



ACCOR

ACCOR GROUP NATURE POLICY

DECEMBER 2024

Biodiversity & local ecosystems: topics of concern for Accor

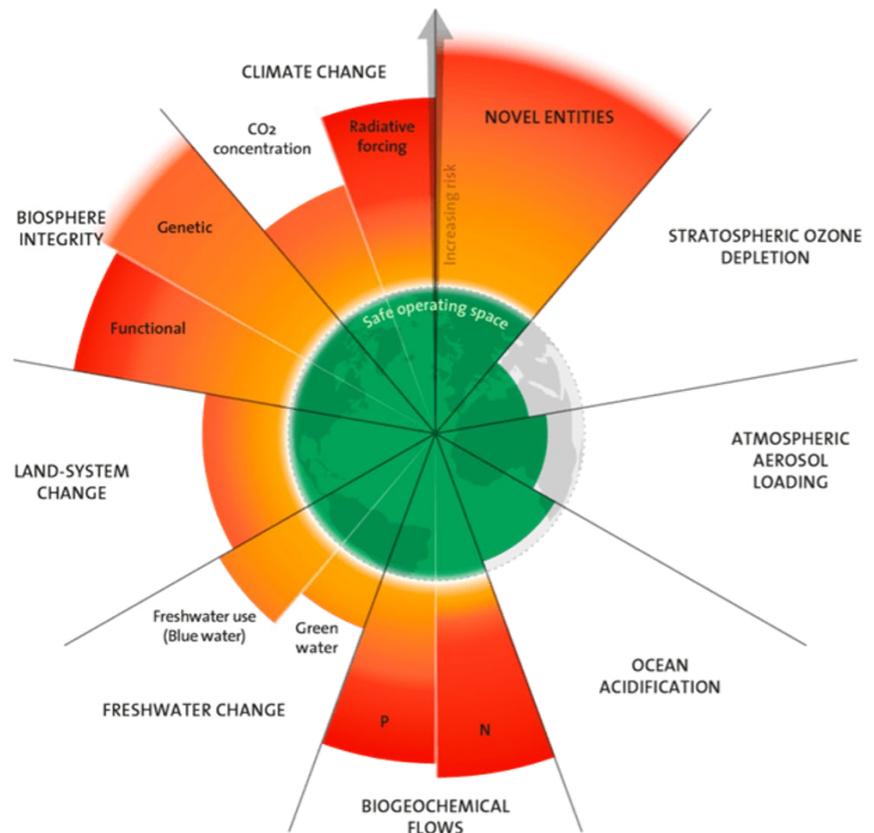
A set of unprecedented challenges on Nature

Science has shown that **our planet has boundaries**. Natural resources are not infinite. Extreme events such as heatwaves, droughts, and storms are intensifying a harmful cycle.

We have officially crossed six out of nine boundaries¹. Across them, Land-system change through land use and land use change (e.g. artificialization, conversion of natural lands into human-managed grounds) is the major driver of biodiversity loss.

Science² states that we are currently in the 6th mass extinction³ with unprecedented species' extinction rate—a 69% reduction in vertebrates' population since 1970⁴ - and degradation of agricultural ecosystems with 18–33% of agricultural lands below the 10–20% of semi-natural habitat per km² needed to ensure ecosystem functions, notably, pollination, biological pest control and climate regulation, and to prevent soil erosion, nutrient loss and water contamination⁵.

Among all types of ecosystems, **forests contain some of the richest biodiversity concentration**, harboring near **80% of global biodiversity**. However, human activities have been causing massive **deforestation**, mainly through agriculture causing 80% of global deforestation and resulting in the loss of **420 million hectares** (the size of EU) of forest since 1990.



Our planet has boundaries.

Natural resources are not infinite.

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¹ www.stockholmresilience.org, Richardson et al. 2023

² IPBES (2019), Global assessment report of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services, Brondizio, E. S., Settele, J., Díaz, S., Ngo, H. T. (eds). IPBES secretariat, Bonn, Germany. 1144 pages. ISBN: 978-3-947851-20-1

³ Barnosky, A. D. et al. (2011) 'Has the Earth's sixth mass extinction already arrived?', *Nature* pp. 51–57.

⁴ WWF, 2022, Living Planet Report

⁵ DeClerck FAJ et al. (2023). A Whole Earth Approach to Nature-Positive Food: Biodiversity and Agriculture, *Science and Innovations for Food Systems Transformation*, 469–496. doi.org/10.1007/978-3-031-15703-5_25.

The ocean also plays a central role in our planet's health. As one of the most important carbon sinks on earth, **the ocean plays a major role as climate regulator**, having absorbed more than a third of the CO2 emissions emitted by humans. Yet, the marine environment is now threatened by many pressures (pollution, overfishing, climate change to name a few)⁶. According to the United Nations, 90% of its big fish populations are depleted, while 50% of coral reefs are destroyed⁷. **Marine biodiversity – and the ocean itself – has reached a tipping point.**

Attempts at slowing this deadly trend have emerged over the past three decades thanks to awareness raising and structural laws keeping some parts safe (some rainforests, subtropical dry forests, temperate oceanic forests, and marine areas) by placing them in protected areas. Yet, it is estimated that 10 million hectares of forests are still deforested each year, and that only 1% of the high seas are protected today.

The hospitality industry has a crucial role to play to protect Nature

The hospitality industry makes up ~10%⁸ of world GDP and relies on natural resources availability through its hospitality and food-related services. Additionally, 50% of worldwide travel and tourism market share (WTTC, 2022) is reliant upon nature-based tourism, representing over ~\$600 billion in annual revenues.

The hospitality industry is at the heart of these upheavals, both through its consumption of the resources necessary for its operations and its ability to continue to attract guests and provide them with qualitative experiences in biodiversity-rich but also sometimes threatened areas.

⁶ IPCC, 2019: Summary for Policymakers. In: IPCC Special Report on the Ocean and Cryosphere in a Changing Climate.

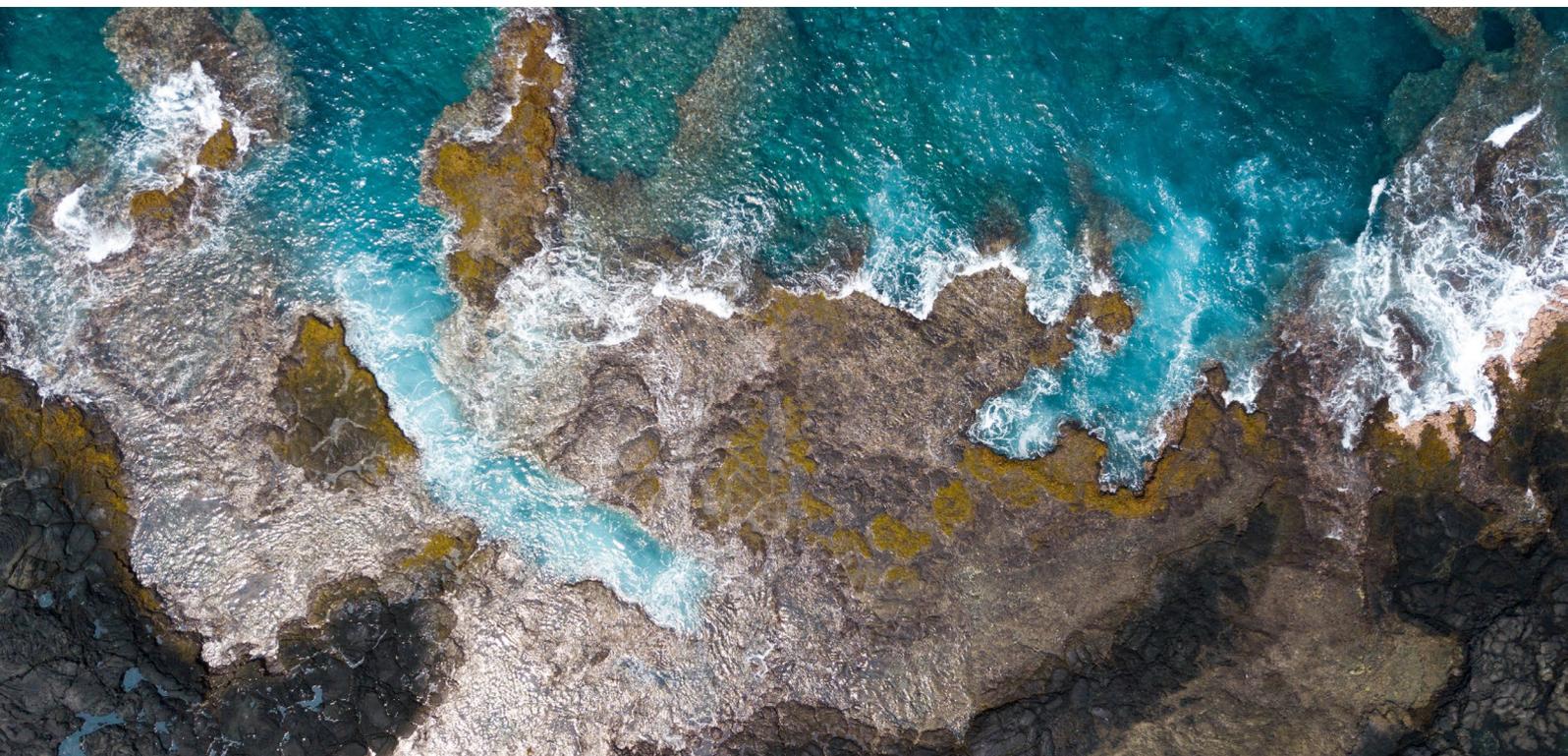
⁷ World Oceans Day | United Nations

⁸ Systemiq. 2022. *Better Travel & Tourism, Better World*

The Ocean plays
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Embracing and playing an active role in implementing EU regulations where Accor operates

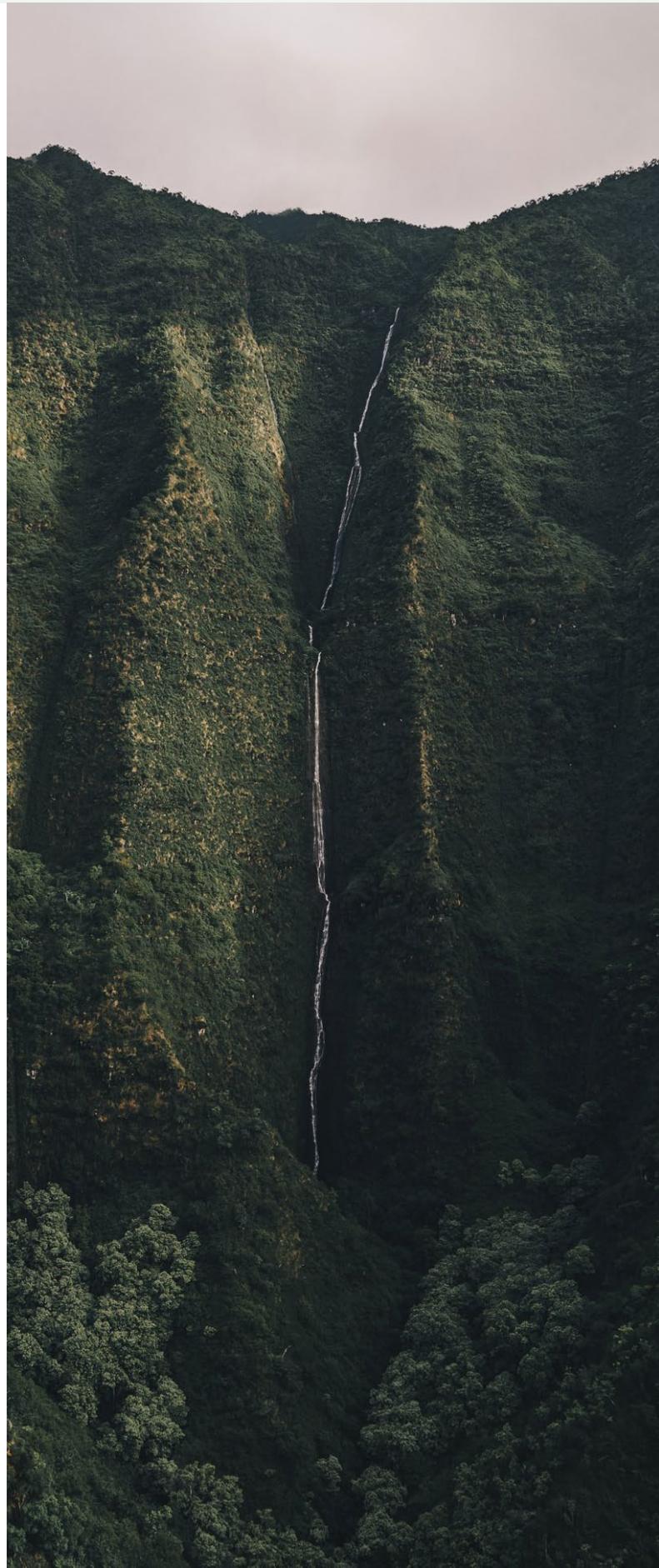
Accor supports the Kunming-Montreal Global Biodiversity Framework. As such, the Group, across its value chain is actively working on setting science-based targets for Nature, as we actively want to operationalize the Kunming-Montreal Global Biodiversity Framework's Target 15 (which focuses on the role of businesses managing and disclosing its impact on Nature).

Our vision and overarching objectives are **not only to avoid and reduce impacts on Nature** (such as deforestation and pollution), but also **restore and regenerate terrestrial and marine ecosystems**.

Accor is based in Europe. The EU is actively adopting regulations that aim to meet the Kunming-Montreal Global Biodiversity Framework. The EU has adopted an ambitious Biodiversity strategy, and an associated Nature Restoration Law. Those regulations include a comprehensive set of measures to put in place for effective restoration of degraded ecosystems, as well as targets on forest, marine and agricultural ecosystems to name a few.

Accor, which operates about 10,000 bars and restaurants, pays specific attention to the European regulation (EU 2023/1115) against deforestation to prevent products associated with deforestation and forest degradation to be sold on European soil. Products include palm oil, cattle, soy, coffee, cocoa, and products derived from listed commodities (such as beef or chocolate). The date of implementation and obligations and due diligence for companies is set on December 30, 2025. This regulation is applicable to Accor's value chain.

This set of policies form the basis of **Accor Nature policy** that the Group aims to implement, wherever permitted, beyond the boundaries of the European Union.





Accor land footprint and stewardship

While being active in 110 countries worldwide, Accor understands that **reliable biodiversity and local ecosystems management goes both through Group science-based ambition/commitments and location - and context - specific targets** engaging local stakeholders.

To build operational action plans it is important to understand both potential dependencies and impacts that the hotels operations have on nature and local ecosystems.

Accor land footprint assessment conducted in 2019 (see graph below) showed that its **direct hotel operations** (energy consumed and infrastructure) **account for around 15% of land footprint**, whereas the major impact derived from its upstream and downstream value chain. In particular the **purchases of raw materials, products and services for 80%**, principally related to the volume of agricultural land required and practices to produce food products served in the Group's bars and restaurants.

Accor's activities hence directly and indirectly generate **land use change and land ecosystems degradation that may be amplified by the local context** (environmental, social, and political), location and segments where hotels operate.

Direct hotel operations account for

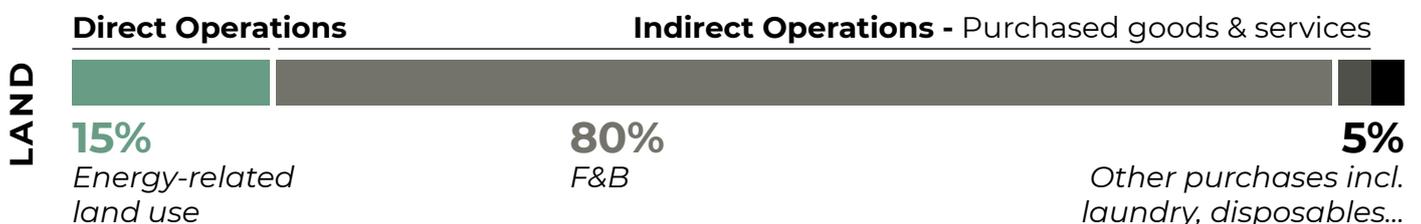
~15% of Accor land footprint.

Purchases of raw materials, products & services account for

80% of Accor land footprint.

Accor's activities directly & indirectly generate

land use change & ecosystems degradation.



Accor Nature policy

The current Nature policy applies to all Accor hotels and across all types of activities and services provided by the hotels (including restaurants, infrastructures and facilities). This document is a key milestone in Accor's hotel Nature journey. Clear understanding, knowledge, embracement, and distribution of this policy to all relevant stakeholders - including employees, guests, and suppliers - will contribute not only to the conservation of nature resources and protection of the environment for future generations, but also protect the interests of the Group and business continuity. Therefore, to mitigate and adapt to future State of Nature, Accor will address direct operations & development and indirect impacts via F&B.

On one hand, the direct operations (hotel sites) mostly impact:

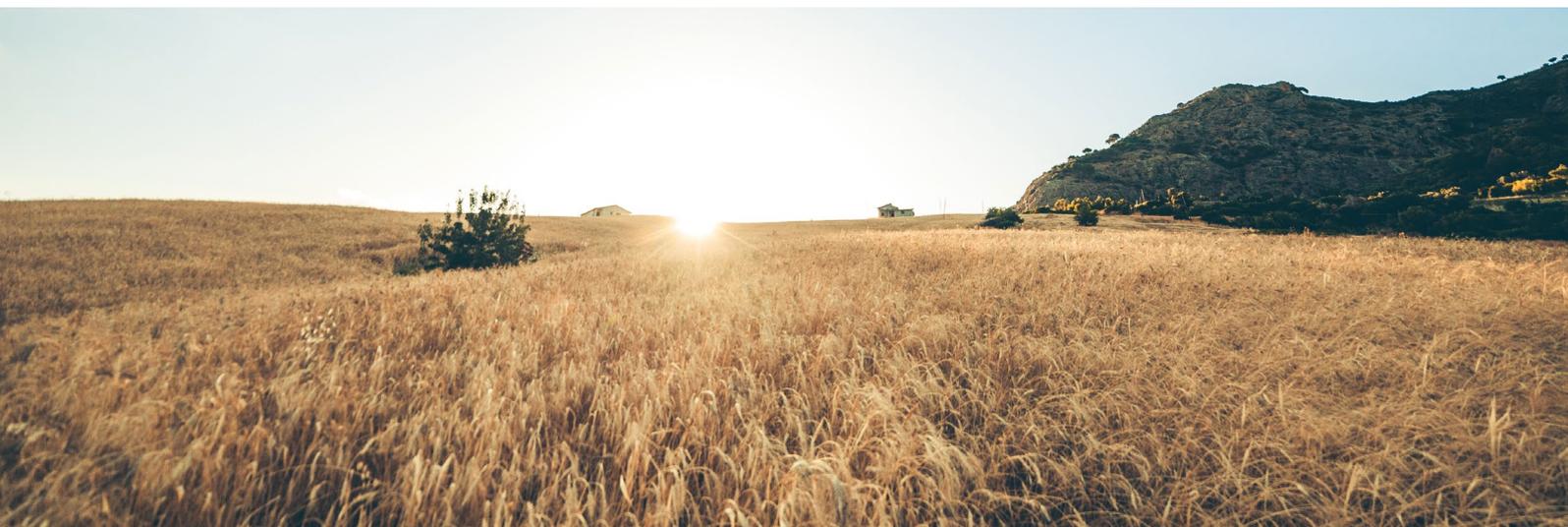


Water quantity due to direct and indirect water withdrawals and quality due to localization in areas with low wastewater management systems or urban areas. As an active member of the **French Industry association UMIH** (*Union des Métiers et des Industries de l'Hôtellerie*), **Accor has co-drafted a Water Management Charter applicable in France and in Europe**. Such initiatives will be duplicated in other regions, along with operational guides that encourage water sobriety, especially in areas considered as water-stressed or subject to drought in heatwave periods. This is part of the **Group Water policy**.



Attractiveness of preserved ecosystems for leisure tourism also imply significant risks on habitat fragmentation and key biodiversity areas' degradation. Based on the GPS coordinates of the hotel network as of December 31st, 2023, a risk analysis was computed from the **WWF Biodiversity Risk Filter tool (aligned with TNFD's proposed LEAP approach)** and relevant risks and impacts (high and very high risks) for the hospitality industry were highlighted, with a related list of priority hotels already in the Group Network. In collaboration with Technical and Development teams, an ESG scorecard considering biodiversity risks is also under pilot phasis for new development opportunities. This is part of the **Group Biodiversity policy**.

On the other hand, and as mentioned previously, the major impact is derived from the upstream value chain and the purchases of raw materials, products and services principally related to the volume of agricultural land required and practices to produce food served in the Group's bars and restaurants. This will be part of the **Group Good Food policy**.



Direct Operations and Development

Accor is committed to aligning with global biodiversity frameworks and ensuring that its hotels contribute positively to the preservation of ecosystems. Hotels have several direct impacts on biodiversity through their operations. These include land use, which refers to the area occupied by hotels and their grounds, often resulting in the conversion of natural habitats into built environments. Additionally, hotel construction and expansion can cause habitat fragmentation, disrupting local ecosystems and wildlife corridors. Hotels can also indirectly affect biodiversity through landscaping that introduces non-native species, excessive water use, waste management practices, and pollution (e.g. light and noise), which may disturb local species, especially in ecologically sensitive areas.

To mitigate their biodiversity footprint, **several key actions can be implemented:**

At the hotel level:

- **avoid artificialization expansion (e.g. parking) in gardens and grounds management** and the use of exotic species, to prevent the spread of invasive species which can threaten local ecosystems
- **regenerate natural or semi-natural habitats**, with a goal of restoring new occupied land or degraded habitats.

At central and operation level:

- **prioritize renovation over new construction** to minimize land use and prevent the conversion of natural existing habitats
- **optimize design infrastructure and size** when new development is necessary, to limit habitat fragmentation and land conversion and preserve ecological corridors
- **ensure that projects near key biodiversity areas are designed with conservation in mind.** This includes setting specific requirements for noise and light pollution and maintaining ecological corridors to protect species.

All these impacts and actions are detailed in the **Group Biodiversity policy**.

Food & Beverage activities impact

As a global leader in hospitality, with 10,000 restaurants and bars worldwide, **Accor has a significant responsibility to offer a high-quality dining experience** while respecting the environment. **Food & Beverage services account for 17% of its carbon footprint, 50% of its water use, and 80% of its land use**, mainly due to the production of meat, coffee, and cocoa, which have major environmental impacts.

Accor is committed to strengthening its role in driving the transition from a conventional food model to a more sustainable one. The Group supports a shift in agricultural production that safeguards biodiversity and water, emphasizes local sourcing, and reduces climate impact. As part of its Nature policy, the **Group Good Food policy aims to promote a more sustainable food model** by encouraging eco-friendly farming practices, improving recipe design, enhancing sourcing methods, and rethinking how food is served to guests across its hotels. **This structural shift is reflected in the seven commitments by 2030** which address farming practices, the proportion of meat on menus, and the carbon, water, and land footprints associated with food. The policy also focuses on the origin and seasonality of ingredients, animal welfare, and the protection of endangered species.

Tackling food waste is also a main priority for Accor as it is closely related to the Group's F&B footprint. Reducing food waste in hotels contributes to promoting sobriety practices through identifying which commodities generate the most waste, understanding where waste occurs during the process, and adapting menus accordingly. This topic is part of the more global **Group Circular Economy policy**.



Partners & suppliers

Accor recognizes that achieving its **2030 Nature goals** requires **engaging partners and suppliers to reduce their biodiversity impact** throughout the value chain. Meeting Accor 2030 commitments involves **increasing traceability and collaborating with suppliers** to identify ways to limit land conversion, reduce land use, and promote regenerative agricultural practices. Accor aims to assess the current level of traceability across commodities used by its hotels, (tier of the supplier, commodities for which purchases are centralized), by using existing procurement scorecard systems, working with Procurement teams to integrate clear KPIs and required data to suppliers' charters and focus on priority commodities to increase traceability by volume, origin and certification. Accor also aims to **encourage regenerative agriculture practices through its Group Good Food policy**.

Collective action & local stakeholder engagement

Efficient land and biodiversity management require all sites to work with other local actors in the same landscape to mitigate risks with long-term solutions: all sites shall map local stakeholders.

Governance & oversight

To ensure the proper deployment of its Nature policy and related policies, Accor has a **dedicated governance framework**.

Accor's Nature and Biodiversity strategies are 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 CSO reports to the Chief Executive Officer, who has a direct oversight on the implementation of the Group Biodiversity policy.

Progress and updates on the policy are regularly monitored in **Executive Committees as well as Management Board 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.

Other departments play an important role. The governance structure also includes collaboration between local hotel management, suppliers, and external experts to ensure that biodiversity considerations are integrated into daily operations. **The Ethics Committee is also responsible for strategic monitoring**. It provides guidance to the Management Board and supervises processes related to ethics, compliance, and sustainability. **The Risk Department is responsible for identifying, assessing, and managing Nature and Biodiversity risks**, under the aegis of the Group Risk Committee. Finally, **the Operations teams and the Design & Technical Services (D&TS) play a critical role** in implementing Nature related policies and collecting Nature related data, whenever relevant.



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NATURE POLICY

December 2024

MERCURE KAKADU
CROCODILE HOTEL,
JABIRU, AUSTRALIA