may have to reduce the business trips of their employees.

Management has established its business plan, used for the impairment tests of its non-current assets, on a recovery assumption consistent with the macroeconomic trends from independent market studies, which reflect a reduction in international travel on medium term. In addition, Accor performed sensitivity analyses on the perpetuity growth rate, which are presented in Note 8.3.

Given its “asset-light” model, the Group holds few hotel assets located in high-risk areas, the book value of which could be significantly affected by climate change.

Furthermore, the Group is accelerating its transition towards a more sustainable model and has set a goal of reducing its greenhouse gas emissions to become carbon neutral by 2050. In line with this strategy, on November 18, 2021, the Group issued Sustainability-Linked Bonds, whose coupons are linked to the greenhouse gas emission reduction targets of the Group and its network

(see Note 11.2.1). As at December 31, 2021, when determining the effective interest rate of the debt, the Group considered that the targets will be met. In addition, when building its business plan, the Group has estimated that it would not bear additional costs for the achievement of the objectives assigned to the hotels of its network.

In 2021, Accor performed its first climate-related risk mapping. This assessment allowed the Group to identify the probable physical impacts in a +4°C world by 2100, as well as the risks and opportunities of transition on scenarios of a +1.5°C constraint world by 2100.

The Group considers that climate change could have physical impacts by 2030-2050, particularly in extreme scenarios (increase in temperature by 4°C). Some hotels could be threatened by flooding due to rising water levels or severe heat waves leading to increased investment and operating costs.

Besides, the paradigm shift will also create many revenue opportunities in short-haul leisure travel and for more competitive low carbon hotels, in line with Accor's objectives.

NOTE 2 SIGNIFICANT EVENTS IN THE CURRENT YEAR

2.1 Impacts of the Covid-19 health crisis

Impacts on the Group's activities

Since early 2020, the spread of the Covid-19 virus and related confinement measures initiated by the governments to contain its transmission (travel bans, border closings, stay-at-home directives and closures of shops and public places) has sharply affected the travel and hospitality industry. In 2021, the Group's operations continued to be impacted by the health crisis. The current year shows a positive trend between the first and second semester due to the combined effect of vaccination campaigns to curb the pandemic and less restrictive confinement measures, with a disparity among regions. The “RevPAR” (revenue per available room) for Accor branded hotels decreased by 46% compared to 2019, whereas it was down by 62% in 2020. The hotel occupancy rate regularly increased to reach 42%. It was 15% over the second quarter of 2020, which corresponds to the peak of the crisis.

Over the year, the consolidated revenue amounted to €2,204 million, compared to €1,621 million in 2020 (see Note 4.1). It is down by 45.6% compared to reported revenue of €4,049 million in the fiscal year 2019, used as the reference year by the Group.

Cash management and going concern basis

Over the year, Accor pursued and strengthened the mitigation measures initiated in 2020 to adapt its structure costs to the decrease in activity and preserve its liquidity position (partial unemployment measures and efforts in terms of reducing its sales and marketing expenses and recurring investments). The Group also decided not to pay any dividend with respect to fiscal year 2020.

To optimize its financial structure, on November 18, 2021, Accor issued a bond indexed to the Group's sustainable development objectives (“Sustainability-Linked Bond”) for €700 million. This new funding enabled a partial repayment of €448 million on the bonds issued in September 2015 and January 2017 for a total of €652 million, maturing in 2023 and 2024 respectively. On February 5, 2021, the Group had also repaid the €550 million remaining balance of the €900 million bond, issued in February 2014, matured in February 2021 (see Note 11.2.1).

As at December 31, 2021, Accor has a strong financial position, with net cash and cash equivalent of €1,658 million. Considering the expected maturities of the financial debts, and assuming, conservatively, a level of operating cash outflows equivalent to 2021, the net cash and cash equivalent position of the Group is more than sufficient to cover at least twelve months of operations, and thus face a potential prolongation of the crisis.

Besides, the Group has two undrawn credit facilities for a total of €1,760 million. On November 15, 2021, the Group favorably rearranged the terms of its €1,200 million credit facility maturing in June 2025. The initial leverage covenant, which was suspended until June 2022 in the context of health crisis, will be effective again from June 2024. Only a covenant of minimum cash will be applied in 2022 and 2023. Furthermore, on April 15, 2021 and October 27, 2021, the Group exercised the two six-month extension options on the twelve-month revolving credit facility of €560 million, concluded in May 2020, thus extending the maturity to May 2022. This credit facility is covenant free.

Based on the above, and although there are still uncertainties on how the health crisis will impact the Group's operations in future periods, at the date of authorization for issue of the consolidated financial statements as at December 31, 2021, the Group concluded

that there was no material uncertainty that might cast significant doubt on its ability to continue to operate as going concern for, at least, the next twelve months.

Other impacts on the consolidated financial statements

Accor reviewed the recoverable amount of its non-current assets (see Note 8.3). Impairment tests carried out on cash-generating units ("CGUs") or groups of CGUs to which goodwill is attached led to the recognition of an impairment loss for €8 million on some hotel assets operated in Australia. The Group also performed impairment tests, on a case-by-case basis, on its other non-current assets, based on a review of impairment indicators. This analysis led the Group to recognize a loss of €43 million (€27 million on hotel management contracts and €17 million on equity-accounted investments). Impairment losses are presented within other income and expenses in the consolidated income statement (see Note 7).

Furthermore, Accor has not identified any indicator of a material increase in credit risk of its main customers since December 31, 2020. Accordingly, in 2021, the Group did not recognize any material additional loss allowance for expected credit losses on its trade receivables.

2.2 Other significant events

Other main features of the financial year are summarized below:

- the takeover of Mama Shelter (May 2021), 25hours (September 2021) and Ennismore (October 2021) with a view to develop the Group's Lifestyle hotel management business, followed by the disposal of the Lifestyle hotels operated under leases in October 2021 (see Note 3.1.1);
- the partial disposal of Huazhu Group Ltd shares in February 2021 (see Note 3.1.2);
- the subscription to two capital increases of AccorInvest for a total of €154 million in January and March 2021 (see Note 3.1.3);
- the incorporation and Initial Public Offering of a SPAC "Special Purpose Acquisition Company" in June 2021 (see Note 3.1.3);
- the implementation of the Group's new organization leading to a change in segment information (see Note 4.1).

NOTE 3 GROUP STRUCTURE

3.1 Changes in the scope of consolidation

The list of the main consolidated companies as at December 31, 2021 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.

In 2021, the changes in the scope of consolidation mainly relate to the operations carried out by the Group in order to develop its management business on Lifestyle activities, which are experiencing strong growth. These hotels benefit from an innovative design and offer to their customers, gathering both international travellers and local communities, an original experience focused on a friendly welcome, warm restaurants and entertainment.

3.1.1 Development of Lifestyle management business

Takeover of Mama Shelter and 25hours

The two below transactions meet the definition of a business combination and are accounted for under the acquisition method, in accordance with IFRS 3 *Business Combinations*.

On May 4, 2021, Accor, which owned 70% of the share capital and voting rights of Mama Shelter, acquired the remaining 30% stake for €30 million (including a €15 million deferred payment due in 2022), increasing its ownership to 100% of the share capital and voting rights of the company. The consideration transferred amounts to €78 million, including the remeasurement to fair value of the previously held equity investment (€48 million).

The purchase price allocation, carried out on a provisional basis, leads to net assets acquired for €26 million, primarily including the Mama Shelter brand (€27 million), and a goodwill of €52 million.

On September 15, 2021, Accor acquired the remaining 50% stake in 25hours for €66 million (including a €46 million deferred payment due in two instalments in 2022 and 2023), increasing its stake to 100% of the share capital and voting rights of the company. The consideration transferred amounts to €145 million, including the remeasurement

to fair value of the previously held equity investment (€79 million). This remeasurement led to a €16 million profit recognized in other income and expenses in the consolidated income statement.

The purchase price allocation, carried out on a provisional basis, leads to net assets acquired for €54 million, primarily including the 25hours brand (€47 million), and a goodwill of €91 million.

In 2021, the contribution of Mama Shelter and of 25hours to the Group's consolidated revenue and net profit, from their acquisition date, is not material.

These two transactions resulted in a total cash outflow (net of the cash acquired) of €7 million in the consolidated statement of cash flows for the year.

Merger with Ennismore Holdings Ltd

On October 1, 2021, Accor finalized the merger with Ennismore Holdings Limited ("EHL"), a London-based hotel operator, carried out exclusively through exchanges of shares. This transaction gave rise to a new "asset-light" entity, called Ennismore, which operates a portfolio of 84 existing hotels under 14 brands (including Mondrian, SLS, The Hoxton, Gleneagles, 21C Museum Hotels, Mama Shelter, 25hours, Jo&Joe, SO/) and over 150 restaurants and bars. Ennismore aims to become the world's leading lifestyle operator in the hospitality sector.

Pursuant to this transaction, the new entity Ennismore is 66.67% owned by Accor and 33.33% by EHL. The governance arrangements agreed between the parties allow Accor to exercise exclusive control over the entity. In the Group's financial statements, this transaction is accounted for as an acquisition of 66.67% of the activities contributed by EHL in exchange for the disposal of 33.33% of its own Lifestyle activity.

Accordingly, this operation is accounted for as two transactions:

- an acquisition of EHL's activities meeting the definition of a business combination in accordance with IFRS 3 *Business Combinations* and accounted for under the acquisition method. Accor recognized a €217 million provisional goodwill based on a consideration transferred of €219 million, corresponding to the fair value of the interests in its Lifestyle activities transferred to EHL. The purchase price allocation will be completed within the 12-month measurement period following the acquisition date; and
- a 33.33% decrease in the interest held by the Group in its Lifestyle activities with no loss of control. As a result, Accor recognized a €29 million increase in equity Group share corresponding to the gain from disposal, computed as the difference between the carrying value of the interests transferred to EHL reclassified within minority interests (€190 million) and their fair value.

In 2021, the contribution of EHL's lifestyle activities to the Group's consolidated revenue and net profit, from their acquisition date, is not material.

Disposal of Lifestyle leased assets

On October 1, 2021, Accor finalized the sale of its portfolio of Lifestyle hotels operated under lease contracts (23 hotels under the brands Mama Shelter, 25hours and Jo&Joe, of which four pipeline hotels). Notably following the acquisition of Mama Shelter in May 2021 and 25hours in September 2021, this transaction is part of the Group's "Asset-light" strategy.

Pursuant to the agreement signed with Keys Asset Management, an investment fund dedicated to asset management, and Norlake, a related party of EHL, the portfolio of hotel assets was transferred to KNSA Hotels France, a newly incorporated company, in which Accor holds a 24.5% minority stake, accounted for under the equity method in the Group's consolidated financial statements. The hotels transferred are now managed by Ennismore under management agreements.

In accordance with the principles of IFRS 10 *Consolidated Financial Statements*, this transaction leads to a loss of control of the hotel assets transferred, as the rights held by Accor (voting rights in KNSA Hotels France combined with the rights resulting from management agreements) do not allow the Group to unilaterally direct their relevant activities.

Being a sale of a business to an associate with loss of exclusive control ("downstream" transaction as defined by IAS 28 *Interests in Associates and Joint Ventures*), the Group applies the provisions of IFRS 10 *Consolidated financial statements* that requires the recognition in profit and loss of the entire gain on disposal.

The Group recognized a capital loss on disposal of €2 million, calculated as the difference between:

- on the one hand, the selling price of €79 million, including a price adjustment of €10 million payable in 2022 and an estimated earn-out of €49 million payable in 2025; and
- on the other hand, the net book value of the business sold, as recognized in the Group's financial statements on completion date for €81 million.

This transaction resulted in a negative impact of €(6) million in the consolidated cash flow statement of the year, corresponding to the proceeds received net of the cash transferred.

In addition, on October 1, 2021, Accor, along with the other shareholders, subscribed to a capital increase of KNSA Hotels France and granted a shareholder loan in an amount proportional to its shareholding for a total of €7 million.

3.1.2 Disposals

Partial disposal of shares in Huazhu

On February 18, 2021, Accor sold part of its shares in Huazhu Group Ltd representing 1.5% of the company's share capital for €239 million. This transaction resulted in a loss of significant influence, leading the Group to recognize a gain on disposal on its entire investment, in accordance with the requirements of IAS 28 *Investments in associates and joint ventures*. The gain recognized, which amounts to €649 million, is presented within other income and expenses in the consolidated income statement of the financial year. It corresponds to the difference between:

- on the one hand, the proceeds from the sale of the 1.5% stake for €239 million, increased by the fair value of the 3.3% retained interest for €508 million, and adjusted by the recycling in the income statement of the cumulative exchange losses previously recognized in other comprehensive income for €(9) million; and
- on the other hand, the carrying amount of the equity investment of €89 million.

After completion of this transaction, the interest retained by the Group was reclassified as a non-consolidated investment measured at fair value through other comprehensive income for €508 million.

This disposal resulted in a cash inflow of €239 million in the consolidated statement of cash flows of the financial year.

Disposal of Adoria

On April 16, 2021, Accor sold 100% of the share capital of its subsidiary Adoria, acquired in 2018, which offers centralized solutions to catering industry to optimize supply management, for €5 million.

This disposal resulted in a cash inflow (net of the cash sold) of €5 million in the consolidated statement of cash flows for the year.

3.1.3 Other transactions

Capital increase of AccorInvest

On January 14, 2021, the Extraordinary General Meeting of AccorInvest's shareholders approved the completion of a €150 million capital increase subscribed by almost all shareholders in proportion to their ownership, representing €45 million for Accor. On March 1, 2021, the Extraordinary General Meeting of the entity approved the completion of a second capital increase of €327 million, including €109 million for Accor. These two transactions are part of the financial debt restructuring negotiated by AccorInvest, which included an extension of existing debt maturities until 2025, an addendum to the associated covenants clauses and a loan guaranteed by the French State for €477 million.

Based on the above, and although there are still uncertainties on how the health crisis will impact AccorInvest's operations in future years, the Group concluded that, at the date of authorization for issue of the consolidated financial statements as at December 31, 2021, 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.

Upon completion of the fore mentioned transactions, the Group's percentage interest is 30.5%.

Sponsoring of a SPAC ("Special Purpose Acquisition Company")

On April 30, 2021, Accor incorporated the vehicle Accor Acquisition Company (AAC), a "Special Purpose Acquisition Company" (SPAC), whose purpose is to complete one or several business combinations in services adjacent to hospitality: Food & Beverage, Flexible working, Wellness, Entertainment & Events and Travel Technology. Accor's objective is to broaden its offer for hotel owners, by providing additional services in adjacent activities, while continuing to focus on its core business of hotel management.

On June 1, 2021, AAC completed an Initial Public Offering, raising gross proceeds of €300 million from qualified investors in a private placement (including €25 million dedicated to a stabilization mechanism operated by Goldman Sachs Bank Europe SE acting as stabilizing manager). The listing was completed through the admission to negotiation of 30 million units, each comprising one market share and one market warrant, with a reference price of €10 per unit, on the Professional Segment of the regulated market of Euronext Paris. AAC has 24 months to complete a business combination. The proceeds from the offering (excluding the portion allocated to the stabilization mechanism) were deposited in an escrow account and shall be used only in connection with the business combination.

In accordance with the provisions of IFRS 10 *Consolidated Financial Statements*, the Group concluded that it does not have exclusive control over AAC to the extent where the rights held as sponsor and shareholder do not give it the power to unilaterally direct its relevant activities, i.e., identification and approval of investment decisions. Consequently, the investment in AAC is accounted for as an equity-investment in the Group's consolidated statement of financial position.

As at December 31, Accor owns 23.52% of the share capital of AAC for an investment of €34 million. It comprises 6.8 million unlisted preferred shares and 2 million market shares subscribed under the same conditions as qualified investors, along with 3.5 million warrants exercisable over a 5-year period starting from the completion date of the business combination.

Accor also subscribed to a forward purchase agreement allowing to participate in a private offering of additional shares for up to 10 million units at the price of €10 per unit, each comprising one preferred share and one warrant. The partial or complete exercise of these options is conditional upon the notification of an investment decision.

The warrants held by the Group are accounted for as derivative instruments in the consolidated statement of financial position. As at December 31, 2021, their fair value is not material.

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 under "Liabilities associated with assets classified as held for sale". For the reclassification to be made:

- the sale must be highly probable;
- 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, 2021, assets and liabilities classified as held for sale were as follows:

(In millions of euros)	Dec. 2020		Dec. 2021	
	Assets	Liabilities	Assets	Liabilities
SCI Sequana	392	307	402	294
Others	4	19	3	-
TOTAL	395	326	406	294

Sale-and-lease back project of Group's head office

As at December 31, 2021, the SCI Sequana entity which owns the Group's head office building located in Issy-Les-Moulineaux and associated financial debt has been maintained as assets held for sale. In a highly uncertain environment that affected all real estate transactions in Paris and the suburbs, the discussions initiated with potential investors in June 2020 are not conclusive yet. However, these discussions were pursued over the year and the Group remains actively committed to its disposal plan. Accor considers that the completion of this project, which was delayed by circumstances that are beyond its control, is still highly probable and that the criteria required by IFRS 5 *Non-current assets held for sale and Discontinued operations* are still met. As at December 31, 2021, the comparison between the carrying value of the disposal group and its fair value less costs to sell did not reveal any impairment.

3.2.2 Discontinued operations

In 2021, the profit of discontinued operations amounts to €77 million and mainly corresponds to items recognized in relation to the guarantees given as part of the sale of AccorInvest in June 2018. Over the year, the Group recognized a €85 million reversal of provision, net of deferred taxes, on the risks associated with the assets (see Note 10) and a provision of €(21) million on tax guarantees, following the tax reassessment of AccorInvest (see Note 14.2).

In 2020, the €257 million profit of discontinued operations comprised the capital gain on disposal of Orbis hotel assets and their contribution to net profit until completion date.

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 as defined by the standard) to assess operating performance and make decisions about resources allocation.

Operating in a market undergoing profound changes, particularly competitive for several years, and facing a health crisis of an unprecedented scale, Accor launched over the second half of 2020 a transformation project in order to achieve its transition to an "Asset-light" model. This is the final stage of the Group's long-term strategy aiming at adapting its organizational and operational model to its business model, refocused on the hotel management and franchise business.

This transformation plan notably resulted in a change in the Group's internal organization, which was implemented in early 2021. The hotel management and franchise business is now managed within eight geographic hubs (instead of five regions previously) in order to reinforce the proximity with hotel owners. Thus, Europe, the Group's main region, is split into Southern Europe (including France) and Northern Europe (including the United Kingdom and Germany). The Asia-Pacific region is divided into three hubs, Southeast Asia, Greater China and Pacific. The Middle East & Africa region, into which was transferred India (previously in the Asia-Pacific region) and Turkey (previously in Europe), is renamed India, Middle East, Africa & Turkey. The organization of the two regions North America, Central America & the Caribbean and South America remains unchanged.

This new organization led the Group to redefine its internal reporting reviewed by the Executive Committee (Chief Operating Decision Maker) and to review the identification of its operating segments accordingly. On this basis, and after taking into consideration the aggregation criteria as permitted by IFRS 8 *Operating segments*, the reportable segments 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;
 - Northern Europe;

- 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 & 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** – It 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 and 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
 - since early 2021, 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).

The comparative segment information presented for the year 2020 has been restated to reflect the Group's new organization.

4.1.1 Revenue

<i>(In millions of euros)</i>	2020	2021
Southern Europe	80	141
Northern Europe	51	91
Asia-Pacific	72	98
Americas	52	111
India, Middle East, Africa & Turkey	36	77
Management & Franchise	292	518
Services to owners	850	1,064
HotelServices	1,142	1,582
Hotel Assets & Other	489	633
Holding/Intercos	(9)	(11)
REVENUE	1,621	2,204

Revenue in France amounted to €342 million in 2021 compared to €203 million in 2020. 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 €555 million in 2021.

4.1.2 Current EBITDA

<i>(In millions of euros)</i>	2020	2021
Southern Europe	14	96
Northern Europe	(12)	47
Asia-Pacific	21	51
Americas	0	40
India, Middle East, Africa & Turkey	1	41
Management & Franchise	25	275
Services to owners	(282)	(182)
HotelServices	(257)	93
Hotel Assets & Other	(22)	48
Holding/Intercos	(112)	(119)
CURRENT EBITDA	(391)	22

4.2 Revenue

ACCOUNTING POLICY

Revenue corresponds to the value of goods and services sold by the Group in the ordinary course of business. The Group recognizes revenue when it transfers the control of the promised goods and services to the customer, which may be overtime or at a point in time. Revenue is recognized in an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring promised goods or services.

The Group applies the guidance provided in IFRS 15 to determine whether it acts as the principal or an agent in its contractual relationships with hotel owners. It is considered as acting as the principal if it controls the promised service before that service is transferred to a customer. In such a case, revenues and related expenses are reported separately in the income statement. Otherwise, the Group is considered as acting as an agent and only the remuneration corresponding to the agency fee is recognized in revenue.

Fees billed to franchised hotels and hotels under management contracts

- Trademark royalty fees received from hotel owners under licenses for the use of the Group's brands. These fees are generally based on the hotel's Room revenue.
- Management fees received from the owners of hotels managed by the Group. These fees are generally based on hotel's revenue. In some cases, they also include an incentive fee subject to hotel profitability.
- Other fees for support services provided to hotels within our network such as marketing, distribution, and information system...

The Group applies the IFRS 15 guidance for recognition of revenue related to licenses of intellectual property with sales-based royalties, which allows to account for trademark royalty fees when the hotel's room revenue is recognized.

Other fees relate to services representing distinct performance obligations which are generally satisfied over time, when the hotel owners simultaneously receive and consume the benefits provided. The Group elects the practical expedient to recognize revenue based on amounts invoiced to the customer, when this method of measuring progress best depicts the performance provided. Invoicing is based on contractual prices, which represent the stand-alone selling prices of specified promised goods or services.

The Group may provide a contractually agreed performance to hotel owners, generally during the first years of hotel operations. These variable considerations, which are definitely earned at the end of the period over which they are applied, are estimated using the most likely amount method, based on all reasonably available information, and are, if need be, capped at the minimum amount considered as highly probable. At each reporting period, the Group revises its estimates of variable considerations and assesses whether a constraint should apply.

Loyalty program

Accor manages the loyalty program on behalf of the Group's hotels. This service is considered as a single distinct performance obligation, which is satisfied in full when the reward points and other advantages are redeemed for a stay by members or expire. Loyalty program fees invoiced to hotel owners are deferred in an amount that reflects the stand-alone selling price of the future benefit to the member. They are recognized as revenue when the reward points and other advantages are redeemed or when they expire.

The Group acts as an agent for hotel owners to the extent that it does not control the services rendered to members upon redemption. Accordingly, revenue is presented net of the redemption cost paid to the hotel that is providing the service to the member.

Hotel revenue

It corresponds to all the revenue 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.

The disaggregation of revenue is outlined in the Note 4.1 above.

4.3 Operating expenses

<i>(In millions of euros)</i>	2020	2021
Cost of goods sold	(49)	(54)
Personnel expenses	(1,115)	(1,300)
Variable property lease payments	(12)	(27)
Energy, maintenance and repairs	(41)	(45)
Taxes	(41)	(39)
Other operating expenses	(753)	(717)
OPERATING EXPENSES	(2,012)	(2,182)

Personnel expenses are disclosed in Note 5.2.

Variable property lease payments, which increased over the year, correspond to the variable part of rents for hotel properties operated under lease contracts, that is contractually based on their performance.

Other operating expenses, which mainly include marketing, advertising & promotions, distribution and information systems costs, remain steady over the year.

4.4 Working capital

The working capital can be analyzed as follows:

<i>(In millions of euros)</i>	Dec. 2020	Dec. 2021	Variation	Neutralization of non-cash items	Cash flow statement items
Inventories	21	9	(12)	(12)	0
Trade receivables	534	697	164	42	121
Other current assets	222	256	34	10	24
Current assets	776	962	186	40	146
Trade payables	327	441	114	18	96
Other current liabilities	579	718	139	55	84
Current liabilities	907	1,159	253	73	180
WORKING CAPITAL	131	197	66	33	34

As at December 31, 2021, 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:

<i>(In millions of euros)</i>	Dec. 2020	Dec. 2021
Gross value	703	842
Loss allowance	(169)	(145)
TRADE RECEIVABLES, NET	534	697

In 2021, the Group recognized a reversal of €29 million on its net trade receivables.

The maturity of trade receivables (excluding accrued receivables) is presented in Note 11.3.4.

Other current assets breakdown as follows:

<i>(In millions of euros)</i>	Dec. 2020	Dec. 2021
Recoverable VAT	56	75
Income tax and other taxes receivables	11	8
Other receivables	104	119
Prepaid expenses	61	69
Gross value	232	271
Loss allowance	(10)	(15)
OTHER CURRENT ASSETS, NET	222	256

4.4.2 Current liabilities

Other current liabilities breakdown as follows:

<i>(In millions of euros)</i>	Dec. 2020	Dec. 2021
VAT payable	36	61
Wages salaries and payroll tax payables	167	192
Income tax and other tax payables	68	60
Other payables	232	281
Deferred income	76	124
OTHER CURRENT LIABILITIES	579	718

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:

<i>(In millions of euros)</i>	Dec. 2020	Dec. 2021
Advance payments to hotel owners	201	289
Contract assets	201	289
Loyalty program deferred fees	205	180
Other deferred fees to hotel owners	23	23
Contract liabilities	229	203
NET CONTRACT ASSETS AND LIABILITIES	(28)	86

NOTE 5 PERSONNEL EXPENSES AND EMPLOYEE BENEFITS

5.1 Headcount

The Group's headcount is as follows:

	2020	2021
Average employees	15,247	14,466

It corresponds to the arithmetic average of the employees present in the Group at the end of each quarter. 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; and
- 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:

<i>(In millions of euros)</i>	2020	2021
Salaries and social security charges	(684)	(750)
Salaries and social security charges recharged to owners	(402)	(512)
Share-based payments	(30)	(38)
PERSONNEL EXPENSES	(1,115)	(1,300)

In 2021, the increase in salaries and social security charges is mainly driven by the reduction in government supports measures, the end of partial unemployment measures and the hotels reopening.

Staff costs incurred on behalf of hotel owners in connection with hotels management (and fully recharged to them) mainly relate to hotel assets in North America. Their increase in 2021 reflects the economic recovery in this region during the second half of the year.

5.3 Pensions and other benefits

ACCOUNTING POLICY

The pensions liability corresponds to the present value of the projected benefit obligation less the fair value of plan assets in funds allocated to finance such benefits, if any. If plan assets exceed the projected benefit obligation, the surplus is recognized only if it represents future economic benefits that are available to the Group.

The projected benefit obligation is determined by independent actuaries using the projected unit credit method, based on actuarial assumptions such as increase in salaries, retirement age, mortality, employee turnover and discount rate. These assumptions take into account the macro-economic environment and other specific conditions in the various countries in which the Group operates.

The expense recorded in the consolidated income statement includes:

- current service cost and past service cost resulting from a new plan, a plan amendment or a plan curtailment or settlement, recognized in operating expenses; and
- net interest cost on defined benefit obligation and plan assets, recognized in net financial expense.

Actuarial gains and losses on post-employment benefit plans that arise from changes in actuarial assumptions and experience adjustments are recognized in the statement of comprehensive income.

Actuarial gains and losses on other long-term benefit plans are recognized immediately in profit or loss.

5.3.1 Pensions and other post-employment benefit obligations

(In millions of euros)

	Dec. 2020	Dec. 2021
Pension plans	71	54
Other long-term benefits	3	2
Pension commitments	74	56
Surplus on pension plans	3	3
Pensions asset	3	3
NET COMMITMENT	70	53
• of which net pension commitments	68	51
• of which net commitments for other benefits	3	2

5.3.2 Description of the plans

In the Group, the main post-employment defined benefit plans concern:

- **pension plans:** the main pension plans are in France (31% of the obligation), in the United Kingdom (30% of the obligation) and in Canada (26% of the obligation). 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 plan in France:** 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"), provided that they are employed by the Group up to their retirement.

5.3.3 Actuarial assumptions

The main actuarial assumptions used by the Group to estimate the obligations are as follows:

	Discount rate		Salary growth rate	
	Dec. 2021	Dec. 2020	Dec. 2021	Dec. 2020
France	0,9% – 2%	0.3%	3% – 4%	3% – 4%
Canada	2.8% – 3%	2% – 2.5%	2.8%	2.8%
Belgium	0.9%	0.3%	2.8%	2.8%
Switzerland	0.3%	0.1%	1.0%	1.0%
United Kingdom	1.8%	1.3%	n.a.	n.a.

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, 2021, pension obligations breakdown by country as follows:

(In millions of euros)	France	Canada	Belgium	United Kingdom	Others	Total
Present value of obligations	60	50	15	58	11	193
Fair value of plan assets	(32)	(38)	(10)	(61)	(5)	(146)
Asset ceiling	-	3	-	-	-	3
NET OBLIGATION	28	15	6	(3)	5	51

The movements in the net obligation for pensions over the year are as follows:

(In millions of euros)	Present value of obligation	Fair value of plan assets	Asset ceiling	Net
At December 31, 2020	215	(149)	1	68
IAS 19 restatement*	(4)	(0)	-	(4)
At January 1, 2021	211	(149)	1	64
Current service cost	6	-	-	6
Interest expense/(income)	3	(2)	-	1
Others	(3)	-	-	(3)
Total recognized in profit or loss	5	(2)	-	3
Actuarial (gains)/losses related to experience adjustments	(9)	-	-	(9)
Actuarial (gains)/losses related to changes in demographic assumptions	(1)	-	-	(1)
Actuarial (gains)/losses related to changes in financial assumptions	(9)	3	-	(6)
Change in asset ceiling (excluding net interest)	-	-	2	2
Actuarial (gains)/losses	(19)	3	2	(15)
Benefits paid	(11)	8	-	(2)
Exchange differences and others	8	(6)	0	2
AT DECEMBER 31, 2021	193	(146)	3	51

* See Note 1.1 on IFRS IC decision.

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, 2021, the breakdown of plan assets is as follows:

<i>(In millions of euros)</i>	United Kingdom	Canada	France	Belgium	Others	Total
Bonds	-	9	25	-	1	35
Shares	-	28	4	-	1	33
Insurance contracts	-	-	-	10	2	12
Liquidity	3	0	1	-	0	4
Real Estate	-	-	2	-	1	3
Others	58	-	0	-	0	58
PLAN ASSETS	61	38	32	10	5	146

The expected long-term return on plan assets is aligned with the discount rate.

5.3.6 Sensitivity analysis

As at December 31, 2021, the sensitivity of provisions for pensions to a change in discount rate is as follows:

<i>(In millions of euros)</i>	Impact on obligation
Impact of increase in discount rate by 0.5 pt	(8)
Impact of decrease in discount rate by 0.5 pt	8

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:

<i>(In millions of euros)</i>	2022	2023	Hereafter	Total
Expected cash flows	10	12	76	98

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 (i) the present value of dividends not received during the vesting period, and (ii) 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, as 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 recognized in full on the grant date. All ongoing plans as at December 31, 2021 were equity-settled plans. The dilutive effect of plans that have not yet vested is reflected in diluted earnings per share calculations.

In 2021, the expense recognized in respect of share-based plans amounts to €41 million, of which €3 million presented within other income and expenses in the consolidated income statement.

<i>(In millions of euros)</i>	2020	2021
2017 plans	5	-
2018 plans	6	3
2019 plans	12	13
2020 plans	8	15
2021 plans	-	10
TOTAL	32	41

5.4.1 Free and performance share plans

The movements over the year are as follows:

<i>(In number of shares)</i>	2020	2021
Number of shares at beginning of the year	3,819,606	3,631,642
Shares granted	1,834,941	1,739,851
Shares cancelled or expired during the year	(1,491,686)	(233,095)
Shares vested during the year	(531,219)	(473,540)
Number of shares at end of the year	3,631,642	4,664,858

New plans

On May 17, 2021, the Group granted 336,410 free shares to some of its employees and managers, subject to a two-year vesting period, as part of its retention strategy. At that date, the fair value of the free share was €30.61, corresponding to the share price of €32.42 less the discounted present value of dividends not received during the vesting period.

On June 23, 2021, the Group granted 1,353,236 performance shares to its employees, subject to a three-year vesting period. At that date, the fair value of the performance share was €30.05, corresponding to the share price of €33.64 less the discounted present value of dividends not received during the vesting period and the effect of external conditions.

The shares will vest only if the grantee remains within the Group until the end of the vesting period, and if the following performance conditions are fulfilled over the years 2021 to 2023:

- Internal conditions (70% weighting): level of achievement of Group EBITDA (50%) and Group recurring free cash flows (20%) compared to the budget.
- External condition (30% weighting): change in Accor's Total Shareholder Return (TSR) compared with that of a reference synthetic index composed of European and international hotel groups. The estimated probability of this performance condition being fulfilled was considered to determine the fair value of the performance shares at grant date.

On October 29, 2021, the Group set up a plan of 50,205 performance shares with similar characteristics to the June plan, whose fair value was €27.79.

The fair value of these plans amounts to €52 million and will be recognized on a straight-line basis over the vesting period within employee benefits expenses with a corresponding entry in equity. The expense recognized in respect of these plans amounted to €10 million in 2021.

Plans modifications

On March 5, 2021, the Board of Directors decided to modify the external conditions attached to the performance plans granted in 2019 and 2020. For the plans granted on May 28 and October 21, 2020, the change in Accor's TSR will be assessed compared to a reference synthetic index

composed of European and international hotel groups instead of the Eurostoxx 600 Travel & Leisure index. For the plans granted on May 31 and October 25, 2019, the new reference index will be used to assess the change in Accor's TSR for the years 2020 and 2021; the Eurostoxx 600 Travel & Leisure index being maintained for the year 2019.

The Group assessed the impact of these modifications by comparing, on the modification date, the fair value of the equity instruments granted after modification of the performance conditions with the original equity instruments. This resulted in an additional cost of €6 million for the incremental value. This expense will be recognized on a straight-line basis over the remaining vesting period of related plans. In 2021, the expense recognized in that respect amounted €3 million.

5.4.2 Stock options plans

The movements over the year are as follows:

	December 31, 2020		December 31, 2021	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding at beginning of the year	190,777	€26.60	10,000	€30.13
Options cancelled or expired during the year	(86,309)	€26.41	(10,000)	€30.13
Options exercised during the year	(94,468)	€26.41	-	€0.00
Options outstanding at end of the year	10,000	€30.13	-	€0.00
Options exercisable at end of the year	10,000	€30.13	-	0€0.00

The 10,000 outstanding options granted in September 2013 expired in September 2021.

5.5 Compensation of key management personnel

Key management personnel include the members of the Executive Committee and the members of the Board of Directors. As at December 31, 2021, the Executive Committee had 19 members (17 members as at December 31, 2020).

The compensation granted to the members of the Executive Committee is as follows:

(In millions of euros)	2020	2021
Short term employee benefits	18	21
Share-based payments	8	8
Termination benefits	11	2
Post-employment benefits	2	4
TOTAL COMPENSATION	38	34

Members of the Board of Directors do not receive any compensation, they only receive attendance fees. The amount granted in 2021 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 by 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; or
- 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:

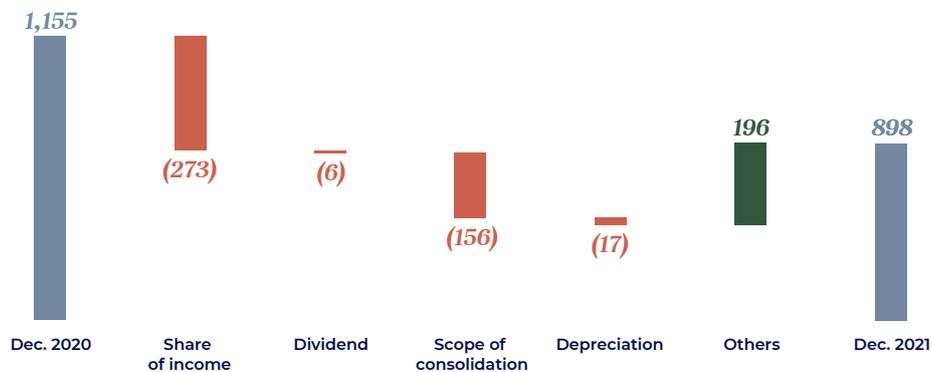
<i>(In millions of euros)</i>	2020	2021
AccorInvest	(390)	(234)
Risma	(6)	(10)
Kasada	-	(3)
Accor Acquisition Company (AAC)	-	(2)
Huazhu Group Ltd*	(21)	3
Paris Society	(2)	3
Others	(60)	(27)
Associates	(480)	(270)
sbe	(66)	-
Other	(32)	(3)
Joint ventures	(98)	(3)
SHARE IN NET RESULTS OF EQUITY-ACCOUNTED INVESTMENTS	(578)	(273)

* Contribution until the loss of significant influence (2 months activity in 2021).

6.2 Carrying value of equity-accounted investments

(In millions of euros)	Dec. 2020*	Dec. 2021
AccorInvest	621	549
Huazhu Group Ltd	84	-
Kasada	34	41
Risma	48	39
Paris Society	24	39
Accor Acquisition Company (AAC)	-	33
Others	300	157
Associates	1,111	859
Joint-ventures	44	39
CARRYING VALUE	1,155	898

* Restated amounts following the purchase price allocation of sbe acquired in 2020 (see Note 8.1).



As at December 31, 2021, changes in scope mainly composed of:

- the derecognition of Huazhu Group Ltd investment for €89 million, following the partial disposal of a 1.5% stake in February 2021 that resulted in a significant loss of influence and a reclassification of the remaining 3.3% stake as a non-consolidated investment (see Note 3.1.2);
- the derecognition of 25hours (€64 million) and Mama Shelter (€48 million) investments as part of the takeover of those entities (see Note 3.1.1);

- the recognition of an investment in AAC, the Special Purpose Acquisition Company ("SPAC") sponsored by Accor for €34 million (see Note 3.1.3); and
- the purchase of a 13.5% additional stake in Paris Society for €12 million.

Other variations include the subscription to AccorInvest's capital increases for a total of €154 million in January and March 2021 (see Note 3.1.3).

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:

<i>(In millions of euros)</i>	Dec. 2021
	AccorInvest
Balance sheet	
Current assets	1,108
Non-current assets	6,614
Assets held for sale	12
Current liabilities	(1,311)
Non-current liabilities	(7,364)
Liabilities associated with assets held for sale	-
NET ASSETS	(941)
Group's share in %	30.5%
Group's share in net assets	(287)
Goodwill	835
CARRYING AMOUNT OF EQUITY-ACCOUNTED INVESTMENT	549
Income statement	
Revenue	1,663
Net profit/(loss)	(768)
Other comprehensive income	36
Total comprehensive income	(732)

As at December 31, 2021, the net loss recognized by AccorInvest has been considered as an indicator of potential impairment by the Group. An impairment test was carried out and did not lead to the recognition of an impairment loss on the carrying value of the investment.

The other associates and joint ventures are individually not material.

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 held interest).

<i>(In millions of euros)</i>	2020	2021
Impairment losses	(1,031)	(51)
Restructuring costs	(167)	(14)
Gains and losses on disposal	1	646
Other non-recurring income and expenses	240	(26)
OTHER INCOME AND EXPENSES	(958)	554

In 2021, other income and expenses mainly include:

- a €649 million gain recognized on the partial disposal of Huazhu Group Ltd shares (see Note 3.1.2);
- impairment losses for €(51) million, of which €(27) million on hotel management contracts, €(17) million on equity-accounted investments and €(8) million on some hotel assets in Australia (see Note 8.3.1); and
- restructuring costs for €(14) million.

In the comparative year, impairment losses were recognized for €(1,031) million, of which €(668) million on intangible assets and property, plant & equipment, €(266) million on a loan granted to the equity-accounted investment sbe and €(96) 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.

Goodwill is initially recorded on business combinations. It is not amortized in subsequent periods but is tested for impairment at least once a year and as soon as there is an indication that it may be impaired. Goodwill is allocated to the cash generating units (CGU) that are expected to benefit from the synergies of the business combination.

Property, plant and equipment

Property, plant & equipment are measured initially at acquisition or production cost. For hotel assets that take a substantial period to get ready for their intended use (“qualifying assets” as defined in IAS 23 *Borrowing costs*), the initial cost includes borrowing costs that are directly attributed to these assets. After initial recognition, they are measured at cost less accumulated depreciation and any accumulated impairment losses.

Property, plant & equipment are depreciated on a straight-line basis over their estimated useful lives, determined by the component’s method, from the date when they are put in service, as follows:

	Economy Hotels	Luxury Upscale and Midscale Hotels
Buildings and related cost	35 years	50 years
Building improvements, fixtures and fittings	7 to 25 years	7 to 25 years
Equipment	5 to 15 years	5 to 15 years

In the case leasehold improvements are undertaken in a leased property asset, the depreciation period is aligned with the duration of the lease agreement of the underlying asset.

Useful lives are reviewed regularly and adjusted prospectively if necessary.

8.1 Intangible assets

Intangible assets can be analyzed as follows:

<i>(In millions of euros)</i>	Goodwill	Trademarks	Contracts	Licences, software	Others	Total
GROSS VALUE						
At January 1, 2020	2,295	1,917	1,207	347	202	5,969
Business combinations	104	128	107	-	3	341
Additions	-	2	7	20	18	47
Disposals	(7)	-	(7)	-	-	(14)
Exchange differences	(84)	(81)	(66)	(3)	(1)	(236)
Others	(2)	-	16	6	(16)	4
Assets held for sale	88	6	-	10	37	140
At December 31, 2020*	2,394	1,973	1,263	379	242	6,252
Business combinations	360	75	10	-	3	449
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	-	(0)	-	(0)	(0)	(1)
AT DECEMBER 31, 2021	2,749	2,156	1,305	365	254	6,830
DEPRECIATION AND IMPAIRMENT						
At January 1, 2020	(348)	(52)	(179)	(251)	(61)	(891)
Depreciation	-	(3)	(61)	(47)	(23)	(134)
Impairment loss	(182)	(263)	(189)	-	-	(634)
Disposals	-	-	1	-	-	1
Exchange differences	(3)	7	16	2	1	23
Others	-	-	2	5	3	10
Assets held for sale	(75)	-	-	(6)	(7)	(88)
At December 31, 2020	(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)	(40)
Others	30	3	24	73	22	153
AT DECEMBER 31, 2021	(592)	(321)	(486)	(275)	(91)	(1,764)
NET BOOK VALUE						
At December 31, 2020*	1,786	1,662	853	81	154	4,537
AT DECEMBER 31, 2021	2,158	1,836	819	89	163	5,066

* Restated amounts following the purchase price allocation of sbe acquired in 2020.

Goodwill

The Group reorganization, which affected the structure of the internal reporting, resulted in modifying the level at which goodwill is monitored for internal purposes. Thus, the goodwill related to Management & Franchise business is now monitored at a lower level, reflecting the eight geographic hubs (new operating segments identified before aggregation, see Note 4.1). It was previously monitored at the level of the five regional segments. As at January 1, 2021, the goodwill of the five Management & Franchise regions has been reallocated to the eight geographic hubs.

As at December 31, 2021, the breakdown of goodwill is as follows:

<i>(In millions of euros)</i>	Dec. 2020*	Reallocation	Acquisition	Disposal	Impairment	Exchange diff. & Others	Dec. 2021
Management & Franchise							
Europe	345	(345)	-	-	-	-	-
Northern Europe	-	165	-	-	-	0	165
Southern Europe	-	170	-	-	-	(0)	170
India, Middle East, Africa & Turkey	267	(3)	-	-	-	20	285
Asia-Pacific	457	(457)	-	-	-	-	-
South East Asia	-	267	-	-	-	21	288
Pacific	-	91	-	-	-	2	93
Greater China	-	71	-	-	-	7	79
North/Central America, the Caribbean	263	(35)	-	-	-	18	246
South America	68	(1)	-	-	-	(1)	66
HOTEL ASSETS & OTHER	288	-	63	(69)	(8)	5	279
LIFESTYLE	-	173	298	-	-	16	487
NOT ALLOCATED	98	(98)	-	-	-	-	-
NET BOOK VALUE	1,786	-	360	(69)	(8)	88	2,158

* Restated amounts following the purchase price allocation of sbe acquired in 2020.

Over the year 2021, the Group recognized goodwill for a total of €360 million split as follows:

- a €217 million provisional goodwill arising from the acquisition of Ennismore Holdings Limited's Lifestyle activities (see Note 3.1.1), which was fully allocated to the Lifestyle business;
- a €52 million goodwill arising from the takeover of Mama Shelter (see Note 3.1.1), including €31 million allocated to the Lifestyle business and €21 million to the hotel assets, which were sold over the year (see Note 3.1.2); and
- a €91 million goodwill arising from the takeover of 25hours (see Note 3.1.1), including €49 million allocated to the Lifestyle business and €42 million to the hotel assets, which were sold over the year (see Note 3.1.2).

Besides, following the merger with Ennismore Holding Ltd on October 1, 2021, the Group now monitors the goodwill related to its Lifestyle hotel management business separately. This change led to a reallocation of goodwill from the geographic hubs to the Lifestyle business.

Those reallocations, presented in the table hereafter, have been performed based on the relative values of the geographic hubs and the Lifestyle business. They did not reveal any impairment loss.

Furthermore, the determination of the purchase price of sbe, acquired on November 24, 2020, and its allocation were finalized over the year. Definitive goodwill amounts \$120 million (€101 million at acquisition date) and has been allocated to the Lifestyle business. It is calculated as the difference between:

- on the one hand, the consideration transferred for \$49 million (€41 million), including the remeasurement to fair value of the previously held equity investment contributed in exchange for the takeover; and
- on the other hand, the negative net asset acquired of \$(71) million (€60 million). This latter mainly comprises brands with indefinite useful lives for \$153 million, management and franchise contracts with hotel owners for \$122 million, deferred tax assets for \$22 million and a financial debt of \$(348) million, including \$(288) million restructured as part of the transaction.

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, 2020. The impact of these allocations on amortization and related tax effects in the consolidated income statement of 2020 is not significant. As a result, the consolidated income statement, statement of comprehensive income and statement of cash flows have not been restated accordingly.

The disposal of Mama Shelter's and 25hours's hotel assets acquired over the year and the disposal of Adoria (see Note 3.1.2) resulted in the derecognition of their goodwill for a total of €69 million.

In addition, impairment losses were recognized in 2021 for €8 million, in respect of hotel assets in Australia (see Note 8.3).

Brands

The Group's brands are as follows:

(In millions of euros)	Dec. 2020*	Dec. 2021		
	Net book value	Gross value	Impairment loss	Net book value
Fairmont	830	1,021	(144)	878
Swissôtel	184	259	(68)	192
Mövenpick	135	140	-	140
Raffles	113	149	(27)	122
Rixos	99	99	-	99
Mantra	64	89	(24)	66
25hours	-	50	-	50
SLS	41	45	-	45
Orient-Express	40	40	-	40
Mondrian	36	39	-	39
Other trademarks	120	225	(59)	167
BRANDS	1,662	2,157	(321)	1,836

* Restated amounts following the purchase price allocation of sbe acquired in 2020.

As at December 31, 2021, currency effect on brands was €86 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, more recently, sbe (2020).

In 2021, impairment losses have been recognized for €27 million on management contracts (see Note 8.3).

Other intangible assets

On December 8, 2021, Accor signed a partnership agreement with the Organizing Committee "Paris 2024" and became an official partner of the Olympic and Paralympic Games Paris 2024. The Group is committed to provide, in addition to cash contribution, services, including management of accommodation in both athletes and media Villages, in exchange for the right to use the brands of the Olympics and Paralympics Games and some other benefits. An intangible asset has been recognized for this right, which is amortized on a straight-line basis over the duration of the contract (until December 31, 2024).

8.2 Property, plant & equipment

Property, plant & equipment breakdown as follows:

<i>(In millions of euros)</i>	Lands, Buildings	Leasehold improvements	Equipment, furniture	Assets in progress	Total
GROSS VALUE					
At January 1, 2020	668	192	135	17	1,012
Additions	4	6	54	5	69
Disposals	-	(3)	(1)	(1)	(5)
Exchange differences	(15)	(4)	(6)	(2)	(27)
Others	(2)	4	(11)	(4)	(13)
Assets held for sale	(415)	(6)	(2)	-	(423)
At December 31, 2020	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
DEPRECIATION AND IMPAIRMENT					
At January 1, 2020	(149)	(126)	(104)	(2)	(380)
Depreciation	(16)	(16)	(15)	-	(48)
Impairment loss	(28)	(3)	(1)	(2)	(33)
Disposals	-	1	1	-	2
Exchange differences	10	3	4	-	17
Others	3	(2)	11	-	12
Assets held for sale	49	6	3	-	58
At December 31, 2020	(130)	(137)	(101)	(4)	(372)
Depreciation	(5)	(14)	(11)	-	(30)
Disposals	-	3	4	-	7
Exchange differences	(5)	(4)	-	-	(9)
Others	(32)	(3)	20	-	(15)
Assets held for sale	-	2	1	-	3
AT DECEMBER 31, 2021	(172)	(152)	(88)	(4)	(416)
NET BOOK VALUE					
At December 31, 2020	110	52	68	12	242
AT DECEMBER 31, 2021	109	43	62	16	230

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 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).

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, when an impairment indicator was identified as a result of this analysis.

8.3.1 Impairment

As at December 31, 2021, the impairment tests conducted led the Group to recognize impairment losses for €51 million presented within other income and expenses in the consolidated income statement (see Note 7) in respect of the following assets:

- Management & Franchise management contracts for €27 million;
- Hotel assets in Australia for €8 million fully allocated to goodwill; and
- equity-accounted investments for €17 million, of which €11 million on Potel & Chabot.

The main key assumptions used are detailed below:

8.3.2 Methodology for impairment tests

The impairment tests were carried out based on discounted future cash flows that reflect the Group's current best estimate of the expected impacts of the health crisis and the economic conditions for recovery at closing date. The Group prepared a five-year business plan, based on a central scenario assuming a return to a level of "RevPAR" (revenue per available room) equivalent to that of 2019 in 2024, consistently with the external data available at the date on which the consolidated financial statements were authorized for issue. This key assumption regarding the recovery assumption is unchanged compared to December 31, 2020.

The revenue forecasts were based on, one hand, on the 2022 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 2022-2026 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) and impacted, over a limited period, by development assumptions.

The discount rate retained corresponds to the Group's weighted average cost of capital as at December 31, 2021, 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.

	Perpetual growth rate		Discount rate	
	Dec. 2020	Dec. 2021	Dec. 2020	Dec. 2021
Management & Franchise Europe	+0.9%	-	+8.2%	-
Management & Franchise Southern Europe	-	+0.9%	-	+8.5%
Management & Franchise Northern Europe	-	+1.6%	-	+8.8%
Management & Franchise Asia Pacific	+2.5%	-	+10.0%	-
Management & Franchise Southeast Asia	-	+0.9%	-	+8.0%
Management & Franchise Greater China	-	+2.3%	-	+9.1%
Management & Franchise Pacific	-	+1.6%	-	+8.7%
Management & Franchise North America, Central America & Caribbean	+1.9%	+1.8%	+8.6%	+8.6%
Management & Franchise South America	+3.6%	+4.0%	+13.1%	+11.7%
Management & Franchise India, Middle East, Africa & Turkey	+2.0%	+3.9%	+10.3%	+13.1%
Digital services	+2.5%	+2.5%	+10.1%	+8.5%
Hotel booking services	+5.0%	+5.0%	+10.6%	+9.8%

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 carried out sensitivity analyses, particularly on the main recovery assumption retained, for the recoverable values of brands and CGUs to which goodwill is attached. As at December 31, 2021:

- assuming a slower recovery from 2022 resulting in a return to a “RevPAR” level equivalent to that of 2019 in 2025 (instead of 2024), the Group would have recognized on December 31, 2021, an additional impairment loss of €12 million, of which:

- €11 million on the brands of the Managed & Franchise business;
- €1 million related to hotel assets in Australia;
- conversely, assuming a return to a “RevPAR” level equivalent to that of 2019 in 2023, the amount of impairment losses recognized would have been reduced by €1 million on hotel assets in Australia.

Furthermore, the recoverable values may be equal to the carrying amounts, should one or the other of the main financial assumptions used at December 31, 2021 be modified as follows (in number of basis points):

	Dec. 2021	
	Discount rate	Perpetual growth rate
Management & Franchise Southern Europe	+4,315 pts	n.a.
Management & Franchise Northern Europe	+3,315 pts	n.a.
Management & Franchise Southeast Asia	+1,079 pts	n.a.
Management & Franchise Greater China	+2,602 pts	n.a.
Management & Franchise Pacific	+2,307 pts	n.a.
Management & Franchise North America, Central America & Caribbean	+310 pts	-2,448 pts
Management & Franchise South America	+616 pts	n.a.
Management & Franchise India, Middle East, Africa & Turkey	+822 pts	n.a.
Digital services	+894 pts	-1,338 pts
Hotel booking services	+965 pts	-1,421 pts

8.4 Capital expenditure

In 2021, main capital expenditure include:

- The subscription to capital increases of AccorInvest in January and March 2021, for a total of €154 million (see Note 3.1.3).
- A €34 million investment following the incorporation and the Initial Public Offering of a SPAC (Special Purpose Acquisition Company) in June 2021 (see Note 3.1.3).
- The acquisition of the remaining 30% stake in Mama shelter in May 2021 and the remaining 50% stake in 25hours in September 2021 for €7 million, net of cash acquired (see Note 3.1.1).

- The acquisition of the remaining 45% stake in the entity, which holds the Tribe brand for €15 million.
- The acquisition of an additional 13.5% stake in Paris Society for €12 million.

In 2020, capital expenditure mainly comprised the acquisition of additional stakes in Kasada, Fairmont Ghirardelli Square Residence, Mama Shelter and the takeover of sbe for a total of €72 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 funds necessary 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 payments

Some leases for hotel properties 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. In the case 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.

9.1 Right-of-use assets

The table below details the right-of-use assets by category of underlying assets:

<i>(In millions of euros)</i>	Right-of-use assets			Total
	Buildings	Other property assets	Vehicles	
At December 31, 2020	304	66	8	377
Additions	399	0	2	402
Derecognitions	(381)	(1)	(0)	(382)
Depreciation expense	(82)	(3)	(3)	(88)
Impairment loss	0	-	-	0
Exchange differences	8	0	0	9
At December 31, 2021	249	62	7	318

9.2 Lease liability

As at December 31, 2021, changes in the lease liability are analyzed as follows:

<i>(In millions of euros)</i>	
At December 31, 2020	416
Additions	400
Payment	(97)
Other derecognitions	(385)
Accretion of interest	9
Foreign exchange impacts	10
AT DECEMBER 31, 2021	353

Over the year, the changes in the lease liability are impacted by scope effects, with the acquisition followed by the disposal of Mama Shelter and 25hours leased hotel assets (see Note 3.1.1).

The maturity analysis of lease payments (before discounting impact) is as follows:

<i>(In millions of euros)</i>	2021
Less than 1 year	100
1 to 5 years	203
More than 5 years	114
TOTAL	417

9.3 Amounts recognized in the income statement

In 2021, following amounts were recognized in the consolidated income statement in relation to leases:

<i>(In millions of euros)</i>	2020	2021
Rent expense for variable lease payments	(14)	(28)
Rents concessions related to the health crisis	4	2
Rent expense for short-term leases and low-value assets	(2)	(1)
Depreciation expense and impairment of right-of-use assets	(94)	(88)
Interest expense on lease liabilities	(12)	(9)
TOTAL	(119)	(123)

Variable lease payments relate to leases for hotel properties that are based on the performance of the hotel, notably in Brazil.

The total cash outflow for leases in 2021 was €126 million of which:

- €88 million presented in cash flows from financing activities for the repayment of lease liability; and
- €38 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 (€29 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 2021 can be analyzed as follows:

<i>(In millions of euros)</i>	Dec. 2020*	Allowance	Reversal		Translation adjustments and other	Dec. 2021
			Utilizations	Unused provisions		
Litigation and other risks	346	64	(4)	(139)	1	269
Restructuring	140	6	(43)	(28)	0	75
PROVISIONS	486	70	(47)	(167)	1	344
• of which non-current	61	0	(0)	(1)	2	63
• of which current	425	70	(47)	(166)	(0)	282

* Restated amounts following the purchase price allocation of sbe acquired in 2020 (see Note 8.1).

Litigation and other risks provisions mainly include:

- a €53 million provision recorded in 2020 related to the dividend withholding tax litigation (see Note 14.2); and
- a provision covering the risks associated with guarantees provided as part of AccorInvest disposal for €110 million. Over the year, the Group has partially reversed this provision for €(112) million, following a

reassessment of the risks incurred to date on hotel assets. Furthermore, a €21 million allowance was recognized on the tax risks covered by these same guarantees (see Note 14.2).

The decrease in restructuring provisions is explained by a €(72) million reversal mainly related to the transformation plan initiated by the Group.

NOTE 11 FINANCING AND FINANCIAL INSTRUMENTS

11.1 Net Financial result

ACCOUNTING POLICY

Cost of net debt includes interests paid on financial debts, gain and loss on derivatives 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:

<i>(In millions of euros)</i>	2020	2021
Interests on bonds and bank borrowings	(60)	(83)
Interests on loans and securities	19	3
Interests on lease debt	(12)	(9)
Cost of net debt	(52)	(89)
Other financial income and expenses	(56)	(20)
NET FINANCIAL RESULT	(108)	(109)

The increase in interests on bonds is mainly due to the downgrading of Accor's financial rating by S&P to "Non-Investment grade" on August 17, 2020, which triggered the 1.25% step-up clause on bonds coupons, effective from early 2021 (representing a €18 million increase in 2021).

Other financial income and expenses include the following items:

<i>(In millions of euros)</i>	2020	2021
Hedging	(20)	(10)
Exchange gains/(losses)	(14)	0
Loss on debt modification	-	(5)
Change in fair value of non-current financial assets	(9)	10
Dividend income	1	3
Others financial expenses	(14)	(19)
OTHER FINANCIAL INCOME AND EXPENSES	(56)	(20)

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

The Group may grant put options to non-controlling interests on all or part of their investments. These options represent a financial liability for the Group. This liability is measured at the present value of the option's exercise price, with a corresponding reduction in shareholders' equity attributable to minority interests. The difference between the present value of the option's exercise price and the carrying value of the non-controlling interests is recorded in shareholders' equity – Group share, as a deduction to consolidated reserves. The financial liability is remeasured at each period end to reflect changes in the option's exercise price, with a corresponding adjustment to shareholders' equity.

Convertible bonds

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, 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, 2021, the Group net financial debt amounts to €1,844 million and is analyzed as follows:

(In millions of euros)	Dec. 2020			Dec. 2021		
	Current	Non-current	Total	Current	Non-current	Total
Bonds	550	2,305	2,856	238	2,343	2,581
Negotiable commercial paper (NEU CP)	296	-	296	302	-	302
Bank overdraft	29	-	29	8	-	8
Other bank borrowings	(1)	50	49	4	61	65
Bonds and bank borrowings	875	2,355	3,230	551	2,404	2,955
Other financial debts	58	118	177	51	167	218
Derivative financial instruments	36	-	36	29	-	29
Gross financial debt	969	2,473	3,442	630	2,572	3,202
Lease liability	102	314	416	90	263	353
Total financial debt	1,071	2,787	3,859	720	2,835	3,555
Cash and cash equivalents	2,474	-	2,474	1,666	-	1,666
Other current financial assets	28	-	28	37	-	37
Derivative financial instruments	10	-	10	8	-	8
Financial assets	2,513	-	2,513	1,711	-	1,711
NET FINANCIAL DEBT	(1,441)	2,787	1,346	(991)	2,835	1,844

Changes in financial debt

In 2021, changes in financial debt were as follows:

(In millions of euros)	Dec. 2020	Cash flows	Other changes				Dec. 2021
			Scope effects	Exchange differences	Fair value	Others	
Bonds	2,856	(314)	0	6	-	33	2,581
Negotiable commercial paper (NEU CP)	296	6	-	-	-	0	302
Bank borrowings	78	2	21	7	-	(35)	73
Other financial debts	177	2	4	8	-	28	218
Derivative financial instruments	36	7	8	-	(22)	0	29
Gross financial debt	3,442	(297)	33	21	(22)	25	3,202
Lease liability	416	(88)	4	10	-	12	353
TOTAL DEBT	3,859	(385)	37	31	(22)	37	3,555

Repayment of bonds

On February 5, 2021, Accor redeemed the €550 million bond issued in February 2014 maturing in February 2021, thanks to the proceeds from the issuance of a €500 million bond convertible and/or exchangeable into new and/or existing shares (OCEANE) on December 7, 2020.

Refinancing of bonded debt

On November 18, 2021, the Group 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 Group's greenhouse gas emission reduction targets of 25.2% for Scopes 1 and 2 and 15.0% for Scope 3 by 2025 in comparison with 2019. If Accor does not meet its gas emission targets, a 12.5bps step-up per target will be applied to the coupon.

This new financing enabled a partial repayment of €206 million and €243 million on the bonds maturing in 2023, issued in September 2015, and maturing in 2024, issued in January 2017 respectively. The exchanged portion of the two bonds has been accounted for as a debt modification since the terms and conditions of the debts have not been substantially modified. The carrying amount of the debts has been adjusted to reflect the value of modified future cash flows, discounted at the original effective interest rate, leading to the recognition of a €5 million loss in the consolidated income statement of the year.

Short-term financing

Accor has a short-term financing program in the form of commercial papers (NEU CP) capped at €500 million. As at December 31, 2021, this program is drawn for €302 million, representing an increase of €6 million compared to December 31, 2020.

Breakdown of bonds

As at December 31, 2021, bonds break down as follows:

Nominal (in local currency)	Local currency	Nature	Date of issuance	Maturity	Interest rate (%)		Carrying amount	
					nominal	effective	Dec. 2020	Dec. 2021
550	EUR	Bond	02/14	02/21	2.63%		550	-
150	CHF	Bond	06/14	06/22	3.00%	1.89%	138	146
60	EUR	Bond	12/14	02/22	2.93%	1.84%	60	62
295	EUR	Bond	09/15	09/23	3.63%	2.77%	493	296
357	EUR	Bond	01/17	01/24	2.50%	1.81%	596	364
600	EUR	Bond	02/19	02/26	3.00%	2.62%	583	602
500	EUR	OCEANE	12/20	12/27	0.70%	0.69%	435	445
700	EUR	Bond	11/21	11/28	2.38%	3.18%	-	666
BONDS BORROWINGS							2,856	2,581

11.2.2 Current financial assets

As at December 31, 2021, current financial assets breakdown as follows:

<i>(In millions of euros)</i>	Dec. 2020	Dec. 2021
Cash	1,143	816
Fixed-term deposits	803	711
Mutual funds units	529	139
Cash and cash equivalents	2,474	1,666
Short-term loans	28	37
Other current financial assets	28	37
Derivative instruments	10	8
CURRENT FINANCIAL ASSETS	2,513	1,711

11.2.3 Non-current financial assets

ACCOUNTING POLICY

Non-current loan 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, 2021, non-current financial assets breakdown as follows:

<i>(In millions of euros)</i>	Dec. 2020*	Dec. 2021
Long term loans	33	71
Security deposits	23	24
Financial assets at amortized cost	56	96
Investments in non-consolidated companies	57	410
Other non-current financial assets	66	90
Financial assets at fair value	123	500
TOTAL	180	595

* Restated amounts following the purchase price allocation of sbe acquired in 2020 (see Note 8.1).

As at December 31, 2021, the long-term loans comprised the €49 million earn-out in relation to the disposal of the Lifestyle hotel assets portfolio to KNSA Hotels France.

The change in non-consolidated investments mainly includes the reclassification of the 3.3% stake in Huazhu Group Ltd for €508 million, following the partial disposal of a 1.5% stake in February 2021 that resulted in a loss of significant influence. In that respect, over the year, the Group recognized a change in fair value for €(189) million in other comprehensive income.

Other non-current assets are mainly composed of convertible bonds (€43 million) and shares in investment funds (€47 million).

Changes in fair value of financial assets measured at fair value were recognized in other comprehensive income for €(193) million and in financial income for €11 million.

11.2.4 Derivative instruments

ACCOUNTING POLICY

Derivative financial instruments are used to hedge exposures to the risks, to which the Group is exposed in the frame of its activities, mainly changes in interest rates and exchange rates.

The accounting for changes in fair value of derivative instruments depends on whether or not 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: 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 of 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, 2021, derivative instruments are as follows:

	Dec. 2020		Dec. 2021	
	Assets	Liabilities	Assets	Liabilities
<i>(In millions of euros)</i>				
Interest rate hedges	5	(0)	-	-
Foreign currency hedges	4	36	8	29
DERIVATIVES FINANCIAL INSTRUMENTS	10	36	8	29

11.2.5 Breakdown of financial assets and liabilities

<i>(In millions of euros)</i>	By class of instrument				Dec. 2020*
	At amortized cost	Fair value through equity	Fair value through P&L	Derivatives qualified as hedges	
Long term loans	33	-	-	-	33
Deposits	23	-	-	-	23
Investments in non-consolidated companies	-	57	-	-	57
Other non-current financial assets	-	-	66	-	66
Trade receivables	534	-	-	-	534
Cash and cash equivalents	1,945	-	529	-	2,474
Other current financial assets	28	-	-	-	28
Derivative instruments	-	-	4	5	10
FINANCIAL ASSETS	2,564	57	599	5	3,226
Bonds	2,856	-	-	-	2,856
Negotiable commercial paper (NEU CP)	296	-	-	-	296
Bank borrowings	78	-	-	-	78
Other financial debt	177	-	-	-	177
Trade payables	327	-	-	-	327
Derivative instruments	-	-	9	27	36
FINANCIAL LIABILITIES	3,733	-	9	27	3,769

* Restated amounts following the purchase price allocation of sbe acquired in 2020 (see Note 8.1).

<i>(In millions of euros)</i>	By class of instrument				Dec. 2021
	At amortized cost	Fair value through equity	Fair value through P&L	Derivatives qualified as hedges	
Long term loans	71	-	-	-	71
Deposits	24	-	-	-	24
Investments in non-consolidated companies	-	410	-	-	410
Others non-current financial assets	-	-	90	-	90
Trade receivables	697	-	-	-	697
Cash and cash equivalents	1,526	-	139	-	1,666
Other current financial assets	37	-	-	-	37
Derivative instruments	-	-	8	-	8
FINANCIAL ASSETS	2,356	410	237	-	3,004
Bonds	2,581	-	-	-	2,581
Negotiable commercial paper (NEU CP)	302	-	-	-	302
Bank borrowings	73	-	-	-	73
Other financial debt	218	-	-	-	218
Trade payables	441	-	-	-	441
Derivative instruments	-	-	4	25	29
FINANCIAL LIABILITIES	3,615	-	4	25	3,643

Derivative instruments documented in a hedging relationship 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:

<i>(In millions of euros)</i>	Dec. 2020*	Hierarchy		
	Fair value	Level 1	Level 2	Level 3
Investments in non-consolidated companies	57	30	-	27
Other non-current financial assets	66	-	-	66
Mutual funds units	529	529	-	-
Derivative instruments – assets	10	-	10	-
FINANCIAL ASSETS	662	559	10	93
Derivatives – liabilities	36	-	36	-
FINANCIAL LIABILITIES	36	-	36	-

<i>(In millions of euros)</i>	Dec. 2021	Hierarchy		
	Fair value	Level 1	Level 2	Level 3
Investments in non-consolidated companies	410	33	-	377
Other non-current financial assets	90	-	-	90
Mutual funds units	139	139	-	-
Derivative instruments – assets	8	-	8	-
FINANCIAL ASSETS	647	172	8	467
Derivatives – liabilities	29	-	29	-
FINANCIAL LIABILITIES	29	-	29	-

* Restated amounts following the purchase price allocation of sbe acquired in 2020 (see Note 8.1).

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 €2,955 million on December 31, 2021.

11.3 Financial risk management

11.3.1 Foreign exchange risk

Bonds and bank borrowings by currency

(In millions of euros)	Before hedging			After hedging		
	Amount	Rate	% of total debt	Amount	Rate	% of total debt
Euro	2,745	2%	93%	2,021	2%	68%
Australian dollar (AUD)	-	-	-	603	2%	20%
Pound sterling (GBP)	-	-	-	143	1%	5%
US dollar (USD)	48	3%	2%	94	2%	3%
Japanese yen (JPY)	-	-	-	34	0%	1%
UAE dirham (AED)	-	-	-	34	1%	1%
Mauritian rupee (MUR)	16	6%	1%	16	6%	1%
Saudi riyal (SAR)	-	-	-	6	1%	0%
Hong Kong dollar (HKD)	-	-	-	2	1%	0%
Swiss franc (CHF)	146	3%	5%	-	-	-
Other currencies	-	-	-	4	-	0%
BONDS AND BANK BORROWINGS	2,955	2%	100%	2,955	2%	100%

Foreign currency hedges

As at December 31, 2021, characteristics of the foreign currency hedges are as follows:

(In millions of euros)	Dec. 2021								
	Hedging maturity	Accounting classification	AUD	USD	CHF	GBP	Others currencies	Nominal	Fair value
Currency swaps	< 1 an	Trading	21	26	(194)	85	54	(7)	6
Currency swaps	< 1 an	CFH	-	-	(4)	-	-	(4)	0
Cross currency swaps	2,028	CFH	574	-	-	-	-	574	(26)
Financing operations			595	26	(198)	85	54	562	(20)
Commercial operations	< 1 an	Trading	5	20	6	19	5	55	-
Trading operations	< 1 an	Trading	-	-	-	39	0	39	(0)
TOTAL			600	46	(192)	142	59	656	(20)

Trading: Fair value hedging.
CFH: Cash-Flow Hedge.

Sensitivity analysis

Accor's policy is to hedge balances in the statement of financial position related to financing. Hence, the sensitivity of foreign exchange risk on such balances is not material.

Regarding commercial operations in the statement of financial position, exposures are mainly centralized at Accor SA level, the Group's policy being to invoice the fees to subsidiaries in their functional currency (with minor exceptions). As at December 31, 2021, 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

(In millions of euros)	Current		Non-current		Dec. 2021	
	Fixed	Variable	Fixed	Variable	Fixed	Variable
Bonds and bank borrowings	506	11	2,356	49	2,862	60
Cash and cash equivalents	(726)	(932)	-	-	(726)	(932)
NET EXPOSURE	(220)	(921)	2,356	49	2,136	(872)

As at December 31, 2021, 78% of bonds and bank borrowings were at fixed rate, with an average rate of 2.0%, and 22% were at a variable rate, with an average rate of 2.2%. The fixed rate debt is denominated primarily in Euro (89%).

Interest rate hedges

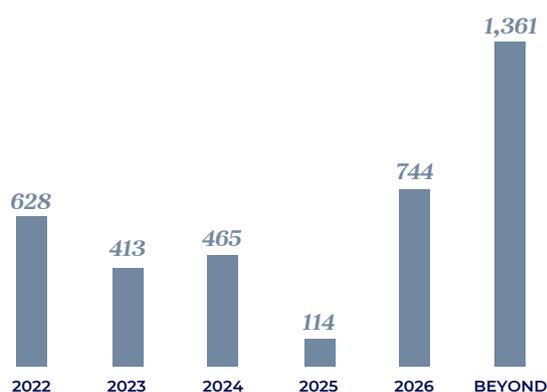
As at December 31, 2021, the Group has one interest rate swap fixing the rate of the €280 million mortgage debt negotiated to fund the acquisition of the Group's head office. This swap and associated debt are classified as liabilities held for sale. The fair value of this instrument, qualified as cash flow hedge, is €(13) million. The change in fair value over 2021 was recognized in other comprehensive income for €(8) million.

Other interest rate swaps with variable rates allowing to convert part of the Group's bonds, with a nominal of €300 million, expired in February 2021.

11.3.3 Liquidity risk

Debt profile

The bonds and bank borrowings profile (corresponding to contractual undiscounted cash flows) is one of the indicators used to assess the Group's liquidity position. As at December 31, 2021, maturities were as follows:



Credit lines

As at December 31, 2021, the Group has two undrawn confirmed credit lines for a total of €1,760 million, of which a €1,200 million credit line, negotiated in June 2018, maturing in June 2025 (for €1,114 million) and in June 2024 (for €86 million) and a €560 million credit line negotiated in May 2020, maturing 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 (€2,136 million out of the €2,955 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 apply 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, 2021), 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 Group is rated BB+ with a stable outlook according to Fitch and BB+ with a negative outlook according to S&P.

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

The maturity of trade receivables (excluding accrued receivable of €182 million) is as follows:

Receivables not yet due	Receivables due			Gross receivables	Provisions	Net receivables
	Less than 90 days	Between 90 and 180 days	More than 180 days			
303	137	61	159	660	(145)	515

Financial investments are diversified. They relate to first rank securities and are negotiated with first rank banks. The Accor Group subscribes over-the-counter derivatives with first-class banks under agreements for offsetting the

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, 2021, the maximum counterparty risk value on trade receivables is the net carrying amount.

amounts due and receivable in the event of default by one of the contracting parties. In the Group's financial statements, these derivatives are not offset.

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 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 for the period

<i>(In millions of euros)</i>	2020	2021
Current tax	16	(30)
Deferred tax	46	99
INCOME TAX	62	69

In 2021, the Group generated tax income of €69 million, driven by the recognition of deferred tax assets for €99 million, mainly in the United States and Germany, and reversals of provisions for tax risks for €14 million, notably in China. The Group has assessed the recoverability of its deferred tax assets in light of the current situation, based on 5-year projections of expected tax results consistently with the operational assumptions used in the Group's business plan.

This income is partly offset by current tax expense for €(45) million, including the tax effect of the assets transfers to the new Ennismore entity as part of the development of Lifestyle business, mainly in Germany.

12.1.2 Income tax expense analysis

<i>(In millions of euros)</i>		2020	2021
PROFIT BEFORE TAX		(2,309)	(56)
Share of profit/(loss) of equity investments		578	273
Non deductible impairment losses		237	(58)
Untaxed profit or profit taxed at a reduced rate		(94)	(529)
Others		1	(2)
PROFIT TAXED AT STANDARD RATE	(A)	(1,588)	(372)
STANDARD TAX RATE IN FRANCE	(B)	+32.0%	+28.4%
THEORETICAL TAX AT STANDARD FRENCH TAX RATE	(C) = (A) X (B)	508	106
• Differences in foreign tax rates		(68)	9
• Unrecognized tax losses for the year		(296)	(141)
• Utilization of tax losses carryforward		1	36
• Net charges to/reversals of provisions for tax risks		2	14
• Company value-added contribution (CVAE)		(2)	(1)
• Changes in tax rates		9	1
• Other items		(91)	44
TOTAL EFFECTS ON TAX AT STANDARD FRENCH TAX RATE	(D)	(445)	(37)
INCOME/(EXPENSE) TAX	(E) = (C) + (D)	62	69

As at December 31, 2021, the income tax rate in France is at 28.41%, including the French "Contribution sociale de solidarité" tax of 3.3% based on the standard tax rate of 27.5%.

12.2 Deferred taxes

The main natures of deferred tax assets and liabilities are the following:

<i>(In millions of euros)</i>	Dec. 2020*	Dec. 2021
Intangible assets	(451)	(440)
Property, plant and equipment	(13)	(11)
Recognized tax losses	29	80
Provision for employee benefits	30	30
Provision for risks and contingencies	62	32
Impairment losses	3	4
Others	3	(12)
TOTAL NET DEFERRED TAX	(338)	(317)
• Deferred tax assets	175	192
• Deferred tax liabilities	(513)	(510)

* Restated amounts following the purchase price allocation of sbe acquired in 2020 (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 (€55 million) and Australia (€12 million).

Deferred tax assets on provision for risks and contingencies mainly relate to the €89 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, 2021, unrecognized deferred tax assets amount to €978 million (compared to €803 million as at December 31, 2020). They mainly relate to evergreen tax losses carryforwards in France (€402 million), Belgium (€85 million) and Luxembourg (€83 million).

Unrecognized deferred tax assets will expire in the following periods if not utilized:

<i>(In millions of euros)</i>	Deductible temporary differences	Tax loss carry forwards	Total
From 2021 to 2024	-	10	10
2025 and beyond	-	19	19
Evergreen	205	744	949
TOTAL	205	773	978

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 Shareholders

As at December 31, 2021, Jin Jiang is Accor's leading shareholder with 13.0% of the share capital corresponding to 16.9% of voting rights. Qatar Investment Authority (QIA) and Kingdom Holding Company (KHC), which became shareholders as part of FRHI group acquisition in

July 2016, respectively hold 11.3% and 6.3% of the Company's share capital, representing 17.3% and 9.6% of voting rights. Harris Associates owns 9.0% of the share capital and 6.9% of voting rights. Last, Huazhu Group Ltd holds 4.7% of the share capital and 3.6% of voting rights.

13.1.2 Changes in share capital

As at December 31, 2021, Accor SA's share capital was made up of 261,856,268 shares with a par value of €3 each, each fully paid. Changes in the number of outstanding shares during 2021 were as follows:

<i>In number of shares</i>	2021
Number of issued shares at January 1, 2021	261,382,728
Performance shares vested	473,540
NUMBER OF ISSUED SHARES AT DECEMBER 31, 2021	261,856,268

13.1.3 Distribution of dividends

No dividend was paid over the year.

13.1.4 Perpetual subordinated notes

In 2021, 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.

13.1.5 Consolidated reserves

Items recognized directly in shareholders' equity Group share are the followings:

<i>(In millions of euros)</i>	Dec. 2020	IAS 19	Change	Dec. 2021
Currency translation reserve	(481)	-	252	(229)
Changes in fair value of financial Instruments	(79)	-	(170)	(250)
• of which non-consolidated investments	(37)	-	(190)	(227)
• of which derivative instruments	(43)	-	19	(23)
Reserve for actuarial gains/losses	(111)	-	14	(97)
Share based payments	299	-	41	339
Retained earnings and others	2,007	4	57	2,068
RESERVES – GROUP SHARE	1,635	4	193	1,832

13.1.6 Currency translation reserve

The currency translation reserve breaks down as follows:

<i>(In millions of euros)</i>	2020	Change	2021
British sterling (GBP)	(118)	17	(101)
Brazilian real (BRL)	(103)	(1)	(103)
United States dollar (USD)	(84)	162	78
Chinese yuan (CNY)	(53)	51	(2)
Canadian dollar (CAD)	(50)	44	(7)
Australian dollar (AUD)	(18)	3	(15)
Indian rupee (INR)	(13)	(58)	(71)
Other currencies	(48)	38	(11)
CURRENCY TRANSLATION RESERVE	(488)	256	(232)
• Translating foreign operations, Group share	(480)	252	(229)
• Translating foreign operations, minority interests	(8)	4	(4)

The €256 million positive change over the year is mainly driven by the appreciation of the US dollar (€162 million), the Chinese yuan (€51 million) and the Canadian dollar (€44 million).

The year-end Euro/local currency exchange rates applied to prepare the consolidated financial statements were as follows:

	GBP	BRL	USD	CNY	CAD	AUD	INR
December 2020	0.8980	6.3608	1.2193	7.9624	1.5656	1.6039	89.6861
December 2021	0.8433	6.4157	1.1312	7.2087	1.4529	1.5685	84.8105

In 2021, the Group had no significant subsidiaries in hyper-inflationary countries.

13.2 Minority interests

13.2.1 Breakdown of minority interests

Minority interests break down as follows:

<i>(In millions of euros)</i>	Dec. 2020	Change	Dec. 2021
Ennismore	-	195	195
Rixos Hotels & Resorts	24	(7)	17
Orient-Express	17	(1)	16
Other minority interests	25	4	29
MINORITY INTERESTS	66	190	256

In 2021, the change is mainly explained by the recognition of the 33.33% minority interests on Ennismore Holdings Ltd for €195 million (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:

<i>(In millions of euros)</i>	Continued activities	Discontinued activities	2020	Continued activities	Discontinued activities	2021
Net profit – Group share	(2,244)	257	(1,988)	8	77	85
Coupons on perpetual subordinated bonds	(34)	-	(34)	(35)	-	(35)
Adjusted Net profit – Group share	(2,278)	257	(2,021)	(27)	77	50
Weighted average number of ordinary shares	262,233,805	262,233,805	262,233,805	261,621,001	261,621,001	261,621,001
EARNINGS PER SHARE <i>(in euros)</i>	(8.69)	0.98	(7.71)	(0.10)	0.29	0.19
DILUTED EARNINGS PER SHARE <i>(in euros)</i>	(8.69)	0.98	(7.71)	(0.10)	0.29	0.19

As at December 31, 2021, the weighted average number of ordinary shares is computed as follows:

Outstanding shares	261,856,268
Effect of share issued	(235,267)
Weighted average number of ordinary shares	261,621,001
Number of dilutive potential shares	-
Fully diluted weighted average number of shares	261,621,001

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. On December 31, 2021, 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 on December 31, 2021 breakdown is as follows:

<i>(In millions of euros)</i>	Less than 1 year	1 to 5 years	Beyond 5 years	Total
Commitments given in the normal course of business	45	123	71	239
Commitments increasing net debt	67	41	127	235
Commitments related to development	1	0	8	9
COMMITMENTS GIVEN	113	165	206	484

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 on December 31, 2021 breakdown is as follows:

<i>(In millions of euros)</i>	Less than 1 year	1 to 5 years	Beyond 5 years	Total
Guarantees received in the normal course of business	2	3	5	9
COMMITMENTS RECEIVED	2	3	5	9

The guarantees received in the normal course of business mainly correspond to bank guarantees.

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 that respect, a €254 million gain was recognized in the income statement of the year 2020, presented in other income and expenses.

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. A decision from the EU Court of Justice on the compatibility of the "précompte" with the EU parent subsidiary regime is awaited in 2022.

As at December 31, 2021, the Group considered that a refund of the amount received to the tax authorities was not probable.

Tax Control 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.

14.3 Subsequent Events

Post-closing 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 is the operation of the theater "Le Lido" in Paris.

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. Although the Group intends to contest the grounds raised by the tax authorities, a provision of €21 million was accounted for to cover for the entire risk. The allowance is presented under the net result from discontinued operations.

This transaction allows the Group to extend its hospitality offer, especially for ALL program members. The purchase price amounts to €1 increased by a price adjustment, based on among other things the financial situation of the company.

NOTE 15 OTHER INFORMATION

15.1 Related parties

Companies that exercise significant influence over Accor

As at December 31, 2021, the companies Qatar Investment Authority (QIA) and Kingdom Holding Company of Saudi Arabia (KHC), who become 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 February 21, 2019, Accor entered into a regulated agreement with SASP Paris Saint Germain Football whose owner is Qatar Sport Investment (QSI), subsidiary of QIA, to become a major partner and official shirt sponsor of Paris-Saint-Germain from 2019/2020 season.

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 associated notes (see Notes 3.1 and 6).

AccorInvest, which is recorded under the equity method in the consolidated financial statements, is the main client of the Group. Revenue of AccorInvest recognized in 2021 represent 8% of the total revenue of the Group. As at December 31, 2021, the gross value of receivables towards AccorInvest amounted to €214 million in the consolidated statement of financial position.

Furthermore, on October 1, 2021, the Group sold its portfolio of Lifestyle leased assets to KNSA hotels France, a new entity accounted for under the equity method, for €79 million (see Note 3.1.2). This transaction was concluded at normal market conditions as part of the Group usual course of business. As at December 31, 2021, Accor has a €59 million receivable due by KNSA in this respect, including €49 million presented in long term loans (see Note 11.2.3) and €10 million in short-term loans.

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 2020 and 2021:

(In millions of euros)	2020			2021		
	PwC	EY	Total	PwC	EY	Total
FEES RELATED TO CERTIFICATION OF ACCOUNTS						
Issuer	1.3	1.3	2.6	1.1	1.0	2.1
Fully consolidated subsidiaries	1.5	1.9	3.4	1.6	1.4	3.0
Subtotal	2.8	3.2	5.9	2.7	2.4	5.1
FEES FOR SERVICES OTHER THAN CERTIFICATION OF ACCOUNTS						
Services required by laws and regulations	0.0	-	0.0	0.0	0.2	0.2
Due diligence services	0.3	-	0.3	-	-	-
Tax services*	0.4	0.5	0.9	0.4	1.0	1.4
Other services**	0.9	0.4	1.3	0.2	0.2	0.4
Subtotal	1.6	0.9	2.5	0.6	1.4	2.0
TOTAL	4.4	4.0	8.4	3.3	3.8	7.1

* Tax services mainly related to compliance assignments performed for foreign subsidiaries.

** These 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-accounted investments represent at least 75% of consolidated revenue and EBITDA. The other entities are not material on these two aggregates.

As at December 31, 2021 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	Country	Method	%
NORTHERN EUROPE			
ACCOR HOTELBETRIEBS GMBH	Austria	FC	100%
ACCOR HOTELS BELGIUM	Belgium	FC	100%
ACCOR HOTELS UK	United Kingdom	FC	100%
ACCORHOTELS DEUTSCHLAND GMBH	Germany	FC	100%
ACCORHOTELS SWITZERLAND SA	Switzerland	FC	100%
MÖVENPICK HOTELS & RESORTS MANAGEMENT AG	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%
ACCOR HOTELSERVICES MAGYAORSZAG KFT.	Hungary	FC	100%
ACCOR SERVICES POLAND	Poland	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, S.L.	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			
AAPC SINGAPORE PTE LTD	Singapore	FC	100%
RAFFLES INTERNATIONAL LIMITED	Singapore	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%

FC: Fully Consolidated.
 EM: accounted for by the Equity Method.
 The percentages correspond to the Group's percentage of interest.

Main consolidated companies	Country	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 FZ-LLC	United Arab Emirates	FC	100%
BELLE RIVIERE 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%
RIXOS CONSULTANCY FZE	United Arab Emirates	FC	70%
KASADA HOSPITALITY FUND LP	Mauritius	EM	30%
RISMA	Morocco	EM	33%
NORTH/CENTRAL AMERICA, THE CARIBBEAN			
ACCOR MANAGEMENT CANADA INC	Canada	FC	100%
ACCOR MANAGEMENT US INC	United States	FC	100%
SI HOTELERA DE MEXICO	Mexico	FC	100%
ACCOR CANADA INC	Canada	FC	100%
LIFESTYLE BUSINESS			
ENNISMORE INTERNATIONAL MANAGEMENT LIMITED	United Kingdom	FC	67%
MAMA SHELTER FRANCE	France	FC	67%
21C MUSEUM HOTELS	United States	FC	57%
ENNISMORE HOTEL MANAGEMENT UK LTD	United Kingdom	FC	67%
MHG HOLDCO LLC	United States	FC	67%
SBE HOTEL GROUP LLC	United States	FC	67%
801 SMA LESSEE LLC	United States	FC	67%
MORGANS HOTEL GROUP MANAGEMENT LLC	United States	FC	67%
HUDSON LEASECO LLC	United States	FC	67%
OTHER ACTIVITIES			
JOHN PAUL	France	FC	100%
VERYCHIC	France	FC	100%
RESDIARY	Singapore	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%

6.2 Statutory Auditors' report on the consolidated financial statements

(For the year ended December 31, 2021)

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, 2021.

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, 2021, 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, 2021 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

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, 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

At December 31, 2021, the carrying amount of intangible assets stood at €5,066 million, approximately 47% of total assets. These non-current assets include goodwill (€2,158 million), brands (€1,836 million) and contracts (€819 million) mainly recognized on external growth transactions, as well as other intangible assets (€252 million). An impairment loss of €35 million has been recognized for these intangible assets as at December 31, 2021.

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 expected 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, 2021. Although the Covid-19 health crisis continued to affect the tourism and hospitality industry in 2021, the Group did not consider its consequences to be an indicator of impairment across its businesses and markets. 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, 2021.

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 the complex and evolving context of the global Covid-19 health crisis, we considered the measurement of the recoverable amount of intangible assets to be a key audit matter.

How our audit addressed this risk

Our audit procedures mainly consisted in:

- understanding the 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;
- substantiating the existence of indicators of impairment identified by Management at December 31, 2021;
- 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 the effects of the Covid-19 pandemic, expected recovery trends, market outlook and climate change-related risks. Where appropriate, we also conducted sensitivity analyses on the impairment tests;
- assessing the appropriateness of the information disclosed in Note 8.3 to the consolidated financial statements "Impairment tests".

Specific verifications

As required by legal and regulatory provisions and in accordance with professional standards applicable in France, we have also performed the specific verifications on the information pertaining to the Group presented in the Board of Directors' management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the management report includes the consolidated non-financial information 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.

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 April 30, 2019 for PricewaterhouseCoopers Audit and on June 16, 1995 for ERNST & YOUNG et Autres.

At December 31, 2021, PricewaterhouseCoopers Audit and ERNST & YOUNG et Autres were in the third and the twentyseventh- 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.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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management and the related disclosures in the notes to the consolidated financial statements;
- assess the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the consolidated financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Statutory Auditors are responsible for the management, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed thereon.

Report to the Audit, Compliance & Risks Committee

We submit a report to the Audit, Compliance & Risks Committee, which includes, in particular, a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit, Compliance & Risks Committee includes the risks of material misstatement that, in our professional judgment, were the most significant for the audit of the consolidated financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit, Compliance & 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 29, 2022

The Statutory Auditors

PricewaterhouseCoopers Audit

Cédric Haaser

ERNST & YOUNG et Autres

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 statements 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 2021

Assets

<i>(in €m)</i>	Notes	December 2020 Net	December 2021 Net
Licenses, trademarks, rights and similar assets	(2-3-4-7)	74	89
Goodwill	(2-3-4-7)	25	25
Other intangible assets	(2)	97	107
INTANGIBLE ASSETS		196	221
Land	(2-4)	3	3
Buildings	(2-3-4)	12	11
Machinery, equipment and tools	(2-4)	2	1
Other items of property, plant & equipment	(2-4)	14	12
Property, plant & equipment under construction	(2)	0	0
PROPERTY, PLANT & EQUIPMENT		31	27
Equity investments	(2-6-7-19)	6,074	5,883
Receivables from equity investments	(2-7-11-18-19)	1,281	1,099
Other long-term securities	(2-6-7-19)	60	71
Loans	(2-7-11-18)	0	4
Other non-current financial assets	(2-7-18)	1,005	1,005
NON-CURRENT FINANCIAL ASSETS		8,420	8,062
Non-current assets		8,647	8,310
Advances and downpayments paid to suppliers	(5)	29	13
Trade receivables	(5-7-11-20-21)	362	440
Other receivables	(5-7-11-18-20-21)	395	1,025
Other marketable securities	(8-11)	1,239	766
Cash and cash equivalents	(11)	1,187	744
Current assets		3,212	2,988
Forward contracts		10	5
Prepaid expenses	(9-20)	44	52
Deferred expenses	(9)	44	64
Bond redemption premiums		4	9
Translation adjustments, assets	(10)	27	17
Accrual accounts		119	142
ASSETS	(1)	11,988	11,445

Liabilities and equity

<i>(in €m)</i>	Notes	December 2020 net	December 2021 net
Capital	(13-14)	784	786
Additional paid-in capital	(13-14)	1,465	1,465
Statutory reserve	(13)	87	87
Regulated reserves	(13)	9	9
Other reserves	(13-14)	7	5
Retained earnings	(13)	3,242	2,190
Net profit (loss) for the year	(13)	(1,055)	(540)
Equity		4,539	4,002
Proceeds of the issue of equity instruments	(15)	994	994
Other equity		994	994
Provisions for contingencies	(7)	133	128
Provisions for charges	(7)	253	205
Provision for contingencies and charges		386	333
Convertible bonds	(12-16-17)	500	500
Other bonds	(12-16-17)	2,485	2,189
Bank borrowings	(12-17-18)	293	210
Miscellaneous borrowings and debt	(12-17-19)	2,261	2,657
Advances and downpayments received from guests	(17)	1	1
Trade payables	(12-17-21)	325	341
Tax and social security liabilities	(12-17-26)	73	82
Payables to fixed asset suppliers	(17)	17	30
Other liabilities	(12-17)	47	52
Liabilities		6,002	6,062
Forward contracts		20	20
Prepaid income	(9-17)	10	33
Translation adjustments, liabilities	(10)	37	1
Accrual accounts		47	34
LIABILITIES AND EQUITY	(1)	11,988	11,445

6.3.2 P&L

<i>(in €m)</i>	Notes	December 2020 net	December 2021 net
Goods and services sold		531	630
NET REVENUE	(22)	531	630
Capitalized production		27	36
Reversal/depreciation, amortization and provisions, reclassification of expenses	(7)	47	70
Other income		-	1
Operating income		605	737
Purchases of raw materials and other supplies		-	1
Other external purchases and expenses		739	734
Taxes, duties and other levies		11	10
Wages and salaries	(23)	92	100
Social security expenses		51	55
Amortization, depreciation and provisions			
• Non-current assets: depreciation and amortization	(4)	69	72
• Non-current assets: provisions	(7)	3	4
• Current assets: provisions	(7)	14	5
• Contingencies and charges: provisions	(7)	6	14
Other expenses	(23)	25	11
Operating expenses		1,010	1,006
EBIT		(405)	(269)
Profit appropriated or loss transferred		-	-
Loss borne or profit transferred		-	-
Joint ventures		-	-
Financial income from equity investments	(21)	119	97
Income from other marketable securities and receivables from non-current assets		14	2
Other interest income	(21)	29	14
Reversal of provisions and reclassification of expenses	(7)	21	146
Positive exchange differences		250	202
Net proceeds from the disposal of marketable securities		2	1
Financial income		435	462
Amortization and provisions	(7)	979	177
Interest expenses	(21)	148	152
Negative exchange differences		255	182
Net expenses on the disposal of marketable securities		-	-
Financial expenses		1,382	511
NET FINANCIAL INCOME (EXPENSES)	(24)	(947)	(49)
RECURRING INCOME BEFORE TAX		(1,352)	(318)

<i>(in €m)</i>	Notes	December 2020 net	December 2021 net
Non-recurring income on management transactions		307	4
Non-recurring income on capital transactions		1,065	719
Reversal of provisions and reclassification of expenses	(7)	98	80
Non-recurring income		1,470	803
Non-recurring expenses on management transactions		31	51
Non-recurring expenses on capital transactions		1,033	965
Depreciation, amortization and provisions	(7)	112	25
Non-recurring expenses		1,176	1,041
NET NON-RECURRING INCOME (EXPENSES)	(25)	294	(238)
Income tax	(26)	(3)	(16)
TOTAL INCOME		2,510	2,002
TOTAL EXPENSES		3,565	2,542
PROFIT OR (LOSS)		(1,055)	(540)

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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 French General Chart of Accounts.

The information hereafter form the Notes to the annual financial statements. At December 31, 2021, the statement of financial position total stood at €11,445 million while the income statement showed a loss of €540 million.

The fiscal year runs for 12 months, from January 1, 2021 to December 31, 2021.

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 charges as well as the assumptions underpinning pension commitments and commitments under the ALL loyalty program.

The main assumptions used by the Company are discussed in the relevant sub-sections of the notes to the financial statements.

Significant events of the fiscal year

The spread of the Covid-19 pandemic and related lockdown measures initiated by governments (including travel bans, border closings, stay-at-home directives, and closures of businesses and public places) adversely affected the travel and hospitality industries since the beginning of 2020. Over the course of 2021, the sector's activities continued to be impacted by the health crisis although a positive trend was observed between the first and second half of the year on the back of the combined impact of vaccination campaigns to halt the spread of the pandemic and less severe restriction measures, with differences between various regions. "RevPAR" (revenue per available room) for hotels in the network declined by 46% versus 2019 levels, compared to a decline of 62% from 2020 levels. Hotel occupancy rates, which increased steadily over the year, came out to 42%. It was 15% in Q2 2020, which corresponds to the the peak of the crisis.

During the fiscal year, Accor SA continued and intensified the adaptation measures kick-started in 2020 to adjust its cost structure to the decline in business levels and to protect its cash position (including furloughing and partial unemployment measures and efforts to reduce marketing and distribution spending and recurring investments). The Company also decided not to pay out a

dividend in respect of fiscal 2020. To optimize its financial structure, on November 18, 2021, Accor SA launched a Sustainability-Linked bond for an amount of €700 million. This new financing enabled the partial redemption, to the extent of €448 million, of the bonds issued in September 2015 and January 2017 for a total of €652 million, maturing in 2023 and 2024 respectively. On February 5, 2021, the Group also redeemed the remaining €550 million outstanding on the €900 million bond, launched in February 2014 and maturing in February 2021.

Accor SA also has two undrawn credit lines for a total of €1,760 million. On November 15, 2021, the Company favorably restructured the terms of its €1,200 million credit facility, maturing in June 2025. The initial financial leverage covenant, which had been suspended until June 2022 owing to the health crisis, will not reapply until June 2024. Only a minimum liquidity covenant will apply in 2022 and 2023. Furthermore, on April 15, 2021 and October 27, 2021, the Company exercised two options to extend by six months each the 12-month revolving credit line of €560 million, concluded in May 2020, extending its maturity to May 2022. There are no covenants attached to this credit line.

As of December 31, 2021, Accor's financial structure was stable, with a net cash position of €1,324 million. Factoring in the maturity of financial debt, and the conservative assumption that cash consumption from operations will be equivalent to that of 2021, the Company's net cash position is more than sufficient to cover at least twelve months of operations, thereby addressing a potential extension of the crisis. Based on these factors, and although uncertainties remain regarding the impact of future developments in the health crisis on the Company's business, as of the closing date of the parent company financial statements on December 31, 2021, there are no significant uncertainties likely to challenge the principle of continuity in operations for the twelve months ahead at a minimum.

As part of the development of its Lifestyle hospitality activity, on October 1, 2021, Accor signed a partnership with Ennismore Holdings Limited (EHL), a London-based hotel operator, exclusively via a share exchange. This partnership notably covers the following main transactions for Accor SA:

- The acquisition of additional interests in Mama Shelter, Town and Shelter, 25Hours Hotel Company and Tribe Hotel Group, for an acquisition price of €117 million, bringing Accor SA's stakes in these companies to 100% (see Note 6). The payment of part of the acquisition prices has been deferred and is recognized as "Other Financial Debt for an amount of €61 million (see Note 17).
- The reorganization of assets in the hotel management activity within the new Ennismore Holdings Limited subsidiary, in the form of the transfer to this subsidiary of shares in Mama Shelter, Tribe and SBE notably. At December 31, 2021, Accor SA held 66.67% of this company (shares valued at €509 million), with the former shareholders in Ennismore Holdings Limited maintaining a 33.33% stake (see Note 6).

- The creation of a partnership with the KEYS Asset Management investment fund and Norlake Hospitality of the KNSA Hotels France company, in which Accor SA held a 24.5% stake at December 31, 2021, and sale to this entity of the shares in the companies holding the hotel assets of Mama Shelter and 25Hours for €19 million (excluding any additional earn-outs to be paid).

With respect to Accor SA, these transactions led to a capital loss net of the share disposals of €247.3 million (see Note 25).

On April 30, 2021, Accor SA created the Accor Acquisition Company (AAC), a special purpose acquisition company (SPAC), with the purpose of carrying out one or several acquisitions in the 24 months following its stockmarket flotation, in services related to hospitality: catering, shared workspaces, wellness, entertainment and events, as well as technologies linked to the hospitality industry.

On June 1, 2021, AAC was floated on the stock market, raising €300 million with qualified investors as part of a private placement. Accor SA subscribed for €20 million, to which was added a further €25 million also subscribed by Accor SA and immediately transferred to Goldman Sachs Bank Europe SE as stabilizing agent for the stabilization mechanism attached to the transaction. At December 31, 2021, Accor SA held a 23.52% stake in the capital of AAC for a net investment of €34 million. This investment includes 6.8 million unlisted preference shares and 2 million ordinary shares under the same conditions as for institutional investors, together with 3.5 million share warrants exercisable over a five-year period from the date of the acquisition.

Other significant events of the fiscal year

- The subscription to two AccorInvest capital increases for €146.4 million in January and March 2021;
- The capital reduction by Accor Hotel Belgium for an amount of €512 million in October 2021;
- The signature of a partnership agreement with the Paris 2024 Organization Committee enabling the Company to become an official partner of the Olympic and Paralympic Games Paris 2024. In addition to a financial contribution, Accor SA committed to providing management services for athlete and media accommodation in the two Villages planned, in exchange for rights to use of the Olympic and Paralympic Games brands and certain benefits. An intangible asset was booked in respect of this right, which is amortized on a straight line basis over the term of the agreement (out to December 31, 2024);
- The disposal of the reservations activity of the D-Edge subsidiary generated a capital gain of €30.7 million, recognized as exceptional income;
- The transfer of all assets and liabilities from Town & Shelter. On November 5, 2021, it decided to merge the company into its sole shareholder, Accor SA. The resulting transfers as part of the merger were made on the basis of their net book value. From a tax perspective, the transaction was subject to the preferential tax regime for mergers, and was backdated to January 1, 2020. The transaction resulted in a merger loss of €14.5 million being recognized in full as a financial expense in the financial statements of Accor SA.

Notes 1 to 30 below form an integral part of the annual financial statements.

NOTE 1 ACCOUNTING POLICIES

The annual financial statements of Accor SA are prepared in accordance with the provisions of the French Commercial Code (Articles L. 123-123-12 to L. 123-123-28), ANC regulation no. 2014-03 of June 5, 2014 amended by various additional regulations as of the date on which the annual financial statements were prepared.

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;

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;

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.

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

- 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 (€m), rounded to the nearest million.

- 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.

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.

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

Following the application of new rules to the assets as of January 1, 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. It also includes the royalties billed to managed and franchised hotels as part of the management of the ALL loyalty program as well as fees for sureties on lease payments, borrowings and other services.

Services provided are recognized at the time the service is performed.

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 this 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 guests with loyalty cards

when selling overnight stays. This provision is calculated on the basis of the production cost of the benefit granted to the guest, 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 pensions 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.

In line with the latest update to the ANC 2013-02 recommendation of November 7, 2013, amended on November 5, 2021, the Company decided to adopt a new method for the allocation of rights to defined-benefit pension plans whereby benefits are only due to employees if they are employed with the Company at the time of taking retirement and with the amounts due dependent on length of service and capped at a certain number of consecutive years of service. Note that, up to now, the Company spread its commitments on a straight line basis over the entire work life of the employee in question. The switch to the new method of allocation of rights enables the Company to spread the commitment solely from the date at which each year of service contributes to the acquisition of retirement benefits, in other words the period directly preceding the date of retirement to enable the retiree to reach the ceiling.

This change has led to a writeback from existing provisions amounting to €3 million. This impact is recognized in equity.

In addition to retirement packages, some 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). As this is a closed and frozen plan at end-2019, the update of the ANC recommendation does not apply);
- a “defined benefit” and “rights vesting” pension plan in line with French Social Security Code Article L. 137-11-2, applicable on 1-01-2021, 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 2015-05, Accor SA applies hedge accounting principles to all clearly identified and documented symmetrical foreign exchange positions that are intended to reduce the risk arising from exchange rate fluctuations. Trade receivables and payments denominated in foreign currencies are remeasured at the closing rate through

translation adjustments. Foreign currency hedges (forward purchases and sales) related to these trade receivables and payables are also remeasured in the statement of financial position at the closing rate through translation adjustments. Payables, receivables and currency derivatives not included in symmetrical hedging positions are accounted for as an overall currency position, by currency, in accordance with Article 420-6 of France’s General Accounting Plan. A provision for foreign exchange losses is funded for the amount of any unhedged unrealized losses. This position is calculated currency by currency.

Accor manages a foreign currency position that includes monetary assets and liabilities in currencies linked to the Company's financial activities. Gains and losses on foreign currency derivatives makes it possible to offset the remeasurement at closing rates of 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.

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.

Derivatives for individual open positions (IOP)

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, 2021, there was no individual open position.

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, 2021.

NOTE 2 STATEMENT OF NON-CURRENT ASSETS AS OF DECEMBER 31, 2021

<i>(in €m)</i>	Gross value at start of year	Acquisitions and inter-item transfers	Retirements and disposals and inter-item transfers	Others	Gross value at end of year
Trademarks, rights and similar assets	61	-	-	-	61
Licenses, software	260	48	(74)	-	234
Goodwill	46	5	(11)	2	42
Other intangible assets	108	43	(23)	-	128
Intangible assets in progress	43	23	(35)	(1)	30
Advances and downpayments	-	-	-	-	-
Intangible assets	518	119	(143)	1	495
Land	3	-	-	-	3
Buildings	25	-	(1)	-	24
Machinery, equipment and tools	7	-	(2)	-	5
Other items of property, plant & equipment	76	3	(27)	-	52
Property, plant & equipment under construction	0	-	-	-	0
Advances and downpayments	-	-	-	-	-
Property, plant & equipment	111	3	(30)	-	84
Equity investments ⁽¹⁾	8,762	1,374	(1,512)	-	8,624
Receivables from equity investments ⁽²⁾	1,382	35	(227)	14	1,204
Other long-term securities ⁽¹⁾	84	18	(14)	1	89
Loans	2	4	-	-	6
Other non-current financial assets ⁽³⁾	1,005	-	-	-	1,005
Non-current financial assets	11,235	1,431	(1,753)	15	10,928
NON-CURRENT ASSETS	11,864	1,553	(1,926)	16	11,507

(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. The decrease includes the partial €165 million repayment of a receivable with Accor Hotel Deutschland, with the remaining outstanding amounting to €260 million.

(3) The balance of other non-current financial assets primarily consists of a technical loss of €973 million from the merger of FRHI Holdings Limited in 2018.

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, 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, 2021

<i>(in €m)</i>	At January 1, 2020	Additions	Reversals	Others	At December 31, 2020
Trademarks, rights and similar assets	0	-	-	-	0
Licenses, Software	223	32	(73)	-	182
Goodwill	7	2	-	1	10
Other intangible assets	55	20	(24)	-	51
Intangible assets	285	54	(97)	1	243
Land	0	-	-	-	0
Buildings	13	1	-	-	14
Machinery, equipment and tools	5	1	(2)	-	4
Other items of property, plant & equipment	62	4	(26)	-	40
Property, plant & equipment	80	6	(28)	-	58
NON-CURRENT ASSETS ⁽¹⁾	365	60	(125)	1	301

(1) The decline can be mainly attributed to the scrapping of licenses and software.

NOTE 5 RECEIVABLES AS OF DECEMBER 31, 2021

<i>(in €m)</i>	2020 gross	2021 gross
Advances and downpayments paid to suppliers	29	13
Trade receivables	380	452
Other receivables	462	1,063
Of which trade payables	4	1
Of which staff	1	1
Of which State	45	67
Of which Group and associates	342	406
Of which sundry debtors	63	76
On asset disposals ⁽¹⁾	-	512
Including accrued interest not due on swaps	7	-
TOTAL	871	1,528

(1) 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 2021

Acquisition or subscription of new equity investments	Number of shares acquired		Amounts (in €m)	% holding as of 12/31/2021
ENNISMORE HOLDING LIMITED	800,000		509	66.67% ⁽¹⁾
ACCOR HOTELSERVICES MAGYARORSZAG	1		51	38.64%
MAMA Paris West, MAMA Bordeaux, MAMA Marseille, MAMA Lyon, MAMA Paris, MAMA Paris la Défense	1,918,700		7	100.00% ^{(1) (2)}
RUPTUB SOLUTIONS PRIVATE LIMITED	2,554		4	5.43%
WORKLIB	2,000		1	26.67%
ACCOR ACQUISITION COMPANY	3,699,999		-	100.00% ⁽³⁾
ACQUISITIONS			572	
Further equity investments acquired	Number of shares acquired	% acquisition	Amounts (in €m)	% holding as of 12/31/2021
25HOURS HOTELS COMPANY	12,500	50.00%	66	100.00% ^{(1) (2)}
ACCOR ACQUISITION COMPANY	2,000,001	5.19%	20	23.52% ⁽³⁾
TOWN AND SHELTER	3,080	36.64%	20	100.00% ^{(1) (2)}
TRIBE HOTEL GROUP	4,725,000	45.00%	15	100.00% ^{(1) (2)}
PARIS SOCIETY	16,500	13.52%	12	42.97%
MAMA SHELTER	18,162	10.00%	10	45.00% ^{(1) (2)}
ENERGY OBSERVER DEVELOPPEMENT	250	-	3	-
FURTHER EQUITY INVESTMENTS ACQUIRED			146	
Further equity investments via capital increases	Number of shares acquired	% acquisition	Amounts (in €m)	% holding as of 12/31/2021
ACCORINVEST GROUP	39,562,264	0.48%	146	28.88%
ACCOR ACQUISITION COMPANY	6,658,000	-73.14%	40	23.52% ⁽³⁾⁽⁴⁾
ACTIMOS	-	0.00%	32	100.00% ⁽⁵⁾
MARGOT PREMIUM HOTEL	-	0.00%	22	99.96% ⁽⁵⁾
SHEMA	-	0.00%	14	99.99% ⁽⁵⁾
ACADÉMIE France SNC	-	0.00%	8	100.00% ⁽⁵⁾
SH DÉFENSE GRANDE ARCHE	-	0.00%	8	100.00% ⁽⁵⁾
Other French companies (EOD, New lifestyle Hôtels, Financière Louis, Restau Com, KNSA Hôtels France)	47,934,787	-	13	-
Other foreign companies (Sun Caribe, Kasada, SIHM)	415,000	-	11	-
FURTHER EQUITY INVESTMENTS VIA CAPITAL INCREASES			294	
Bond subscriptions	Number of shares acquired	% acquisition	Amounts (in €m)	% holding as of 12/31/2021
FINANCIÈRE LOUIS	94,660,268		7	
POTEL ET CHABOT	1,999,999		6	
FEVER LABS	-		2	
BONDS			15	

Subscriptions in investment funds	Number of shares acquired	% acquisition	Amounts (in €m)	% holding as of 12/31/2021
RAISE INVESTMENT	2,718,270		3	
INVESTMENT FUNDS			3	

Disposal of equity investments	Number of shares sold	% disposal	Carrying amount derecognized (in €m)	% holding as of 12/31/2021
Disposals				
ACCOR HOTELS BELGIUM	-		(512)	100.00% ⁽⁶⁾
AH NEW LIFESTYLE HOLDING US INC	(100)	100.00%	(358)	0.00% ⁽¹⁾
25HOURS HOTELS COMPANY	(25,000)	100.00%	(124)	0.00% ⁽¹⁾
MAMA SHELTER	(82,625)	100.00%	(38)	0.00% ⁽¹⁾
ACCOR ACQUISITION COMPANY	(3,564,658)	9.24%	(25)	23.52% ⁽³⁾
TRIBE HOTEL	(10,500,000)	100.00%	(24)	0.00% ⁽¹⁾
MAMA Paris West, MAMA Bordeaux, MAMA Marseille, MAMA Lyon, MAMA Paris, MAMA Paris la Défense	(1,918,700)	100.00%	(7)	0.00% ⁽¹⁾
SAS NEW LIFESTYLE HOTELS	(10,000)	100.00%	(5)	0.00% ⁽¹⁾
OTHER		-	(2)	-
DISPOSALS			(1,095)	

Other changes	Number of shares	% transactions	Amounts (in €m)	% holding as of 12/31/2021
CONTRIBUTION				
ACCOR SBE ACQUISITION CORP	(1,001)	100.00%	(370)	0.00% ⁽¹⁾
AH NEW LIFESTYLE HOLDING US INC	100	100.00%	358	100.00% ^{(1) (2)}
LOSS OF CONTROL				
I AM PLUS	-	-	(9)	0.00%
BOND CONVERTED TO SHARES				
FINANCIÈRE LOUIS (bond issue OC 17)	(3,201,423)		(5)	0.00%
FINANCIÈRE LOUIS (share conversion)	176,886,138	-	4	34.54%
TRANSFER OF ALL ASSETS AND LIABILITIES				
TOWN AND SHELTER	(8,405)	100.00%	(47)	
TOTAL OTHER CHANGES			(69)	
TOTAL ACQUISITIONS AND OTHER CHANGES			1,392	
TOTAL DISPOSALS, LIQUIDATIONS AND OTHER CHANGES			(1,526)	
TOTAL CHANGES IN EQUITY INVESTMENTS			(134)	

(1) Acquisitions/Disposals carried out within the framework of the development of the Lifestyle activity as described in significant events of the fiscal year in the introduction to Note 1.

(2) % stake following subscription, acquisition and before a disposal, capital reduction or merger, see boxes hereafter.

(3) Transactions relative to the Accor Acquisition Company (AAC), a "Special Purpose Acquisition Company" (SPAC) are described in significant events of the fiscal year in the introduction to Note 1.

(4) The negative acquisition percentage reflects a dilution of Accor SA's stake in Accor Acquisition Company (AAC).

(5) Capital increase in value.

(6) Capital reduction.

NOTE 7 STATEMENT OF PROVISIONS AND IMPAIRMENT AS OF DECEMBER 31, 2021

(in €m)	At January 1, 2021	Adjustments, start of period	Additions	Reversals		At December 31, 2021
				Unused	Used	
For disputes	4	-	8	-	-	12
For foreign exchange losses	13	-	4	-	-	17
Other provisions for contingencies ⁽¹⁾	116	-	24	(40)	(1)	99
PROVISIONS FOR CONTINGENCIES	133	-	36	(40)	(1)	128
For pensions and similar benefits ⁽⁴⁾	32	(3)	4	(11)	-	23
For taxes	6	-	2	(1)	-	7
Other provisions for charges ⁽²⁾	215	-	2	(33)	(9)	175
PROVISIONS FOR CHARGES	253	(3)	9	(45)	(9)	205
Provisions	386	(3)	45	(85)	(10)	333
For intangible assets	37	-	4	(11)	-	30
For property, plant & equipment	0	-	-	-	-	0
For non-current financial assets ⁽³⁾	2,815	-	152	(101)	-	2,866
For trade receivables	18	-	3	(9)	-	12
For other receivables ⁽³⁾	67	-	20	(49)	-	38
Asset impairment	2,937		179	(170)	-	2,946
PROVISIONS AND IMPAIRMENT	3,323	(3)	224	(255)	(10)	3,279

P&L impact of changes in provisions	Additions	Reversals
EBIT	23	(38)
Net financial income (expenses)	176	(147)
Net non-recurring income (expenses)	25	(80)
TOTAL	224	(265)

(1) The balance of other provisions for risks is mainly made up of provisions for risks related to subsidiaries for €19.9 million set aside after provisions for securities, loans and current accounts, a provision for "précompte" risk of €53.1 million and a new provision established during the year for €20.6 million represented as net non-recurring expenses (see Notes 25 and 26) in connection with the liability guarantee relating to the audit of a subsidiary sold to AccorInvest.

(2) Other provisions for charges comprise provisions for restructuring and provisions for the loyalty program.

The provisions for restructuring were increased by €2.3 million and reversed by €29.8 million, including usage of €9 million, and stand at €36.3 million. Other provisions total €138 million and primarily break down into the valuation of valid points qualifying for the loyalty program.

(3) Changes over the year break down into €172 million in increases and €150 million in reversals. The additions were primarily related to these subsidiaries: Accorhotels Chili (€26.6 million), Chamman (€10.3 million), Accor Middle East and Africa (€9.7 million) and NDH (€9.2 million). The reversals mainly relate to these subsidiaries: Accor SBE Acquisition Corp (€18 million), Mama Shelter (€13.4 million), Tribe Hotels Group (€9.5 million) and AAPC Australia (€9.3 million).

(4) Pension commitments and actuarial assumptions.

	2020 General plan	2020 Management plan	2021 General plan	2021 Management plan
Discount rate	0.3%	0.3%	0.9%	From 0.9% to 2%
Mortality tables	TGH05/TGF05	TGH05/TGF05	TGH05/TGF05	TGH05/TGF05
Salary increase assumption	3.00%	3.00%	3.00%	3.00%
Retirement age	65 years of age	65 years of age	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.	Decreasing with age: <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> • 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%

	2020	2021
Provision for defined benefit plans as of 12/31/N-1	35	32
Adjustments, start of period*	-	(3)
Current service cost	2	4
Effect of discounting	1	-
Actuarial (gains)/losses	(5)	(11)
Plan modification/liquidation	(0)	(0)
Benefit/contributions paid	(1)	-
PROVISION FOR DEFINED BENEFIT PLANS AS OF 12/31/N	32	23

* Change in accounting method applicable to provisions for retirement benefits and related benefits as described in paragraph i of accounting rules and methods in Note 1.

NOTE 8 PORTFOLIO OF MARKETABLE SECURITIES

(in €m)	2020 gross	2021 gross
Mutual fund units	30	30
Unit trust	469	61
Terms deposits	740	555
Fixed-term deposits	-	120
TOTAL	1,239	766

Impairment of €0.2 million was recognized in respect of the marketable securities because the market value was lower than the carrying amount as of December 31, 2021.

NOTE 9 ACCRUALS AND OTHER INCOME AS OF DECEMBER 31, 2021

<i>(in €m)</i>	Net amount at start of year	Additions	Reversals	Net amount at end of year
IT leasing and maintenance	3	5	(3)	5
Real estate leasing	-	-	-	-
Partnership	35	42	(37)	40
Others	6	6	(5)	7
PREPAID EXPENSES ⁽¹⁾	44	53	(45)	52
Debt issuance costs	44	40	(20)	64
DEFERRED EXPENSES	44	40	(20)	64
Debt issuance premiums (borrowings)	4	6	(1)	9
DEBT ISSUANCE PREMIUMS (BONDS)	4	6	(1)	9
Marketing Fund	2	8	(6)	4
LE CLUB card sales	2	-	(2)	-
VISA Europe Partnership	3	-	-	3
BNP Partnership	3	-	-	3
PARIS 2024	-	25	(2)	23
PREPAID INCOME ⁽²⁾	10	33	(10)	33

(1) Changes in prepaid expenses can mainly be attributed to the partnership contract with PSG football club.

(2) Changes in prepaid income can mainly be attributed to the partnership agreement with the Organization Committee of the Olympic and Paralympic Games Paris 2024.

NOTE 10 CURRENCY TRANSLATION RESERVE

Assets

<i>(in €m)</i>	2020	2021
Reduction in receivables	8	-
Increase in payables	19	17
ASSETS	27	17

Liabilities and equity

<i>(in €m)</i>	2020	2021
Increase in receivables	9	1
Reduction in payables	28	-
LIABILITIES AND EQUITY	37	1

NOTE 11 ACCRUED INCOME

Amount of accrued income included in the following statement of financial position items

(in €m)	2020	2021
Receivables from equity investments	1	11
Trade receivables	93	102
French State	7	21
Other receivables	53	68
Credit notes to be received	1	-
Cash and cash equivalents	8	-
TOTAL	163	202

NOTE 12 ACCRUED EXPENSES

Amount of accrued expenses included in the following statement of financial position items

(in €m)	2020	2021
Bonds	37	33
Bank borrowings	39	25
Miscellaneous borrowings and debt	1	-
Trade payables	160	165
Tax and social security liabilities	58	56
Other liabilities	16	44
TOTAL	311	323

NOTE 13 CHANGES IN EQUITY

(in €m)	December 31, 2020	Adjustments, start of period	Appropriation of 2020 net profit	Proceeds from issue of shares	2021 profit (loss)	December 31, 2021
Share capital in number of shares ⁽¹⁾	261,382,728	-	-	473,540	-	261,856,268
Value of share capital	784	-	-	1	-	786
Additional paid-in capital	1,465	-	-	-	-	1,465
Statutory reserve	87	-	-	-	-	87
Regulated reserves	9	-	-	-	-	9
Other reserves	7	-	-	(1)	-	5
Retained earnings	3,242	3	(1,055)	-	-	2,190
Net profit (loss) for the year	(1,055)	-	1,055	-	(540)	(540)
EQUITY	4,539	3 ⁽²⁾	- ⁽³⁾	- ⁽⁴⁾	(540)	4 002

(1) Par value of €3.

(2) Change in accounting method applicable to provisions for retirement benefits and related benefits as described in paragraph i of accounting rules and methods in Note 1.

(3) No dividend was paid out in 2021.

(4) Employee free share allocation.

Potential capital at December 31, 2021: if all performance shares granted to employees vest, the number of Accor shares outstanding would increase by 4,667,194 without an increase in the equity.

NOTE 14 STOCK OPTION PLANS AND SHARE PLANS

Stock option plans	Plan 27
Award date	09/26/2013
Expiry date	09/26/2021
Exercise price after share split (in €m)	30.13
Value used as a basis for the social security contribution (in €m) ⁽¹⁾	6.30
Vesting conditions	4 years' employment + performance conditions ⁽²⁾
SHARES OUTSTANDING AS OF 12/31/2020	10,000
Number of shares awarded in 2021	-
Number of shares exercised in 2021	-
Number of shares canceled in 2021	10,000
SHARES OUTSTANDING AS OF 12/31/2021	-
Number of shares created since the outset	-
Number of shares canceled since the outset	40,000

(1) Rate of between 10% and 30% according to the award date of the plans.

(2) The performance condition is the ranking of Accor TSR* vs. the TSR of 8 competing hospitality groups.

Performance shares plans	2018 plan	2018 plan	2019 plan	2019 plan	2020 plan	2020 plan	2021 plan	2021 plan
Award date	6/26/2018	10/17/2018	5/31/2019	10/25/2019	5/28/2020	10/21/2020	6/23/2021	10/29/2021
Expiry date	6/26/2021	10/17/2021	5/31/2022	10/25/2022	5/31/2022	10/25/2022	6/23/2021	10/29/2021
Value used as a basis for the social security contribution (in €)	35.24	35.00	31.12 ⁽⁵⁾	31.03 ⁽⁵⁾	30.11 ⁽⁵⁾	30.11 ⁽⁵⁾	30.05	27.79
Vesting conditions	3 performance conditions ⁽¹⁾	3 performance conditions ⁽¹⁾	3 performance conditions ⁽²⁾	3 performance conditions ⁽²⁾	4 performance conditions ⁽³⁾	4 performance conditions ⁽³⁾	3 performance conditions ⁽⁴⁾	3 performance conditions ⁽⁴⁾
Number of shares awarded	632,462	22,830	1,275,675	37,120	1,796,551	38,390	1,353,236	50,205
FUTURE NUMBER OF SHARES SUBJECT TO ATTAINMENT OF PERFORMANCE CONDITIONS AS OF 12/31/2020	464,883	18,264	1,217,731	35,920	1,735,731	38,390	-	-
Number of shares awarded in 2021	-	-	-	-	-	-	1,353,236	50,205
Number of shares created in 2021	447,516	17,224	3,300	-	5,500	-	-	-
Number of shares removed in 2021	17,367	1,040	38,710	-	43,536	-	8,621	-
Number of shares canceled in 2021 (due to failure to meet performance conditions)	-	-	-	-	-	-	-	-
FUTURE NUMBER OF SHARES SUBJECT TO ATTAINMENT 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 created since the outset	447,516	17,224	3,300	-	5,500	-	-	-
Number of shares canceled or removed since the outset	184,946	5,606	96,654	1,200	104,356	-	8,621	-

(1) The performance condition is the actual versus budgeted EBIT margin, the actual versus budgeted free cash flow excluding disposal proceeds and external growth including changes in operating working capital and the ranking of the Accor TSR* vs. the TSR of 8 competing hospitality groups and vs. other companies in the CAC 40.

(2) Internal conditions (80% weighting): Group EBITDA compared to the budget and Group free cash flows excluding disposal proceeds and external growth 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*) compared to changes on the Stoxx Europe 600 index Travel & Leisure Gross Return. In accordance with the decisions adopted by the Board of Directors on March 5, 2021, this condition has been replaced, for 2020 and 2021, with an Accor TSR* condition compared to the change in the benchmark index of peer European and international hospitality groups.

(3) Internal conditions (70% weighting): Level of savings achieved compared to the budget for 2020: Group EBITDA compared to the budget and Group 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 Return (TSR*) compared to the change in the benchmark index of peer European and international hospitality groups.

(4) Internal conditions (70% weighting): Level of Group EBITDA compared to the budget and Group free cash flows excluding disposal proceeds and external growth including changes in operating working capital compared to the budget. External condition (30% weighting): Accor's Total Shareholder Return (TSR*) compared to the change in the benchmark index of peer European and international hospitality groups.

* Total Shareholder Return (TSR) is a widely used concept to assess the performance of a company's share over a given period and to compare the stock market performance of different companies operating in the same business sector. It is calculated as follows, regardless of the company in question: Final benchmark share price - Initial benchmark share price + reinvested dividends paid / Initial benchmark share price.

Where:

- Initial benchmark share price = average closing price over the 20 stock market trading days preceding the start of the measurement period.

- Final benchmark share price = average closing price over the 20 stock market trading days preceding the end of the measurement period.

(5) To factor in the amendment - decided by the Board of Directors on March 5, 2021 - to the performance conditions of the plans of May 31, 2019, October 25, 2019, May 28, 2020 and October 21, 2020, the selected carrying amount has been revised and amended accordingly.

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 <i>(in euros)</i>	30.61
Number of shares awarded	336,410
FUTURE NUMBER OF SHARES SUBJECT TO ATTAINMENT OF PERFORMANCE CONDITIONS AS OF 12/31/2020	-
Number of shares awarded in 2021	336,410
Number of shares created in 2021	-
Number of shares removed in 2021	762
Number of shares cancelled in 2021 (due to failure to meet performance conditions)	-
FUTURE NUMBER OF SHARES SUBJECT TO ATTAINMENT OF PERFORMANCE CONDITIONS AS OF 12/31/2021	335,648
Number of shares created since outset	-
Number of shares canceled or removed since the outset	762

NOTE 15 OTHER EQUITY

<i>(in €m)</i>	Currencies	Initial amount	Fixed/ variable rate	Rate	Outstanding principal at December 31, 2020	Outstanding principal at December 31, 2021
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 2021, Accor redeemed the remaining outstanding amount of €550 million on its €900 million bond issued in February 2014 and maturing in February 2021. In November 2021, Accor successfully placed its first bond issue indexed to the Group's sustainable development goals (Sustainability-Linked Bond) for an amount of €700 million, with a coupon of 2.375%, due November 2028. The proceeds of this issue will mainly be used to refinance a portion of existing debt with the redemption of €448 million in bond debt maturing in 2023 and 2024.

<i>(in millions of currency units)</i>	Currencies	Initial amount <i>(in foreign currency)</i>	Initial amount <i>(in €)</i>	Fixed/ variable rate	Rate	Term	Outstanding principal at December 31, 2020	Outstanding principal at December 31, 2021
February 2014 Bond	Euros	900	900	Fixed	2.625%	7 years	550	-
June 2014 Bond	Swiss francs	150	123	Fixed	1.750%	8 years	138	144
December 2014 Bond	Euros	60	60	Fixed	1.679%	7 years and 2 months	60	60
September 2015 Bond	Euros	500	500	Fixed	2.375%	8 years	500	295
January 2017 Bond	Euros	600	600	Fixed	1.250%	7 years	600	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
BONDS							2,948	2,656

NOTE 17 LIABILITIES BY MATURITY AS OF DECEMBER 31, 2021

<i>(in €m)</i>	Gross amounts	Less than 1 year	1 to 5 years	Over 5 years
Convertible bonds	500	-	-	500
Bonds ⁽¹⁾	2,156	204	652	1,300
Bonds - accrued interest	33	33	-	-
Bonds	2,689	237	652	1,800
Banks	186	186	-	-
Hybrid bonds - accrued interest	24	24	-	-
Interest payable	0	0	-	-
Bank borrowings	210	210	-	-
Current accounts Financial Subsidiaries	700	700	-	-
Borrowings from Group companies	1,594	1,594	-	-
Other financial debt	61	36	25	-
NEU CP instruments	302	302	-	-
Miscellaneous borrowings and debts ⁽⁴⁾	2,657	2,632	25	-
OTHER FINANCIAL DEBT ^{(3) (5)}	5,556	3,079	677	1,800
Advances and downpayments received from guests	1	1	-	-
Trade payables ⁽⁵⁾	341	341	-	-
OPERATING LIABILITIES	342	342	-	-
Tax and social security liabilities	82	81	1	-
Payables to fixed asset suppliers	30	19	11	-
Other liabilities	52	49	3	-
Prepaid income	33	4	23	6
MISCELLANEOUS LIABILITIES ⁽⁵⁾	197	153	38	6
Interest rate derivatives ⁽¹⁾	-	-	-	-
Foreign exchange derivatives ⁽²⁾	-	-	-	-
Cross currency swap derivatives ⁽²⁾	20	1	-	19
FINANCIAL INSTRUMENTS	20	1	-	19
LIABILITIES	6,115	3,575	715	1,825

(1) Details of interest rate hedges can be found in Note 18.

(2) Details of derivatives can be found in Note 19.

(3) Borrowings arranged during the year (gross amount): €944 million.
Borrowings repaid during the year (gross amount): €1,088 million.

(4) Of which €2,315 million to affiliates.

(5) Of which equivalent in euros of the following foreign currencies:

Liabilities by currency

AED	26
AUD	16
CAD	109
CHF	384
CNY	44
EUR	5,279
EGP	1
GBP	67
HKD	17
ILS	2
JPY	1
NZD	20
PLN	7
SEK	1
SGD	9
USD	132
EQUIVALENT	6,115

Financing policy

At December 31, 2021, Accor SA had two confirmed undrawn credit lines for a total of €1,760 million, of which a €1,200 million line, negotiated in 2018, maturing in June 2025 maturity (for €1,114 million) and in June 2024 (for €86 million) and a €560 million line, negotiated in May 2020, maturing in May 2022. The undrawn €1,200 million credit line includes an early repayment clause that can be activated in the event of non-compliance with a leverage ratio. Against the backdrop of the health crisis, Accor was granted a holiday for this covenant out to June 2021, which was extended on February 8, 2021 to June 2022. Since November 15, 2021, this covenant has been replaced with a minimum liquidity covenant, applicable for 2022 and 2023. From 2024, the initial leverage ratio covenant will apply once again.

NOTE 18 RATE RISK AS OF DECEMBER 31, 2021

(in €m)	Expiry date	Notional amount as of December 31, 2020	Interest as of December 31, 2020	Fair value as of December 31, 2020 ⁽¹⁾	Notional amount as of December 31, 2021	Interest as of December 31, 2021	Fair value as of December 31, 2021 ⁽¹⁾
Swaps entered into to hedge the debt							
Payer swaps (paying variable rate and receiving fixed rate) on the 02/2014 bonds	02/05/2021	300	5	5	-	-	-
TOTAL		300	5		-	-	-

(1) Accrued interest not yet due is included.

NOTE 19 CURRENCY RISK AS OF DECEMBER 31, 2021

(in €m)	Pur- chases as of Dec. 31, 2021	Less than 1 year	Over 1 to 5 years	Sales as of Dec. 31, 2021	Less than 1 year	Over 1 to 5 years	Fair value as of Dec. 31, 2021	Pur- chases as of Dec. 31, 2021	Less than 1 year	Over 1 to 5 years	Sales as of Dec. 31, 2021	Less than 1 year	Over 1 to 5 years	Fair value as of Dec. 31, 2021				
Cross Currency Swaps																		
AUD	-	-	-	561	-	-	(27)	-	-	-	574	-	-	574	(25)			
EUR	554	-	-	554	-	-	-	554	-	-	-	-	-	-	-			
Total Cross Currency Swaps	554	-	-	554	561	-	(27)	554	-	-	554	574	-	-	574	(25)		
Currency forwards																		
AED	-	-	-	-	-	-	-	-	-	-	5	5	-	-	-	-		
AUD	-	-	-	-	-	-	-	-	-	-	2	2	-	-	-	-		
CAD	-	-	-	5	5	-	-	17	17	-	7	7	-	-	-	-		
CHF	-	-	-	4	4	-	-	-	-	-	6	6	-	-	-	-		
GBP	-	-	-	6	6	-	-	-	-	-	18	18	-	-	-	-		
HKD	-	-	-	-	-	-	-	-	-	-	2	2	-	-	-	-		
MXN	-	-	-	-	-	-	-	-	-	-	1	1	-	-	-	-		
NZD	-	-	-	-	-	-	-	-	-	-	1	1	-	-	-	-		
PLN	-	-	-	4	4	-	-	-	-	-	2	2	-	-	-	-		
SAR	-	-	-	-	-	-	-	-	-	-	1	1	-	-	-	-		
USD	167	164	3	15	12	3	-	4	1	3	26	23	3	-	-	-		
EUR	43	43	-	168	168	-	-	71	71	-	22	22	-	-	-	-		
Other currencies	2	2	-	9	9	-	-	-	-	-	1	1	-	-	-	-		
Total Currency forwards	212	209	3	211	208	3	-	1	92	89	3	-	94	91	3	-		
Currency Swaps																		
AED	-	-	-	29	29	-	-	1	1	-	31	31	-	-	-	-		
AUD	-	-	-	21	21	-	-	-	-	-	24	24	-	-	-	(1)		
CAD	22	22	-	-	-	-	-	-	-	-	1	1	-	-	-	-		
CHF	169	169	-	-	-	-	(2)	194	194	-	-	-	-	-	-	6		
CNY	35	35	-	-	-	-	(1)	-	-	-	-	-	-	-	-	-		
GBP	-	-	-	77	77	-	(1)	-	-	-	124	124	-	-	-	(2)		
HUF	-	-	-	50	50	-	-	1	1	-	2	2	-	-	-	-		
JPY	-	-	-	34	34	-	-	1	-	-	35	35	-	-	-	1		
PLN	-	-	-	-	-	-	-	7	7	-	-	-	-	-	-	-		
SAR	-	-	-	-	-	-	-	-	-	-	5	5	-	-	-	-		
USD	64	64	-	271	271	-	(3)	1	1	-	26	26	-	-	-	-		
EUR	499	498	-	301	301	-	-	249	249	-	206	206	-	-	-	-		
Other currencies	3	3	-	-	-	-	-	2	2	-	1	1	-	-	-	-		
Total Currency Swaps	792	791	-	783	783	-	(6)	455	455	-	455	455	-	-	-	(4)		
TOTAL FOREIGN EXCHANGE DERIVATIVES ON THE STATEMENT OF FINANCIAL POSITION	1,558	1,000	3	554	1,555	991	3	561	(32)	1,101	544	3	554	1,123	546	3	574	(21)
Currency forwards not recognized on the statement of financial position																		
PLN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CHF	-	-	-	7	3	4	-	4	4	-	-	-	-	-	-	-	-	-
Total Currency forwards not recognized on the statement of financial position	-	-	-	7	3	4	-	4	4	-	-	-	-	-	-	-	-	-
FOREIGN EXCHANGE DERIVATIVES	1,558	1,000	3	554	1,562	994	7	561	(32)	1,105	548	3	554	1,123	546	3	574	(21)

All derivatives have a hedging purpose. The derivatives classified under individual open positions are not material.

NOTE 20 SCHEDULE OF RECEIVABLES AND MATURITIES AS OF DECEMBER 31, 2021

<i>(in €m)</i>	Gross amounts	Maturing in up to one year	Maturing in over one year
Receivables from equity investments	1,204	250	954
Loans	6	2	4
Other non-current financial assets	1,005	-	1,005
RECEIVABLES FROM NON-CURRENT ASSETS	2,215	252	1,963
Trade receivables	452	452	-
Other receivables	1,063	1,058	5
Prepaid expenses	52	52	-
RECEIVABLES FROM CURRENT ASSETS	1,567	1,562	5
RECEIVABLES ⁽¹⁾	3,782	1,814	1,968

(1) Of which equivalent in euros of the following foreign currencies:

Receivables by currency

AED	24
AUD	602
BRL	8
CAD	8
CHF	8
CNY	9
EUR	2,717
GBP	198
HKD	10
HUF	1
ILS	2
JPY	33
PLN	2
SAR	26
SGD	2
USD	132
EQUIVALENT	3,782

NOTE 21 ITEMS RELATIVE TO RELATED COMPANIES ⁽¹⁾ AS OF DECEMBER 31, 2021

<i>(in €m)</i>	2020	2021
Equity investments	7,297	7,055
Receivables from equity investments	1,379	1,192
Trade receivables	281	325
Other receivables	319	376
Miscellaneous borrowings and debt	1,960	2,294
Trade payables	143	57
Income from equity investments	79	66
Other financial income	41	31
Financial expenses	12	5

(1) Related companies as defined by Article A823-18-1 of the French Commercial Code.

NOTE 22 BREAKDOWN OF REVENUE EXCLUDING TAX

<i>(in €m)</i>	2020	2021
France	295	363
International	236	267
REVENUE EXCL. TAX	531	630

NOTE 23 COMPENSATION AND HEADCOUNT

Compensation of administrative and management bodies

<i>(in €m)</i>	2020	2021
Annual fixed compensation granted to Company directors	1.26	1.10
Management (Executive Committee) (excluding expenses)	13.80	7.41

Staff paid by the company

Status of employees	2020	2021
Management	1,143	1,069
Supervisors	80	72
Ordinary employees	75	42
AVERAGE HEADCOUNT	1,298	1,183

NOTE 24 NET FINANCIAL INCOME (EXPENSES)

<i>(in €m)</i>	2020	2021
Financial expenses excluding Group	(118)	(115)
Financial income excluding Group	37	10
Cost of net debt excluding Group	(81)	(105)
Income from intragroup loans and current accounts	41	29
Expenses from intragroup borrowings and current accounts	(12)	(5)
Dividends	80	71
Impairment of equity investments	(927)	(89)
Other asset impairment	(32)	(58)
Foreign exchange gains (losses)	(4)	(20)
Others	(12)	(28)
NET FINANCIAL INCOME (EXPENSES)	(947)	(49)

NOTE 25 NET NON-RECURRING INCOME (EXPENSES)

The net non-recurring expense for 2021 before tax was €238 million.

This stemmed from:

<i>(in €m)</i>	2020	2021
Income & expenses/management transactions ⁽¹⁾	276	(47)
Gains and losses/disposals of property, plant and equipment ⁽²⁾	389	(204)
Extraordinary increases and reversals of depreciation, amortization, impairment and provisions ⁽³⁾	(112)	13
Other non-recurring expenses ⁽⁴⁾	(259)	-
NET NON-RECURRING INCOME (EXPENSES)	294	(238)

(1) In 2021, charges within the framework of the Group's restructuring plan were booked in the amount of €33.2 million, linked to the development of the Lifestyle hospitality activity for €16.7 million as well as income amounting to €3.6 million in respect of taxes paid by the Fairmont & Raffles subsidiaries in China. In 2020, this amounted to income of €307 million, breaking down into €180 million in principal and €127 million in interest from the repayment of "précompte" dividend withholding tax, (see Note 26) and restructuring expenses of €30 million.

(2) In 2021, Accor generated (i) a net capital loss of €224 million on disposals of equity interests and intangible assets, following the completion of internal reorganizations and disposals carried out as part of the development of the Lifestyle business. This amount was calculated excluding a price complement to be received at a later date on the sale of shares in the companies holding the Lifestyle business' hotel assets operated under lease agreements to KNSA Hotels France, and (ii) a capital gain on the sale of its reservation activities to subsidiary D-Edge for €30.7 million. In 2020, a capital gain on the disposal of Orbis shares was recorded for €447 million while a net capital loss was incurred following the liquidation of Turambar shares for €70 million.

(3) In 2021, a reversal in a restructuring provision amounting to €27.3 million was recognized as well as an increase in a provision for risk in the amount of €20.6 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 €10.6 million. By way of reminder, in 2020, a €58.5 million increase in the provision for restructuring was recognized and a €53 million risk provision in respect of the "précompte" dividend withholding tax.

(4) In 2020, a loss on the loan granted to its US subsidiary SBE Ent Holdings of €259 million was recognized.

NOTE 26 INCOME TAX

a) Accor SA individual tax

<i>(in €m)</i>	2020	2021
Proceeds of tax consolidation	2	14
Adjustment surplus prior years	-	-
Research tax credit	1	1
Corporate tax, withheld at source, other	-	-
TOTAL	3	15

The Company's contribution to tax consolidation for the year was a loss of €413 million at current tax rates.

b) Gain (loss) on tax consolidation

Tax consolidation generated a net gain of €14.4 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 challenged by 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 then at European level. As regards the “précompte” dividend withholding tax paid over the period 1999-2001, the Versailles Administrative Tribunal 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 Versailles Administrative Court 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 its rights and has brought a State liability action before the Paris Administrative Court. As regards the “précompte” dividend withholding tax paid over the period 2002-2004, a decision from the European Union Court of Justice on October 4, 2018 convicted again the French state on the “précompte” refund litigations. On July 7, 2020, the Versailles Administrative Court of Appeal, taking note of the European Court’s decision,

pronounced the refund to Accor SA of the full “précompte” amount paid over this period along with late interests. On July 23, 2020, Accor SA received a refund of €307 million (€180 million of principal and €126 million of late interests). In this respect, the Company recognized an exceptional gain of €307 million and a provision for risk amounting to €53 million in the income statement for the year to December 31, 2020 (see Note 25), considering it highly probable that Accor will be definitely entitled to the €254 million refund received in July 2020. 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. A ruling from the European Court of Justice on the withholding tax accounting treatment in line with the European parent/subsidiary directive is expected in 2022. At December 31, 2021, the Company considered that it was not likely that it would have to repay the amounts received from the tax authorities.

e) Tax audit 2016-2018

In June 2021, Accor SA received a proposal for fiscal years 2016-2018. The valuation of shares of a company sold by Accor SA to a subsidiary of the AccorInvest group as part of the Booster deal was called into question by the tax authorities and led to a tax reassessment of some €37 million. Furthermore, in a related action, the tax authorities subsequently reassessed the AccorInvest group subsidiary, considering that the insufficient valuation of the shares equated to taxable income at the level of the subsidiary. As part of this reassessment, AccorInvest exerted its indemnification rights pursuant to the provisions of the share disposal contract between AccorInvest and Accor SA and AccorInvest group

investors. While Accor SA does indeed intend to challenge the grounds of the decision by the tax authorities, preferring to err on the side of caution, it set aside a provision account of €20.6 million to cover the financial consequences for Accor SA of these two tax audits. Furthermore, Accor SA has responded to the July 2021 proposal for rectification. In comments to the tax payer addressed to Accor SA in November 2021, the tax authorities upheld the tax audit on the valuation of the shares in question. The Company and its advisors challenge the grounds presented by the tax authorities and have taken proceedings in this respect.

NOTE 27 DEFERRED TAXES

Total increases and reversals of non-deductible provisions for 2021 of the subsidiaries in Accor’s tax group gave rise to a €70.3 million reversal in the net taxable provision representing a decrease in the future tax liabilities of the companies of €19 million calculated at 26.5% for the

companies with revenue under €250 million and at 27.5% for the companies with revenue of over €250 million (excluding the 3.3% social security contribution levied on corporate income tax).

NOTE 28 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, 2021 are as follows⁽¹⁾:

on December 31 (in €m)	Dec. 31, 2020	Dec. 31, 2021
Fixed rental commitments given to subsidiaries	234	243
Variable rental commitments made to subsidiaries	93	51
TOTAL RENTAL COMMITMENTS ⁽¹⁾	327	294
TOTAL RENTAL COMMITMENTS ⁽¹⁾	(327)	(294)

(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, 2021 are as follows:

on December 31 (in €m)	Dec. 31, 2020	Dec. 31, 2021
COMMITMENTS GIVEN (LIABILITIES)		
Other purchase commitments	8	8
TOTAL PURCHASE COMMITMENTS	8	8
Guarantees given ⁽¹⁾	238	177
Guarantees for bank borrowings ⁽¹⁾	0	18
Guarantees for confirmed credit lines	23	39
Guarantees given to third parties	29	13
Liability guarantee commitments	99	339
GUARANTEES FOR BANK BORROWINGS AND OTHER ITEMS INCREASING DEBT	389	586
COMMITMENTS GIVEN IN THE NORMAL COURSE OF BUSINESS	-	-
TOTAL COMMITMENTS GIVEN	397	594

(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, 2021 are as follows:

on December 31 (in €m)	Dec. 31, 2020	Dec. 31, 2021
COMMITMENTS RECEIVED (ASSETS)		
Guarantees given	-	2
Guarantees for bank borrowings	-	0
GUARANTEES FOR BANK BORROWINGS AND OTHER ITEMS INCREASING DEBT	-	2
TOTAL COMMITMENTS RECEIVED	-	2

NOTE 29 SUBSEQUENT EVENTS

Lido acquisition

On February 9, 2022, Accor SA Acquired Société d'Exploitation et de Gestion de Spectacles de Music-Halls Internationaux (SEGSMHI), with the main activity of operating "Le Lido" entertainment venues in Paris. This transaction enabled the Group to increase its hospitality

offering notably with members of the ALL loyalty program. The acquisition price came to one euro, increased by an earn-out additional payment linked to the financial situation of the company.

NOTE 30 MAIN SUBSIDIARIES AND EQUITY INVESTMENTS AS OF DECEMBER 31, 2021

(in thousands of local currency)

Subsidiaries and equity investments	Currencies	Share capital	Additional paid-in capital and reserves	Share of capital held (as a percentage)
1. Subsidiaries (at least 50%-owned by Accor SA)				
a) French subsidiaries				
IBL 82 rue Henri Farman 92130 Issy Les Moulineaux ⁽¹⁾	EUR	28,767	18,189	100.00%
ACTIMOS 82 rue Henri Farman 92130 Issy Les Moulineaux ⁽¹⁾	EUR	90,379	(17,968)	100.00%
CHAMMANS 82 rue Henri Farman 92130 Issy Les Moulineaux ⁽¹⁾	EUR	102,048	(94,197)	100.00%
Other French subsidiaries	-	-	-	-
b) Foreign subsidiaries				
ACCOR UK LTD (United Kingdom) ⁽¹⁾	GBP	85,530	372,665	100.00%
FRHI HOTEL ET RESORTS (Luxembourg) ⁽¹⁾	EUR	890,969	(429,209)	100.00%
ACCORHOTELS DEUTSCHLAND GMBH (Germany) ⁽¹⁾	EUR	500	53,358	100.00%
MP INVEST AG (Switzerland) ⁽¹⁾	CHF	118	74,049	100.00%
ACCOR SERVICES POLAND SP Z.O.O ⁽¹⁾	PLN	1,036,025	(35,216)	100.00%
ACCOR HOTELS BELGIUM (Belgium) ⁽¹⁾	EUR	765,433	(227,988)	100.00%
COMPAGNIE DES WAGONS LITS (Belgium) ⁽¹⁾	EUR	50,676	260,726	99.93%
RIXOS (The Netherlands) ⁽¹⁾	EUR	0	120,852	70.00%
ENNISMORE HOLDING LIMITED (Great Britain) ⁽¹⁾	GBP	432,719	(848)	66.67%
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	40,519	33.33%
ACCORINVEST GROUP (Luxembourg) ⁽¹⁾	EUR	2,152,022	1,282,255	28.49%
Investments in non-consolidated companies	-	-	-	-
3. Equity investments (under 10% of the share capital owned by Accor SA)				
a) French companies				
Investments in non-consolidated companies	-	-	-	-
b) Foreign companies				
Investments in non-consolidated companies	-	-	-	-
TOTAL				

(1) Provisional balance sheets or not yet audited.

(in €k)

Carrying amount of shares held		Loans and advances granted by Accor and not yet repaid	Amounts of pledges and guarantees provided by Accor SA	Revenue excluding tax of previous fiscal year	Profit or (loss) of previous fiscal year	Dividends paid to Accor SA over the fiscal year
Gross	Net					
706,501	45,874	-	-	-	(18)	-
271,579	143,914	24,320	-	-	822	-
108,161	24,265	48,546	-	-	(130)	-
262,514	154,792	114,871	-	-	-	-
156,066	156,066	45,032	-	-	(476)	-
913,792	913,792	-	22,984	20,356	26,260	-
250,500	250,500	260,349	-	50,341	(62,176)	-
391,765	391,765	-	-	601	2,568	-
259,058	233,966	-	-	17,690	(7,654)	-
1,007,629	1,007,629	-	-	11,056	430,616	-
1,151,347	324,398	-	-	1,400	1,006	-
107,105	92,305	8,866	-	9,132	(621)	-
509,300	509,300	2,590	-	-	(985)	-
524,997	393,457	135,948	-	-	-	11 339
182,300	108,175	51,343	-	-	-	25
169,880	90,074	-	-	6,620	3,894	-
1,242,612	762,409	-	-	2,147	(72,014)	-
382,606	266,985	22,275	-	-	-	-
34,951	32,016	30	-	-	-	2,215
25,308	13,016	3,169	-	-	-	54,517
8,657,971	5,914,698	717,339	22,984			68,096

6.4 Statutory Auditors' report on the financial statements

Year ended December 31, 2021

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 financial statements of Accor for the year ended December 31, 2021.

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, 2021 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, 2021 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.

Emphasis of matter

Without qualifying our opinion, we draw your attention to the change in accounting method in relation to ANC recommendation No. 2013-02 on the attribution of benefits under post-employment benefit plans as described in Note 1 "Accounting policies" section 1.i) "Provisions for pensions and similar commitments" to the financial statements, which presents the impact of the first-time adoption of this recommendation.

Justification of assessments – Key audit matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, 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	Our response
<p>Equity investments are recorded in the balance sheet at their acquisition cost, excluding acquisition expenses. At December 31, 2021, the carrying amount of equity investments stood at €5,883 million, approximately 51% of total assets.</p> <p>As stated in Note 1 "Accounting policies", section 1.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's equity 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. Net impairment of €53 million was recognized in the year ended December 31, 2021.</p> <p>The choice of the method for determining value in use requires Management's significant judgment.</p> <p>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, particularly in the context of the Covid-19 health crisis, we considered the measurement of equity investments to be a key audit matter.</p>	<p>Our audit procedures mainly consisted in:</p> <ul style="list-style-type: none"> • 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; • assessing that the value in use of the equity investments was correctly determined on the basis of the methods adopted by Management and the impairment, if any; • examining the appropriateness of the information disclosed in the following notes to the financial statements: Note 1 "Accounting policies", section c) "Non-current financial assets", Note 6 "Changes in equity investments and other long-term securities in 2021", and Note 7 "Statement of provisions and impairment as of December 31, 2021".

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.4511-2 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 April 30, 2019 for PricewaterhouseCoopers Audit and on June 16, 1995 for ERNST & YOUNG et Autres.

At December 31, 2021, PricewaterhouseCoopers Audit and ERNST & YOUNG et Autres were in the third and the twentyseventh- 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 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 29, 2022

The Statutory Auditors

PricewaterhouseCoopers Audit

Cédric Haaser

ERNST & YOUNG et Autres

Jean-Christophe Goudard

François-Guillaume Postel



Section 7



Capital and ownership structure

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7.1 Information about the Company

Company name

Accor

Registered office

82 Rue Henri-Farman – 92130 Issy-les-Moulineaux, France.

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 lodging 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 corporate documents and information may 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

From 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 dedicated 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, in accordance with 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	03/25/2021	Negative	03/25/2021
Fitch Ratings	BB+	B	11/05/2021	Stable	11/05/2021

7.3 Capital

7.3.1 Capital

At December 31, 2021, the Company's share capital amounted to €785,568,804 divided into 261,856,268 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.

7.3.2 Share buyback program

Authorization granted by the Annual Shareholders' Meeting held on April 29, 2021

At the Annual Shareholders' Meeting on April 29, 2021, 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 total investment in the buyback program amounts to €1.83 billion (based on the amount of the share capital as of the date of this Universal Registration Document).

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 under a liquidity contract that complies with the Code of Conduct recognized by the French securities regulator (*Autorité des Marchés Financiers* – AMF);
- to perform any market transaction or practice permitted, now or hereafter, under the laws or regulations in force or by the AMF.

Implementation of the share buyback program in fiscal 2021

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.

The liquidity contract was suspended on July 27, 2018, when the Company announced that it intended to implement, over a two-year period, a share buyback program of up to €1.35 billion representing a maximum

of 10% of the Company's share capital based on its market capitalization at end-February 2018 during the launch of the program.

This program was implemented ⁽¹⁾ and ended on March 24, 2020, having resulted in several successive capital reductions. On this date, the liquidity contract was reactivated.

Since then, the Company has not carried out any transactions in its shares outside the liquidity contract.

At December 31, 2021, Accor did not hold treasury shares.

(1) A detailed description of the implementation of this program in 2018, 2019 and 2020 is presented in section 6.3.2 of the Universal Registration Document relating to fiscal year 2020.

New authorization proposed to the Annual Shareholders' Meeting to be held on May 20, 2022

The shareholders will be proposed, at the Annual Shareholders' Meeting to be held on May 20, 2022, 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 would supersede all previous authorizations on the same matter.

The maximum number of ordinary shares that could be bought back under this authorization is set at the equivalent of 10% of the share capital and the maximum per-share price at €70 (excluding purchase costs). The maximum total investment in the buyback program would therefore amount to €1.83 billion (based on the amount of the share capital as of the date of this Universal Registration Document).

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 under a liquidity contract that complies with the Code of Conduct 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, Share17, was offered in nine European countries. 35% of eligible employees participated in the plan.

In 2019, Accor launched a further leveraged employee share ownership plan (Share19), offered in 12 European countries. Under this plan, as with Share17, for each Accor share purchased by an employee, the Group's partner bank financed 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, employees recover their personal contribution plus a multiple of the locked-in average increase in the Accor share compared with the reference price. 25% of eligible employees participated in Share19.

At December 31, 2021, 1.65% of the Company's capital was held by Accor employees and former employees.

7.3.4 Shares not representing capital

None.

7.3.5 Changes in capital

Year	Changes in capital over the past five years	Increase/(decrease) in capital (in €)		New capital (in €)	New shares outstanding
		Nominal	Additional paid-in capital		
2017	Exercise of stock options at €18.20	443,451	2,246,818	854,746,461	284,915,487
	Exercise of stock options at €26.41	248,760	1,941,157	854,995,221	284,998,407
	Exercise of stock options at €26.66	1,485,594	11,716,385	856,480,815	285,493,605
	Exercise of stock options at €30.49	13,572	124,365	856,494,387	285,498,129
	Exercise of stock options at €31.72	167,172	1,600,393	856,661,559	285,553,853
	Vesting of performance shares	125,685	-	856,787,244	285,595,748
	Employee share issue at €33.51	1,651,311	16,451,450	858,438,555	286,146,185
	Distribution of 2016 dividend	-	(308,798,267)	858,438,555	286,146,185
	Dividend reinvestment at €37.16	11,927,904	135,819,067	870,366,459	290,122,153
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	-	785,568,804	261,856,268

(1) Early vesting by beneficiaries of free stock grant plans.
 N.B.: As of December 31, 2021, all stock option plans had expired.

7.4 Ownership structure

7.4.1 Ownership and voting rights structure

At December 31, 2021, the Company's capital consisted of 261,856,268 shares, representing a total of 341,975,470 voting rights, all of which were exercisable. There are 80,119,202 double voting rights outstanding.

The Company had 5,957 registered shareholders at December 31, 2021, representing 31.22% of the capital and 47.33% of voting rights.

Shareholders at December 31, 2021

	Initiatives	% capital	Voting rights	% voting rights	Exercisable voting rights	% exercisable voting rights
JinJiang International Holdings Co., Limited	33,972,608	12.97%	57,810,932	16.90%	57,810,932	16.90%
Qatar Investment Authority	29,505,060	11.27%	59,010,120	17.26%	59,010,120	17.26%
Kingdom Hotels (Europe) LLC	16,494,440	6.30%	32,988,880	9.65%	32,988,880	9.65%
Huazhu Investment Limited	12,212,552	4.66%	12,212,552	3.57%	12,212,552	3.57%
Founders	3,114,089	1.19%	6,191,287	1.81%	6,191,287	1.81%
Other members of the Board of Directors	381,179	0.15%	567,586	0.17%	567,586	0.17%
Subtotal: Board/Founders	3,495,268	1.33%	6,758,873	1.98%	6,758,873	1.98%
Free float*	166,176,340	63.46%	173,194,113	50.65%	173,194,113	50.65%
CAPITAL AT DECEMBER 31, 2021	261,856,268	100.00%	341,975,470	100.00%	341,975,470	100.00%

* Of which Harris Associates, with 23,468,302 shares, at December 31, 2021, (9.0% of the total capital) and 23,468,302 voting rights (6.9% of the total).

At December 31, 2021, 4,325,377 shares (1.65% of total capital) and 8,322,072 voting rights (2.43% of the total) were held by Accor employees and former employees.

During the year, the following registered intermediaries or fund managers notified the French securities regulator (AMF) of changes in their interests, in accordance with disclosure threshold rules:

Registered intermediary or fund manager	Disclosure date	AMF reference number	Increase or decrease in interest	Number of shares	% capital	Number of voting rights	% theoretical voting rights
Huazhu Investment Limited	July 15, 2021	221C1785	Decrease	12,212,552	4.66%	12,212,552	3.57%

Changes in ownership structure over the past three years

	December 31, 2019			December 31, 2020			December 31, 2021		
	Number of shares	% capital	% voting rights	Number of shares	% capital	% voting rights	Number of shares	% capital	% voting rights
JinJiang International Holdings Co., Limited	31,290,000	11.55%	15.77%	33,972,608	13.00%	16.98%	33,972,608	12.97%	16.90%
Qatar Investment Authority	29,505,060	10.89%	16.89%	29,505,060	11.29%	17.34%	29,505,060	11.27%	17.26%
Kingdom Hotels (Europe) LLC	16,494,440	6.09%	9.21%	16,494,440	6.31%	9.69%	16,494,440	6.30%	9.65%
Huazhu Investment Limited	8,470,677	3.13%	2.42%	16,205,010	6.20%	4.76%	12,212,552	4.66%	3.57%
Founders	3,727,266	1.38%	2.12%	3,727,266	1.43%	2.17%	3,114,089	1.19%	1.81%
Other shareholders	181,444,907	66.96%	53.59%	161,478,344	61.77%	49.06%	166,557,519	63.61%	50.81%
Treasury shares	-	-	-	-	-	-	-	-	-
CAPITAL	270,932,350	100.00%	100.00%	261,382,728	100.00%	100.00%	261,856,268	100.00%	100.00%

Sources: Accor share register, disclosures made to the AMF and to the Company.

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 the agreement, the Qatar Investment Authority and Kingdom Holding agreed to sell their FRHI shares subject to certain conditions precedent, mainly the 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⁽¹⁾ 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⁽²⁾ 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⁽³⁾ and Qatar Holding LLC⁽¹⁾ to which the rights were transferred) and between Accor and Kingdom Holding Company (through Kingdom Hotels (Europe) LLC⁽⁴⁾).

Shareholders' pact entered into with Qatar Investment Authority

The main clauses of the pact between Accor and the Qatar Investment Authority (QIA) provide for:

- the 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;

(1) Companies ultimately controlled by the Qatar Investment Authority.

(2) Company ultimately controlled by HRH Prince Alwaleed Bin Talal Bin Abdulaziz Al Saud.

(3) Companies ultimately controlled by the Qatar Investment Authority.

(4) Company ultimately controlled by HRH Prince Alwaleed Bin Talal Bin Abdulaziz Al Saud.

- 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 fully 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:

- election to the Accor Board of Directors of a director proposed by Kingdom Holding Company, provided that it holds over 3% of Accor's capital. The director concerned will also sit on the Commitments Committee and the Appointments and Compensation Committee;
- an undertaking by Kingdom Holding Company to hold all of the 16,494,440 Accor shares received in consideration for the contribution of FRHI shares for a period of 12 months after the transaction date, and then to hold 50% of the Accor shares received in consideration for the contribution until January 1, 2018, subject to the customary exceptions and unless the shares are transferred to companies owned by QIA;

- an undertaking by Kingdom Holding Company not to hold, alone or in concert, more than 32,176,520 Accor voting rights during a period of three years after the transaction date. The above cap may be raised in the event of certain corporate actions involving Accor shares. If Kingdom Holding Company were to enter into a concert arrangement with QIA, the cap would be raised to 91,100,000 voting rights and would apply to the combined interest of the concert group members;
- in the event of a third party tender offer for Accor shares that complies with French securities regulations as formulated by the AMF, the option for Kingdom Holding Company to file a competing bid for all outstanding Accor shares;
- a right of first refusal for Accor in the event of a planned transfer of Accor shares to certain identified competitors of the Accor Group;
- the orderly sale of Accor shares on the market in order to limit the impact on the share price;
- disclosure to Accor of any transfer of shares that leads to a direct or indirect, partial or total, immediate or deferred transfer of title;
- an undertaking to hold Accor shares in registered form;
- the possibility for Kingdom Holding Company to act in concert, with regard to Accor, with another shareholder including QIA but excluding certain identified competitors of Accor.

The pact came into effect on the transaction completion date (July 12, 2016) for a 12-year term. It will be terminated in advance if the interest of Kingdom Hotels (Europe) LLC (direct Accor shareholder) is reduced to less than 3% of Accor's capital or if it ceases to be fully owned, directly or indirectly, by Kingdom Holding Company.

7.4.2 Dividends

Years	Shares outstanding at December 31	Dividend for the fiscal year (in €)	Paid on	Share price (in €)		Year-end closing price	Yield based on year-end closing price
				High	Low		
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⁾

⁽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 et 2021.

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 FR0000120404 and ticker symbol AC.

Accor is also included in the benchmark international socially responsible investing indexes of which the CAC40-ESG index.

Accor is also rated by the following non-financial organizations:

- CDP Carbon rating: A-;
- CDP Carbon rating: B;
- CDP Supplier engagement rating: B;
- ISS ESG “Prime” rating;
- EcoVadis rating: “Gold level 2020”;
- Sustainalytics rating: “ESG Risk Rating: 18.3, Low risk, 2nd in Travel, Lodging and Amusement”;

- Gaia rating: 75/100. A company is considered mature in terms of taking into account non-financial issues from 70/100;
- MSCI rating: A;
- Vigeo rating: 67/100.

Accor, CSR champion in its sector for non-financial agencies:

- #1 CDP Carbon;
- #1 ISS-Oekom;
- #2 Vigeo;
- #2 Sustainalytics;
- #3 MSCI.

At December 31, 2021, the Company’s market capitalization stood at c. €7.5 billion, based on the closing share price of €28.45.

Accor share prices and trading volumes (ISIN: FR0000120404)

	Average closing price	High-Low		Trading volume
		High	Low	
2021				
January	29.39	31.30	27.09	17,346,341
February	31.46	35.62	27.58	18,613,296
March	33.78	35.74	31.29	23,226,897
April	33.63	35.21	32.12	15,627,165
May	32.43	34.47	30.65	14,158,872
June	33.74	35.89	30.61	16,761,059
July	30.47	32.50	28.51	17,112,033
August	28.85	30.54	27.61	15,401,255
September	30.48	32.34	27.41	17,360,974
October	30.90	32.08	29.65	12,362,282
November	30.68	33.79	25.85	19,917,311
December	27.23	28.73	25.37	18,887,742

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 daily basis.

Meetings with investors

In 2021, Accor met with 661 representatives from 395 financial institutions during 30 conferences and roadshows.

The Annual Shareholders' Meeting, held on April 29, 2021 in a closed session at Accor's headquarters in Issy-les-

This information is tailored to the specific needs of different types of shareholders and financial analysts while complying at all times with the principle of fair access to information.

Moulineaux, provided the opportunity to review Accor's 2020 results. It was also an opportunity to discuss the COVID-19 pandemic and its impacts on Group revenue and EBITDA in the first quarter of 2021, as well as the actions undertaken to tackle the crisis and prepare for the future.

Accor Shareholders Club

Created in May 2000, the Accor Shareholders Club had 6,800 members at December 31, 2021 (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 special section for individual 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

- 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 Accor and its subsidiaries, and that the management report referred to in the concordance 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.

Paris, March 30, 2022

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
 Head of Investor Relations and Financial Communications
 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
 Olivier Lotz, 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 2020 Universal Registration Document filed with the Autorité des Marchés Financiers – AMF (French securities regulator) on **March 31, 2021** under No. **D.21-0241** (pages **326 to 389** and, **390 to 393**);
- the parent company financial statements and the related Statutory Auditors' report contained in the 2020 Universal Registration Document filed with the French securities regulator on **March 31, 2021**, under No. **D.22-0241** (pages **394 to 426** and, **427 to 430**);
- 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**);
- the consolidated financial statements and the related Statutory Auditors' report presented on pages **290 to 357** and, **358**, of the 2019 Universal Registration Document filed with the French securities regulator on **April 9, 2020**, under No. **D.20-0281**;
- the parent company financial statements and the related Statutory Auditors' report presented on pages **362 to 398** and, **399**, of the 2019 Universal Registration Document filed with the French securities regulator on **April 9, 2020**, under No. **D.20-0281**;
- the financial information contained in the 2019 Universal Registration Document filed with the French securities regulator on **April 9, 2020**, under No. **D.20-0281** (pages **272 to 282**);

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 Document.

8.4 Cross-reference table for the Universal Registration Document

The cross-reference table for the Universal Registration Document serves to identify the information governed by Annexes 1 and 2 of Commission Delegated Regulation (EU) 2019/980 of March 14, 2019, as amendments to the provisions of Regulation (EU) 2017/1129 of June 14, 2017. In the table below, page references correspond to the Accor Universal Registration Document filed with the AMF, excluding reference to Universal Registration Documents from 2020 and 2019.

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		Page numbers
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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

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8.5 Cross-reference table for the Annual Financial Report

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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Anti-competitive practices (Article L. 464-2 paragraph 5 of the French Commercial Code)	N/A
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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)	240-262
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