

Context and Issues

Biodiversity refers to the variety of life forms on Earth, from ecosystems and species to the genetic diversity within them. It is the foundation of ecosystem services that humans rely **on**, such as clean water, air, pollination, and climate regulation. However, biodiversity is in crisis. Science has revealed that the planet is facing its sixth mass extinction. Out of the 166,000 species on the IUCN Red List, more than 46,300 species are threatened with extinction¹. Additionally, the overexploitation of land and natural resources has led to severe ecosystem degradation, contributing to climate change and the loss of critical habitats². This situation is deeply concerning, as we have crossed six of the **nine planetary boundaries**³, including those for biodiversity, which are critical thresholds for maintaining Earth's stability.

As global economic player, the hotel industry is inherently linked to these environmental challenges. Hotels consume resources, occupy land, and rely on healthy ecosystems, especially in biodiversity-rich regions, to attract leisure tourism, which constitutes 50% of the global hospitality market (Nature-<u>Positive-Travel-And-Tourism.pdf (wttc.org)</u>). Thus, companies such as Accor have a **crucial role to play** in reversing the damage caused to biodiversity and committing to more sustainable practices.

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6th mass extinction

with unprecedented species' extinction rate.

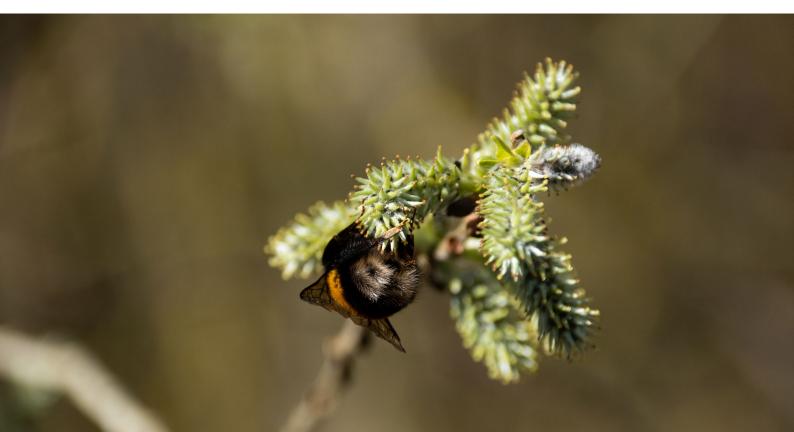
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³ www.stockholmresilience.org, Richardson et al. 2023



¹ IUCN Red List of Threatened Species

² IPBES (2019): Global assessment report on biodiversity and ecosystem services of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services.



Accor's specific biodiversity challenges

As a global leader in hospitality, Accor operates in 110 countries, with a significant portion of its business located in biodiversityrich regions. The Group's hotels are likely to be located near Protected Areas (PA) or Key Biodiversity Areas (KBAs) and other sensitive ecosystems, which are critical to its operations, especially for leisure tourism. These areas are not only important for their intrinsic value but are essential for maintaining the unique environmental experiences that draw millions of guests annually.

Accor faces direct risks from biodiversity loss, including reduced attractiveness of its destinations, disruptions in natural resource availability, and increased operational costs. Moreover, the hospitality sector's reliance on natural resources for food and beverages makes it highly vulnerable to ecosystem degradation.

To address these risks, Accor used the WWF Biodiversity Risk Filter (BRF) tool to prioritize its hotels based on their proximity to Key Biodiversity Areas, Protected Areas, and potential threats from Invasive Species. This tool allows Accor to assess the biodiversity risk of its properties and implement measures that will mitigate negative impacts on these fragile ecosystems. Hotels located near critical biodiversity hotspots will be subject to additional scrutiny, ensuring that any expansion, renovation, or day-to-day operation does not contribute to biodiversity loss. This assessment, based on Accor' network as of Dec 31st, 2023, highlighted the following relevant risks for Accor:

- Invasive Species: 4641 hotels concerned mainly in Europe, Latin America and Oceania among which 1779 owned, leased and managed hotels.
- Protected Areas: 205 hotels mainly in Europe and Australia, among which 129 owned, leased and managed hotels
- Key Biodiversity Areas: 182 hotels mainly in China and Asia Pacific among which 78 owned, leased and managed hotels

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With the

Biodiversity Risk Filter,

Accor assesses the biodiversity risk of its properties.

Accor Biodiversity policy framework

Accor Biodiversity policy forms part of its broader Nature Program, which also includes its Group Good Food Policy and Group Water Policy. Together, these policies reflect **Accor ambitions** to operate within planetary boundaries by 2030, ensuring that its environmental footprint aligns with global sustainability goals.

Accor's overarching biodiversity strategy aims to follow a three-stage approach: avoid (stage 1), reduce (stage 2) and restore (stage 3).

- The first stage aims to avoid any negative impacts whenever possible, with a specific focus on Key Biodiversity Areas (KBAs), Protected Areas (PAs), and regions vulnerable to invasive species.
- The second stage aims to reduce harmful effects of Accor's activities on biodiversity when they cannot be avoided.
- The third stage is to strive to restore ecosystems. We aim to work towards regeneration and restoration, including the restoration of natural habitats within hotel grounds.

To implement this approach and support biodiversity conservation efforts across its operations, while taking into account the specificities of its business model (asset light, skewed towards network growth), Accor:

- has developed a set of specific measures and action plans adapted to: (i) its existing hotels, (ii) new building projects, and (iii) conversion and renovation projects. For each category Accor strives to implement the three-stage approach. See below.
- actively works towards increased collaboration with local stakeholders, suppliers, and communities. This includes its food and beverage (F&B) activities, which account for 80% of its land footprint. See below.



Implementing tangible actions to protect biodiversity

Direct Operations and biodiversity

The physical and biodiversity risks could make some hotels vulnerable to hazards such as heatwaves and drought, flooding, storms, water scarcity and pollution, etc. In such cases, business continuity is jeopardized, and hotels need to have resilience plans in place.

Accor hotels, especially those located near biodiversity-rich areas, can significantly impact ecosystems through land-use changes, habitat fragmentation, pressure on marine environments and species disruption. The hospitality industry contributes to these risks not only through land development but also by altering landscapes that are vital for biodiversity conservation. Indeed, land footprint expansion and infrastructure growth can lead to the destruction of natural habitats, causing long-term harm to species and ecosystems.

Accor thus aims to avoid and reduce land conversion and footprint wherever possible.

i. Existing hotels in the portfolio

First of all, Accor complies with the regulation on Protected Areas.

These areas often have legal protections, and Accor must comply with local and international regulations to avoid degradation.

Secondly, Key Biodiversity Areas are regions of significant biodiversity value, often home to rare or endangered species. Some Accor properties are situated near these sensitive zones, which puts them at risk of contributing to habitat destruction or degradation.

This policy emphasizes the importance of avoiding land conversion and mitigating the impact of hotel infrastructure on these ecosystems. For that purpose, Accor commits to:

- Identify opportunities for land footprint reduction (selecting areas for restoring or regenerating wetlands, semi-natural habitats)
- In case of proximity with high value biodiversity areas or threatened species, set up potential quotas for numbers of guests to access natural lands and preserved ecosystems (e.g. Corcovado in Costa Rica)
- Promote sustainable practices for green space maintenance, such as reducing or eliminating the use of pesticides.





ii. New building projects

To limit the development of new hotels in high-risk areas, Accor has partnered with **AXA Altitude's risk mapping service.** This platform allows for the identification of physical and biodiversity risks levels based on geographical location. The tool is based on projections from the IPCC and IPBES. Accor strives to find a balance between the growth of its portfolio development driven by building conversions and new construction. And to limit its carbon and land impact associated with new construction.

To mitigate habitat fragmentation, Accor is committed to designing infrastructures to preserve ecological corridors to ensure that species can move freely between habitats, supporting biodiversity continuity. Accor commits to design with biodiversity protection in mind: in high-value biodiversity areas, hotel design must consider noise, light pollution, and ecological corridors to avoid disturbing local wildlife.

The Group plans to align its development projects with stringent environmental criteria, ensuring that no conversion of protected areas takes place. Restoration and regeneration efforts will also be prioritized in areas near protected zones, further contributing to the preservation of biodiversity.

iii. Conversion & Renovation **Projects**

Conversion and renovation projects often present opportunities to reduce land use impact. By focusing on optimizing existing infrastructure, Accor can prevent further land degradation while integrating restoration and regeneration into its operations. The challenge is to balance infrastructure upgrades with minimizing land conversion, particularly in areas where biodiversity is already under pressure. Accor commits to:

- Favor renovation over new builds: renovating existing structures helps limit the need for land conversion, which can otherwise lead to habitat loss and fragmentation
- Minimize additional land conversion: during renovations, existing structures should be optimized to reduce the need for expanding the hotel's land footprint
- Reduce land footprint and seek opportunities to restore degraded lands, such as wetlands or semi-natural areas, reducing the hotel's overall environmental impact



Invasive species

The introduction of invasive species can have devastating effects on local ecosystems, outcompeting native flora and fauna and disrupting ecological balance4.

Hotels with gardens or landscaped areas are especially prone to introducing nonnative species, which can spread and harm biodiversity. Accor is focused on preventing the spread of invasive species through responsible gardening ground management practices. Accor commits to encouraging hotels to prioritize the use of native plants and animal species to avoid encouraging the spread of invasive species, which could negatively impact local biodiversity.

Food & Beverage Operations

Accor Food & Beverage (F&B) activities account for a substantial portion of its biodiversity impact, particularly on land use through agricultural supply chain. Indeed, according to 2019 assessment of Accor's pressure on Nature, F&B accounts for 80% of the company's land use footprint.

As part of the group's broader Nature strategy, the Accor Good Food Policy focuses on sourcing from regenerative agriculture and reducing food waste. By 2030, the company aims for 50% of its dishes to be plant-based. This F&B policy, alongside with this current Biodiversity Policy form the core of Accor Nature Program.

⁴IPBES (2023). Summary for Policymakers of the Thematic Assessment Report on Invasive Alien Species and their Control of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services.

Annual Reporting and Transparency

Accor is committed to ensuring transparency in its biodiversity efforts. Indeed, the Group discloses water related information to the CDP Water and was rated B in 2023 by the CDP and follows the recommendations of the Taskforce on Nature-related **Financial Disclosures** (TNFD) and the Corporate Sustainability Reporting Directive (CSRD) to report on its biodiversity footprint. These frameworks help Accor monitor its progress and maintain accountability to both stakeholders and the public.

The Accor Biodiversity Policy includes annual biodiversity assessments and regular updates on the progress of restoration and conservation efforts, with key performance indicators (KPIs) set to ensure compliance with the Group's 2030 targets.

Governance & oversight

Accor's Nature strategy is overseen by a dedicated Biodiversity Project Team, led by the Chief Sustainability Officer (CSO). This team is responsible for implementing the Biodiversity Policy across all regions and brands, ensuring alignment with the Group's broader sustainability goals. The governance structure also includes collaboration between local hotel management, suppliers, and external experts to ensure that biodiversity considerations are integrated into operations.

The CSO reports to the Chief Executive Officer, who has a direct oversight on the implementation of the Group's Biodiversity Policy. Progress and updates on the policy are regularly monitored in Executive Committee meetings. In addition, the Board of Directors monitors progress, as part of the Group's CSRD commitments and reporting, and within the framework of the ESG Committee of the Board.

Stakeholder engagement

In addition to the core elements outlined above, Accor intends to engage its internal and external stakeholders to raise client and supplier awareness on this critical topic:

- Training and Awareness: engaging staff and guests in biodiversity conservation through educational programs and initiatives that encourage sustainable practices. For example, in 2022, the Group rolled out a mandatory four-hour training program that included detailed training on biodiversity related issues
- Stakeholder Engagement: working closely with local communities and authorities to develop site-specific biodiversity strategies
- Procurement Practices: increasing the traceability of raw materials and engaging suppliers in biodiversity-friendly practices, particularly in the food supply chain

By integrating these comprehensive measures into its Biodiversity Policy, Accor ensures that it not only minimizes its impact on ecosystems but actively contributes to the global effort to conserve biodiversity for future generations.

