2020 UNIVERSAL REGISTRATION DOCUMENT

ANNUAL FINANCIAL REPORT
INTEGRATED REPORT

ACCOR

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RFA Information disclosed in the Annual Financial Report is indicated in the contents by the pictogramm

ACCOR

2020

UNIVERSAL REGISTRATION DOCUMENT

ANNUAL FINANCIAL REPORT/INTEGRATED REPORT

AUTORITÉ DES MARCHÉS FINANCIERS AMF

This Universal Registration Document has been filed on March 31, 2021 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.

“We are
much more than a
world leader.
We are 266,000
women and men
who put people
at the heart of
everything we do,
always going the
extra mile, driven by
a relentless passion
for service.”

Integrated Report

“We have weathered many storms, boldly and determinedly pushing ahead”

SÉBASTIEN BAZIN
CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Our industry has reached a turning point while Accor has consistently focused on the future'

Accor was hard hit by the 2020 crisis, as were all players in tourism and hospitality. The historic pandemic had a drastic and far-reaching impact on our activities worldwide. As such, the Accor community responded to tackle the crisis. I would like to sincerely thank all of the Group's teams who have demonstrated tremendous courage and commitment and have championed our values of generosity and sharing in serving the most vulnerable. Our hotel owners pulled together, helping us to open our doors for accommodation and protection. Our first priority was to cushion the impact on our ecosystem by looking after our employees, partners and guests. In particular, we met this priority through our ALL Heartist fund.

Our focus then shifted quickly to the future as we began preparations for the return of our guests to our network. We joined forces with Bureau Veritas to create the 'ALLSAFE' label in an effort to assuage any anxieties and rebuild confidence. Our 'ALLSAFE' label has been rolled out across more than 90% of our network. It ensures that cleanliness, safety and prevention standards meet the expectations of the new health context. At Accor, we believe that our hospitality business goes beyond the hotel room and restaurant. To this end, we have expanded our augmented hospitality ecosystem by providing our guests with best-in-class medical assistance. The latter is a product of our partnership with Axa Partners.

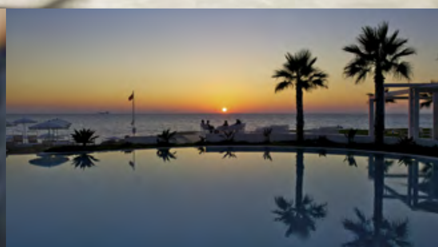
During this challenging year, our Group has forged on with its development and transformation. We successfully transitioned to an asset-light business model with the completed sale of Orbis. This new model has enabled us to better withstand the crisis. We will now continue our transformation, with a threefold focus: accelerating our efforts in high-potential trademarks and geographies; streamlining our operations; and pursuing our development. This is the specific goal of our merger with Ennismore, which has created the world's leading lifestyle operator in the hospitality sector. The entity currently has a portfolio of thirteen innovative and unique trademarks.

The targeted expansion of our network is still the cornerstone issue in securing our long-term future, particularly considering the sustained pace of development as regards hotels and rooms. In an endeavor to develop a more agile and localized business model, we have leveled up our organization to strike a new balance between the Group's central functions and our regional on-the-ground entities. In this respect, we have also repurposed our operations for our hospitality group model.

Against this background, we are continuing our transformation while staying true to our entrepreneurial and trailblazing spirit. As a responsible corporate citizen, Accor aspires to continue serving talent and our planet. We want to make a difference whenever and wherever we can. For this reason, we are proud to have joined Euronext's newly launched CAC 40® ESG index. Now more than ever, our Group looks to the future with confidence and determination. Together, we will leverage our values, our energy and our passion to weather this unprecedented storm.

Today, while the vaccine rollout paves the way for a rapid and robust recovery in travel and stays, these very resources ensure we are prepared for the rebound and ready for the future. We will push ahead with confidence and ambition.





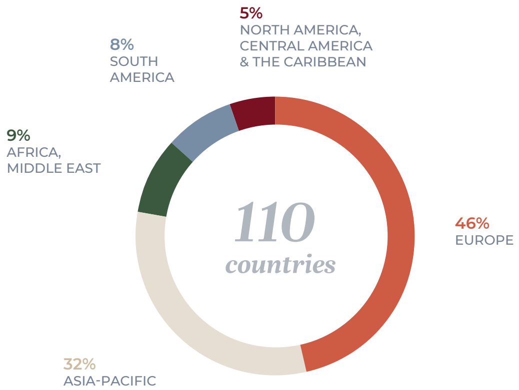

Accor, *the most diversified hotel group*

ACCOR, LEADING THE WAY IN AUGMENTED HOSPITALITY

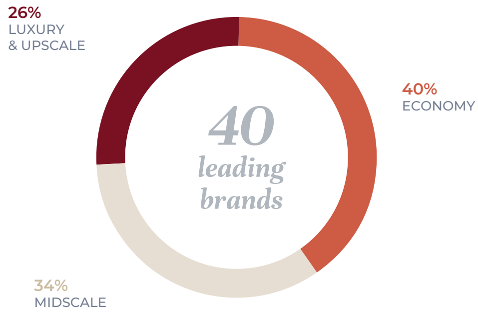
Accor is a world-leading augmented hospitality group offering unique and meaningful experiences in 5,000 hotels and residences across 110 countries. The Group has been acquiring hospitality expertise for more than 50 years, resulting in an unrivaled portfolio of brands, from luxury to economy, supported by one of the most attractive loyalty programs in the world.

Beyond accommodation, Accor enables new ways to live, work, and play, by blending food and beverage with nightlife, well-being, and coworking. It also offers digital solutions that maximize distribution, optimize hotel operations and enhance the customer experience.

Accor is deeply committed to sustainable value creation and plays an active role in giving back to planet and community via its Planet 21 – Acting Here program and the Accor Solidarity endowment fund, which gives disadvantaged groups access to employment through professional training.



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



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

REVENUE

€1.6

BILLION

A NETWORK OF

5,139

HOTELS

(753,344 ROOMS)

No. 1

WORLDWIDE
EXCLUDING THE UNITED STATES AND CHINA

A PIPELINE OF

1,209

HOTELS

(212,000 ROOMS)

266,000

committed men and women giving life to the Accor brands

51%

of employees under 35

43%

of employees are women

5,000

exceptional private residences across the world

10,000

restaurants and bars

ACTING HERE
Planet 21

A CSR program
in place for more than 15 years, worldwide, across all brands and in all hotels

460,000
direct and indirect beneficiaries of Accor Solidarity
in its ten years of community outreach

Plant for the Planet,
a global agroforestry program promoting ecological farming
26 countries, 7.2 million trees planted in ten years

50 years
of reinventing hospitality

From day one, Paul Dubrule and Gérard Pélisson consistently sought to reinvent the very notion of hospitality.

Going beyond the idea of just traveling, they offered people new ways to live and enjoy life. Our Group has always been on the cutting edge, tirelessly expanding the very meaning of hospitality.

Today is the first page in a new chapter of this adventure: by casting itself as the leader in augmented hospitality, Accor is once again revolutionizing the industry.

1967

THE EARLY DAYS, WITH THE NOVOTEL LILLE LESQUIN

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

TIRELESSLY REINVENTING HOSPITALITY

1960 - 1970

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

1980

Accor enters the luxury industry 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.

1990

Accor makes a move into gourmet meals with the acquisition of renowned Parisian patisserie chain Lenôtre.

2000-2020

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 such carefully selected brands as Jo & Joe, Mama Shelter, 25hours Hotels, The House of Originals, 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.

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

Accor accelerates its move into entertainment by forging partnerships with event specialists such as: Paris Society and Potel & Chabot, Accor Arena, PSG, IMG...

Accor strengthens its positioning in Lifestyle hotels with the acquisition of SBE and the creation of world leader, Ennismore.

Accor provides a high level of service to its guests and partners with its new ALL – Accor Live Limitless loyalty program.

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.

"Due to the Covid-19 crisis, the achievement of targets for the Planet 21 program, which was initially planned for 2020, has been postponed to end-2021. However, during such unprecedented times, Accor has successfully demonstrated responsiveness and commitment in order to prioritize health and social needs while maintaining its focus on sustainability."

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 solidarity program for employees most affected by the health crisis.

Trends and challenges
in the hospitality industry

TOURISM AND TRAVEL SECTOR HIT HARD BY THE COVID-19 PANDEMIC IN 2020

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.

There were several global waves of Covid-19 in 2020 and severe restrictions were placed on the movement of people around the world to limit its spread.

In the first wave in the first half of 2020, the Covid-19 virus spread rapidly from China westward, first to Asia, then Europe and the Americas, gradually gaining ground from region to region. To reduce the risks of contamination, many governments decided to implement measures to restrict the movement of people by closing their borders, requiring foreign travelers to quarantine, and instituting lockdowns and curfews.

These measures led to a dramatic halt to international travel and tourism worldwide.

"These measures led to a dramatic halt to international travel and tourism worldwide."

TRENDS IN INTERNATIONAL TOURISM
(in millions of travelers)

Source: UNWTO, December 2020.

An unprecedented health crisis, leading to a sharp slowdown in the global tourism business

While the tourism and travel sector has weathered crises in the past, none has been as devastating for the tourism industry as this pandemic. Its far-reaching effects caused a massive slowdown in the global tourism business in 2020.

Over the last 20 years, only the SARS epidemic, in Asia in 2003, and the sub prime crisis in the US in 2009, led to declines in the numbers of international travel, of respectively 0.4% and 4%. 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.

In 2020, only **2%**
of countries worldwide took no steps to close their borders.

An industry devastated by restrictions on the free movement of people and the lack of intergovernmental coordination

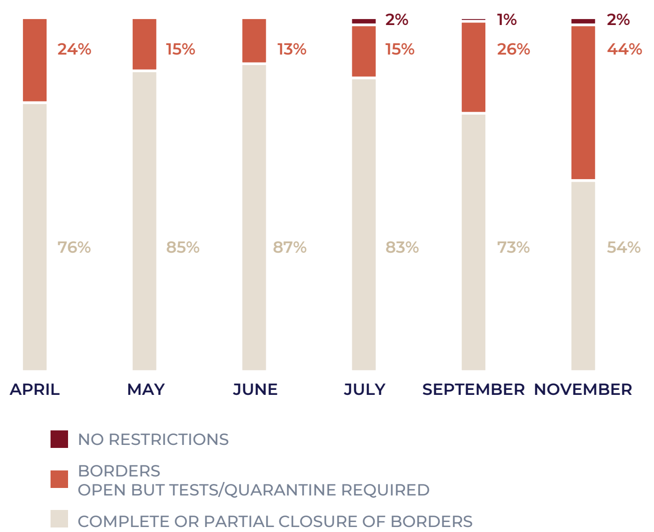
In 2020, only 2% of countries worldwide took no steps to close their borders. All other nations closed their borders completely or partially, made testing mandatory on arrival or departure, or required arriving travelers to quarantine.

One-third of the world's population was in lockdown, and all countries imposed travel restrictions.

Travelers lost confidence and international tourism collapsed in the wake of these restrictions and governments' inability to effectively control the spread of the virus. The number of international tourist arrivals in April and May plunged by 97% and 96% from 2019 levels. More than 80% of countries shut down.

Some of these measures were eased during the summer, particularly in Europe, which led to a slight improvement in tourism during the summer season. Travel demand picked up slightly while the percentage of closed destinations declined to 29% in early September. Even as international tourist demand remained limited, domestic tourism rose in China and Russia, where demand for domestic flights returned to pre-Covid-19 levels.

Then infections surged worldwide in September and October and countries had to implement new restrictions, particularly in Europe, Asia and Pacific. International arrivals once again

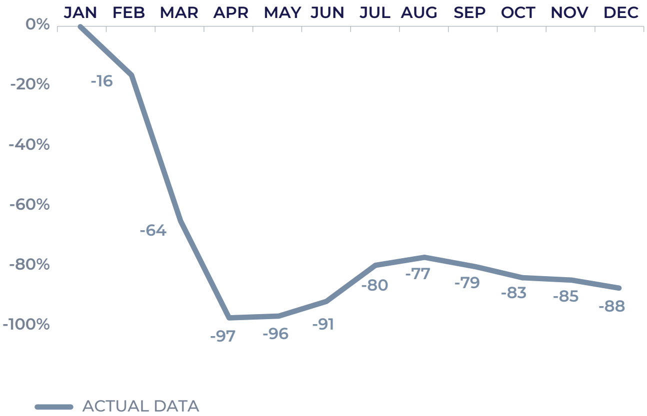


GLOBAL TRAVEL RESTRICTIONS
(as a %)

Source: UNWTO.

tumbled 80% in September and 83% in October compared with 2019.

Despite this second wave, the percentage of closed destinations continued to fall and stood at 18% in early November. Countries are fighting the spread of the virus individually, based on their internal dynamics, without coordinating with their neighboring countries.



NUMBER OF INTERNATIONAL TRAVELERS IN 2020
(2020 / 2019 monthly change as a %)

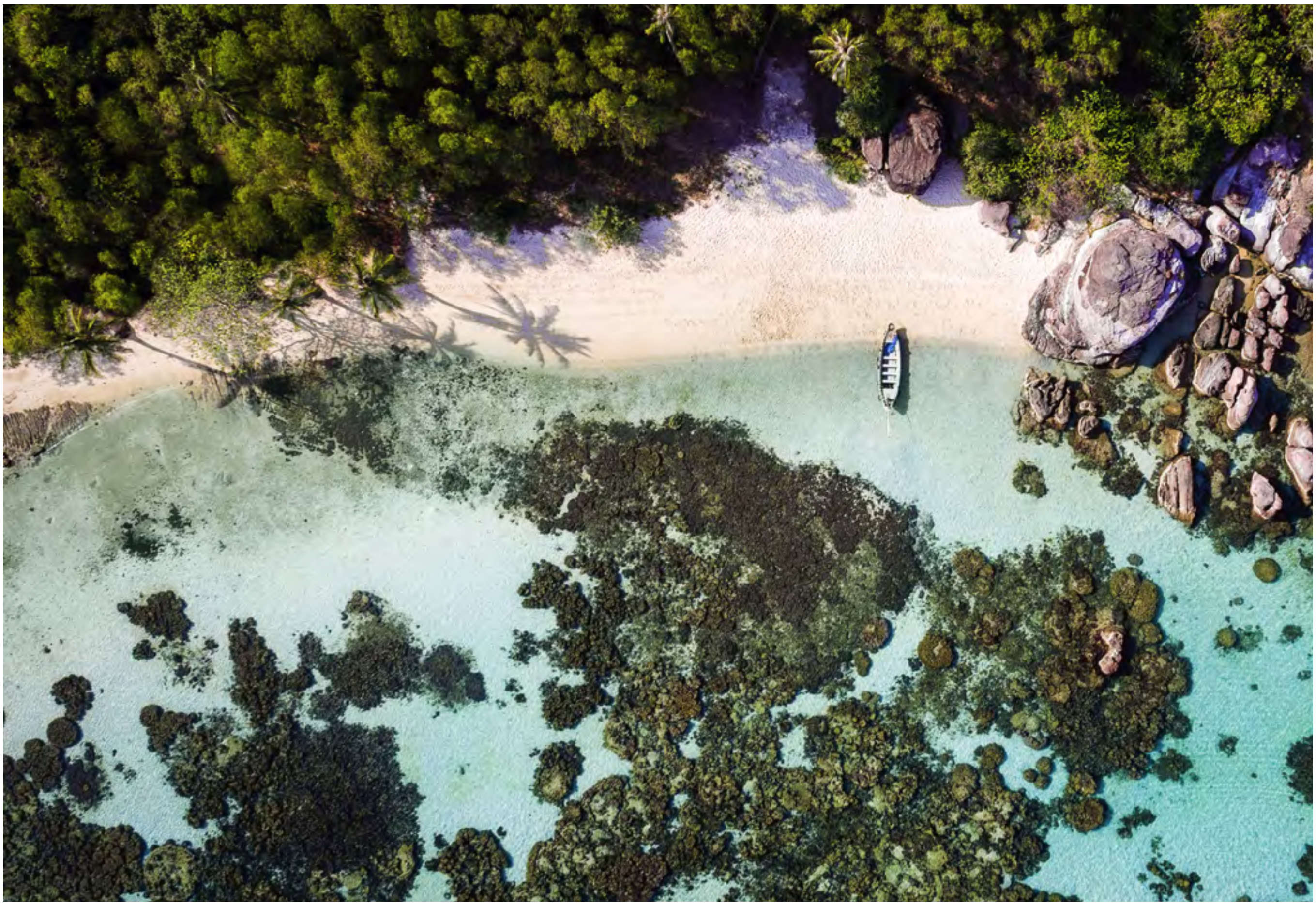
Source: UNWTO, December 2020.

Some major markets, including the United States, Germany and France, showed signs of a recovery at end-2020. However, more and more countries are experiencing new outbreaks, linked to Covid-19 variants, and governments are once again tightening their restrictions to fight the virus.

One year into the crisis, the most stringent travel restrictions have proved somewhat effective from a health perspective, but are having a severe adverse impact on the real economy and leaving those who have lost their jobs due to the worsening economy in dire straits.

At the height of the crisis, in April 2020, reservations for 90% of the Group's hotels were put on hold because of governmental measures.

Of the Group's 110 locations, 90% were subject to lockdown restrictions.



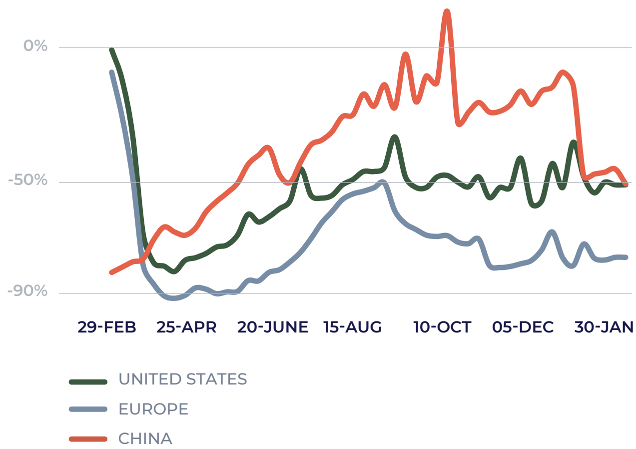
"At the height of the crisis in April 2020, reservations for 90% of the Group's hotels were put on hold because of governmental measures."

Dramatic decline in RevPAR in 2020

In this environment, the record fall in RevPAR was close to 90% in China, the United States and Europe in the first and second quarters of 2020.

Up until the summer, RevPAR rose gradually to -50% in Europe and -40% in the United States. China was the only country that managed to build on this recovery and return to its October 2019 levels. It stood in stark contrast to the United States, where RevPAR remained at around -50% in the second half, and Europe, where it fell once again to nearly -75% on the heels of the new second-wave restrictions.

RevPAR in China also fell back down to around -15% in the last quarter of 2020, before deteriorating further in January 2021 before increasing again as of February.



RevPAR SEVERELY IMPACTED
(as a %)

Source: STR.

62%
decline in RevPAR
on 2019

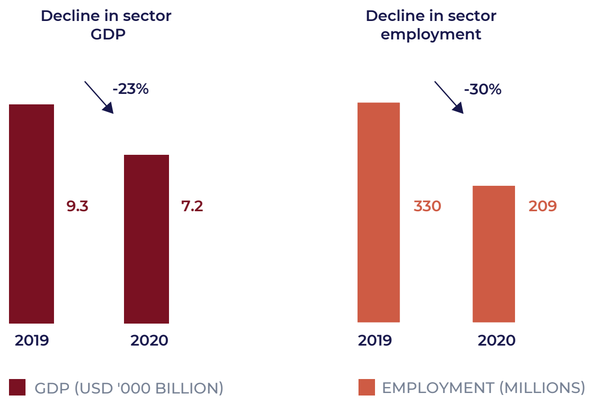
"The decline in wealth produced in 2020 is 11 time greater than the impact of the economic crisis in 2009."

Macroeconomic impacts of the health crisis

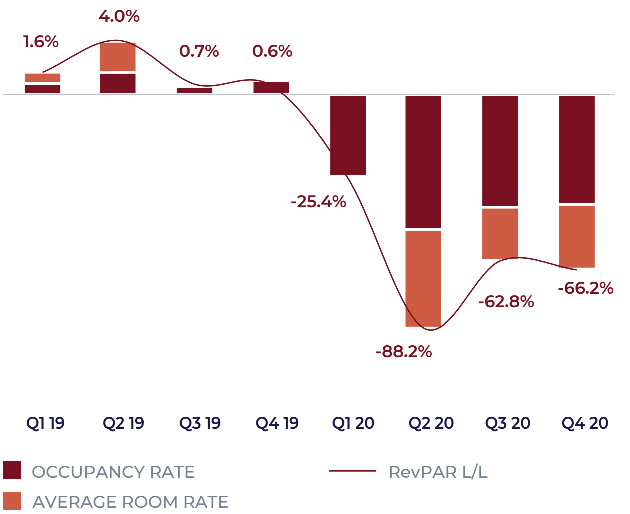
The World Tourism Organization forecast a 70%-75% decline in the number of international tourists in 2020. The decline was confirmed at 74%, translating into more than 1 billion fewer tourists than in 2019 and representing a return to the number of tourists who were traveling in 1990.

This fall reflects a loss of $1,300 billion in tourism revenue worldwide and the destruction of 100 to 120 million jobs, representing a decline of at least 30%. This situation has a significant impact on the real economy due to falling wages and the resulting unemployment. It led to a 23% decline in GDP for the sector compared with 2019.

The decline in wealth generated is more than 11 times greater than was seen in the 2009 economic crisis, and is expected to reduce global GDP by $2,000, representing around 2%.

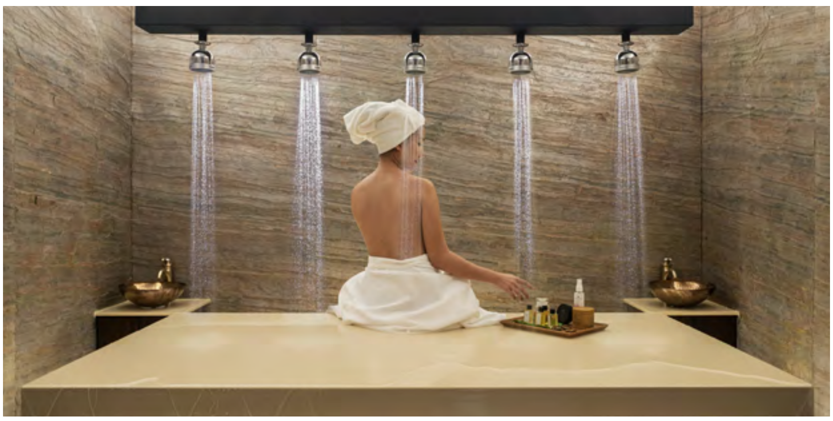


IMPACTS OF THE COVID-19 PANDEMIC ON TOURISM AND TRAVEL INDUSTRY JOBS



GROUP RevPAR
(as a %)

As Accor operates in each of these regions, and more specifically in Europe, its RevPAR trends are naturally comparable, with a low of -92% in April. In Q2 2020, the Group's RevPAR was down 88.2% versus Q2 2019, and down 25.4% in Q1 2020 compared with a year earlier. On average, Accor's RevPAR fell by 59.3% in the first half of 2020. A recovery began in the third quarter, driven by domestic demand in the summer season, down 62.8% compared with Q3 2019. RevPAR worsened once again in the fourth quarter to -66.2% due to the health restrictions adopted during Europe's second wave in November and December. Accor's full-year RevPAR was down 62% compared with 2019.



82%
of the Group's hotels were open at end-December 2020, i.e., more than 4,000 units, from a low of 38% at end-April.

A SLOW AND STEADY RECOVERY AS OF 2021, AND AN EXPECTED RETURN TO PRE-CRISIS LEVELS IN 2024

Second-half 2021 sector recovery hinges on pace of vaccination

As things stand, Covid-19 continues to loom large across all continents as it is gradually replaced by its variants. It is now generally accepted that vaccination is the only way to break the chain of transmission, achieve herd immunity and protect people.

The pharmaceutical companies' record-fast development of several vaccines meant that the vulnerable, sick and elderly could begin receiving their shots at end-December 2020 in the United States, China, Europe and a number of other countries. There is now some hope that, in 2021, vaccination will effectively break the chain of infection with no need for the economically devastating restrictions on movement.

"Once we have achieved immunity amongst populations and the trend reversal of the pandemic has started, travelers will regain confidence."

It will be several quarters before the ramp-up in vaccination can have an impact. Tourism activity, starting with domestic travel, is therefore not expected to pick up until sometime in the second half of 2021 at the earliest, depending on developments in the level of vaccine coverage achieved in the Group's various regions.

Once we have achieved immunity amongst populations and the trend reversal in the pandemic has started, travelers will quickly regain confidence and restrictions will be lifted. That is when people will be able to return to normal, take full advantage of their freedom of movement and once again firm up their travel plans.

Activity projected to return to 2019 levels in 2024

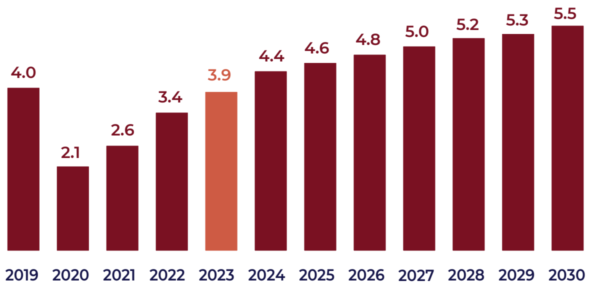
History has shown that activity can bounce back, although none have ever been on a similar scale. This crisis shows how crucial the free movement of people is to growth in the tourism and travel industry, which at its core depends on the desire to escape and the need to travel.

The restrictions implemented in 2020, which are still in effect in the first quarter of 2021, continue to hamper the recovery. A growing number of countries reopened their borders in the last quarter of 2020 to remain attractive to travelers and regain their confidence. They also fine-tuned the rules to be followed upon arrival, including systematic testing, screening, quarantines and so on. Any measure that makes travelers feel safer about their transportation and accommodation conditions is crucial in that it helps restore confidence in the health environment and makes it easier to lift restrictions more quickly.

"We could observe a rebound, at the very least in countries with the most advanced vaccination campaigns, starting in third-quarter 2021, boosted by a recovery in domestic demand."

When combined with the vaccination campaigns, these measures should all quickly improve the health environment, subject to the pace and geographic scope of vaccination. Some countries such as France and many others, have set ambitious vaccination targets for the first half of the year. We could observe a rebound, at the very least in countries with the most advanced vaccination campaigns, starting in third-quarter 2021, boosted by a recovery in domestic demand.

"Accor believes in the resilience of its industry and in its solid fundamentals which are based on unchanged leisure aspirations that have been strengthened by the pandemic as well as essential professional needs."



GLOBAL TOURISM REVENUE
($ billions)

Source: McKinsey, 10 most visited countries.

Once herd immunity has been achieved in 2021, travelers will quickly regain confidence and be ready to take advantage of the simultaneous lifting of travel restrictions. The sector should then resume its pre-pandemic momentum.

AN EVER-CHANGING AND LASTING INDUSTRY

While the tourism and travel industry has frequently been exposed to environmental, security, geopolitical, health and many other types of crises and therefore does not always experience linear trends, its long-term momentum is nevertheless correlated to global growth.

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% to 7% [1]. In normal times, it is also one of the largest contributors to global growth and accounted for 10.4% of global GDP in 2019.

Reflecting economic growth trends over the past 30 years, international tourism boasts long-term structural growth prospects which are only affected by the health crisis 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.

Tourism-related expenses which were up by

5%

per annum pre-Covid

Sector fundamentals intact

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

This has been a ten-year-long underlying trend, growth in traveler numbers around the world in the last 40 years has been driven by a range of structural factors, including the rise of the middle class in emerging countries (more than 3 billion people worldwide) 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

1 *In number of international tourists.*

Now also an essential component of international tourism, China is the world's largest source market. Its contribution has expanded each year for the last 20 years, except in 2020, 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 ten years, departures for stays outside China have more than tripled. The China Tourism Research Institute estimates that 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.

400 m

Chinese tourists expected worldwide by 2030

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

The global hotel industry represents a total of 29 million rooms, 42% of which operated by hotel chains. 58% 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.

In North America, Central America and the Caribbean, where chains control 74% of the market, Accor is expanding in a targeted manner in high value-added segments.

In Europe, the Group's legacy market, where is has the highest volume of rooms (31%, as opposed to 20% in the United States), chains represent only 32% of the offer as a whole.

This high level of fragmentation in the global hotel market, in growing markets boasting tourist appeal, represents extremely strong development and growth potential for the years and decades to come.

Consolidation among players in search of economies of scale

In recent years, the hotel industry has experienced a phase of consolidation initiated in large part by Chinese, American and European players. While there have been no transactions during the crisis, they could resume in the medium term. M&A strategies are designed to meet several core objectives:

- acquire new geographic growth drivers;
- deepen local hotel networks in fast-growing regions;
- enhance 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. It also allows them to diversify their offerings by endowing their portfolios with new concepts and brands in the various segments, covering all aspirations, and providing guests unparalleled and personalized experiences. M&A also opens up new strategic avenues, fostering synergies and the sharing of best business practices, like loyalty programs reserving exclusive deals for club members.

Digital technology intensifies competition

With this in mind, players in the hospitality industry have devoted a great deal of time to technological intelligence to keep up with the latest innovations available. Their ability to effectively personalize the relationship with guests tomorrow, and to retain them over time, hinges on their ability to accelerate their digital transformation today.

While people are the beating heart of the tourism industry, digital technology has paradoxically never been as ubiquitous as it is today, transforming the sector's competitive landscape and allowing operators to enrich their range of services.

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.

Intermediation by online travel agencies and metasearch engines [1]

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. Since expanding into hotel booking, most of the metasearch engines have been acquired by online travel agencies who are equally eager to expand their model.

1 *Booking, Expedia, Airbnb and Ctrip.*

“While humans form the beating heart of the tourism industry, paradoxically, digital has never been as present as it is today.”

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 [2] 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. Diversification has in turn 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

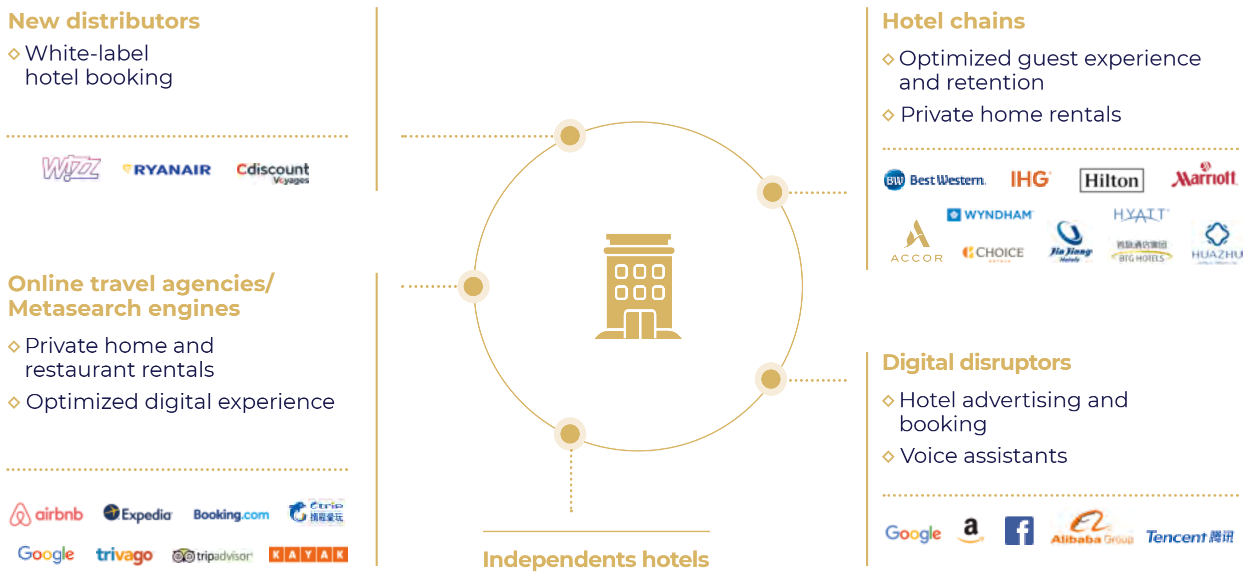
The line between bricks-and mortar retail and e commerce platforms is becoming increasingly blurred, both being links in longer chains. Companies are also seeking to diversify their distribution to address a broader range of both individual and business guests. Building on the catalogs given to them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

2 *Google, Amazon, Facebook, Apple, Alibaba and Tencent.*

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. They want to be pleasantly surprised by the service in their hotel, by its staff and by its setting. This puts the onus on hotel operators to work on the design, architecture, furniture, and food and beverage options of their venues.

"The experience offered to guests has become vital to standing out from the pack."



THE HIGHLY DIVERSE COMPETITIVE ENVIRONMENT

The industry and sector changes wrought by the Covid-19 crisis

International business travel segment affected

The scale of this crisis — both its length and its impacts on daily life — has forced us all to rethink the status quo and adapt to the unknown. New constraints have arisen and have led us to question our habits and the representations we had in a number of areas. Our habits have been challenged and some of our priorities have been reviewed. For example, many city dwellers have felt the need to leave the city for greener spaces. After gaining in popularity in recent years, online shopping skyrocketed during the lockdowns; now no one thinks twice about ordering online for pickup or delivery. We all became more conscious about our health and were careful to follow social distancing guidelines; those whose jobs allowed it successfully made the work-from-home transition. These few examples testify to fast adaptation to new demands that emerged from this crisis and which are now firmly entrenched in our day-to-day activities.

"This crisis has created new aspirations and needs in the Group's fields of activity."

Companies have realized that many internal meetings held far from their offices could easily be replaced by remote or hybrid meetings without affecting the quality of the discussions or their objectives. Accor therefore believes there could be a structural decline in some of the travel by an international business clientele to attend these types of meetings, as companies will also see this as a cost-cutting opportunity in the short term. However, international travel should continue when businesses want to maintain strong long-term relationships with their partners. Travel by a domestic business clientele is also not expected to fall as the shorter distances can likely justify the resumption of in-person contact.

"Tourism is expected to be driven by domestic leisure demand, with local tourism making progress during this crisis."

Leisure travel forecasts indicate that people are very eager, perhaps even more so than before the crisis, to travel again to explore new places and expand their horizons. More than 50% of Americans say they will be ready to travel again within six months. Guest enthusiasm is very high. Tourism is expected to be driven by domestic leisure demand, with local tourism making progress during this crisis.

79% [1]

of millennials want to remote work, as do 70% of the rest of the workforce

85% [1]

of executives and 82% of senior executives are more open to working from home

Emergence of new, more flexible work ecosystems, to support new ways of working

The Covid-19 crisis led employees who could to remote work for lengthy periods. The pandemic has illustrated no suggested loss of productivity for companies. Moreover, it has enabled employees to strike a healthier work-life balance. That being the case, 73% [1] of employees would like, in the future, to be able to remote work; at least twice or three times a week for 50% of them.

Companies are ready for this change and see it as an opportunity to restructure their offices and significantly reduce their rental costs. Many businesses are also considering solutions that would quickly allow them to offer their employees office space near their homes where they can connect with others and work productively, while also having access to hospitality services. Hotel operators that have the space, infrastructure and services to meet these needs are already offering these types of ecosystems, which sit somewhere between traditional offices and home offices.

This could even be an opportunity for them to better monetize their assets by creating the right type of workspaces: welcoming coworking spaces, private offices, conference rooms with 24/7 front-desk service, high-quality internet connections, printers, restaurant services, gyms, parking, on-site accommodation and many more facilities.

At the same time, other ways of working, such as digital nomadism, have rapidly gained in popularity in recent years, driven by those who can work from anywhere and do not need a fixed workplace. This lifestyle, which is particularly appealing to the younger generations, combines work and travel and thus blurs the line between business and leisure travel. Coliving spaces, which were virtually non-existent just a few years ago, are now gaining momentum and aim to meet these new aspirations. These spaces include hotel services and offer flexibility by combining a place to live with a place to work. The goal is to build a community with other nomads.

1 *Study by the Workplace Management Chair of ESSEC Business School conducted in September 2020 on working from home and the expectations of post-Covid-19 workers.*

Global environmental and social challenges impacting the hospitality sector

Operating at the crossroads of many sectors ranging from hotels and restaurants to real estate, tourism and digital services, the hospitality industry is unique in that it faces a host of far-reaching environmental, social and societal challenges. Sustainability challenges can be divided along the following main lines:

	KEY CHALLENGES
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.	***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.	***Fight against corruption and conflicts of interest, protection of personal data.***
CARING FOR PEOPLE Accor is a people-centric group in a highly labor-intensive business (tourism accounts for one job in ten worldwide). It has a responsibility to take care of the people whose work is the foundation of its business and to contribute to their development. This applies not only to its employees, but also to all the people working right across the value chain.	***Decent work, inclusion, diversity, well-being, development of individuals.***
PROMOTING SUSTAINABLE FOOD In a normal year, Accor derives one-third of its business volume from food and beverage. In its own way, it is one of the world's largest restaurant chains. This gives it a responsibility in fostering a more sustainable food system.	***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. Accor is aware of its responsibility to implement solutions and technologies that limit or even neutralize these effects.	***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 2020 Universal Registration Document, alongside the measures implemented by the Group to prevent them or mitigate their consequences.

Following the deterioration in its activities in 2020, Accor took quick action to protect its guests and employees, in close collaboration with the public authorities of the various countries in which it operates. It also decided to allocate 25% of the dividend anticipated in 2020 (€70 million) to launch the ALL Heartist solidarity fund to support its employees and individual partners. Additionally, in France, Accor created the Coronavirus Emergency Desk Accor (CEDA) platform to organize accommodation at its hotels for medical personnel and vulnerable individuals.

SUPPORT FOR GROUP EMPLOYEES AND INDIVIDUAL PARTNERS

The aim of the ALL Heartist Fund is to help Accor network employees experiencing financial difficulties after being furloughed and suffering significant reductions in income linked to work stoppages caused by the Covid-19 crisis, leading to their inability to cover basic subsistence spending (food, healthcare, safety, housing, education and/or funeral expenses). The fund also helps those without social security or medical insurance coverage in dealing with hospitalization or the loss of a loved one because of the Covid-19 pandemic. In addition, the Fund provides support to individual partners of the Group who work for Accor and are experiencing financial difficulty owing to business stoppages as a result of the pandemic.

SUPPORT FOR PROFESSIONALS, THE VULNERABLE, AND HOSPITALS TREATING RECOVERING PATIENTS IN THE FIGHT AGAINST COVID-19

The ALL Heartist Fund also provides support to all professionals working on the front line in the fight against Covid-19 who endure difficult working conditions (medical staff, police, armed forces) with housing, support and care solutions on top of the range of initiatives offered by Accor Group hotels and businesses worldwide. In addition, the Group welcomed in its hotels in France, the UK, Belgium, South America, Africa and the Middle East, those suffering from the current crisis (the homeless, victims of domestic violence, *etc.*) as well as recovering patients, to ease the burden on healthcare facilities and enable them to look after patients in greater need. Since its creation, the ALL Heartist Fund has provided assistance to 62,000 people experiencing financial distress or a health crisis. They have used a total of 360,000 overnight stays.

The Accor Group's environmental footprint

Accor updated its environmental footprint in 2020 based on 2019 data.
This analysis broadens its knowledge of the direct and indirect impacts of its activities so it can continuously review its strategy for reducing its overall footprint.

Carbon footprint

Direct emissions (scope 1) from the Accor Group's activities accounted for only 6% of total emissions, while scope 2 represented 42% of emissions. Scope 3 represented 52% of total emissions from Accor's activities. Within scope 3, the largest items were the purchase of goods and services and franchised hotel operations.

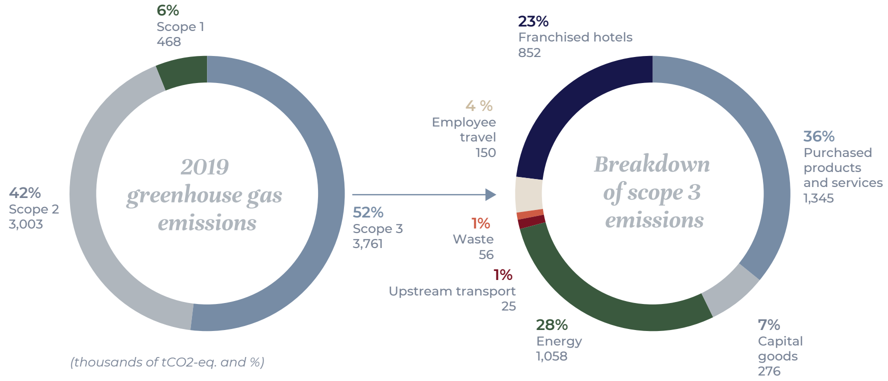
Water footprint

The Group's water footprint is concentrated in scope 3 (68%), mainly due to the purchase of food items for hotel bars and restaurants. Crop irrigation and livestock watering are the two main water consumption items in food production.

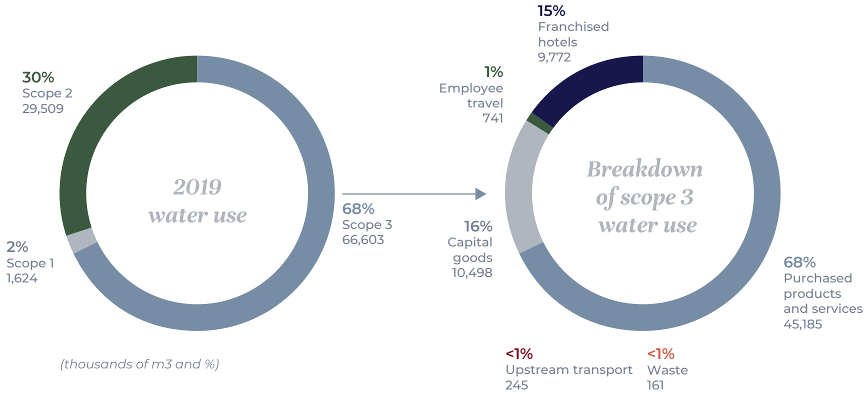
Land use footprint

The Accor Group's footprint is insignificant (0.2%) compared with the farmland needed to produce the food served in its hotels' bars and restaurants (80%). Secondary items that take up space include the land needed to produce energy and make capital goods.

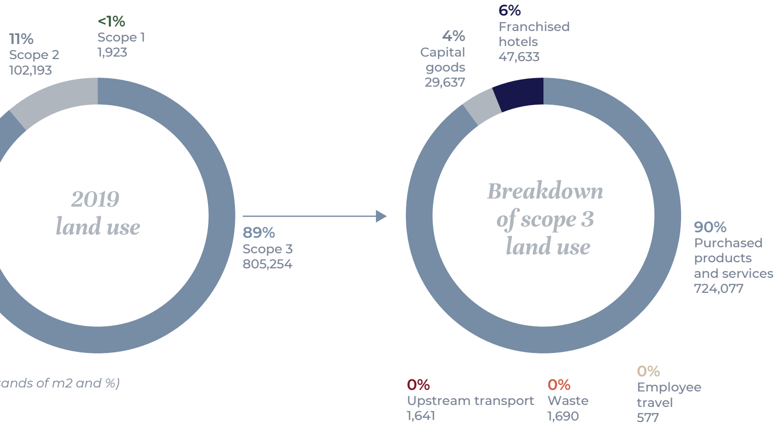
In 2020, the Group used this updated data to define a carbon trajectory that meets the targets in the Paris Accord and has been audited by the Science Based Targets initiative.



(thousands of tCO2-eq. and %)



(thousands of m3 and %)



(thousands of m2 and %)

A business model
designed to deliver augmented hospitality

While Accor has been improving on and reinventing its business model for more than 50 years to adapt to and anticipate changes in its industry, there was nothing to be done about the large-scale travel restrictions adopted to fight the Covid-19 pandemic.

Mirroring the industry as a whole, Accor experienced a sharp slowdown in its activities in 2020. Its first priority was to protect its cash to weather the crisis and prepare for a rebound. This crisis also created new needs, in particular for flexibility and safety, and new behaviors due to the rise in remote working. The Group had to take on these concerns to enrich its model and get back on the path to growth more quickly.

A SUSTAINABLE VALUE-CREATION MODEL, BASED ON MULTIPLE GROWTH DRIVERS

Accor's business model is unique in the travel industry. Operating 5,139 hotels in 110 countries, the Group is the leader everywhere in the world other than the United States and China.

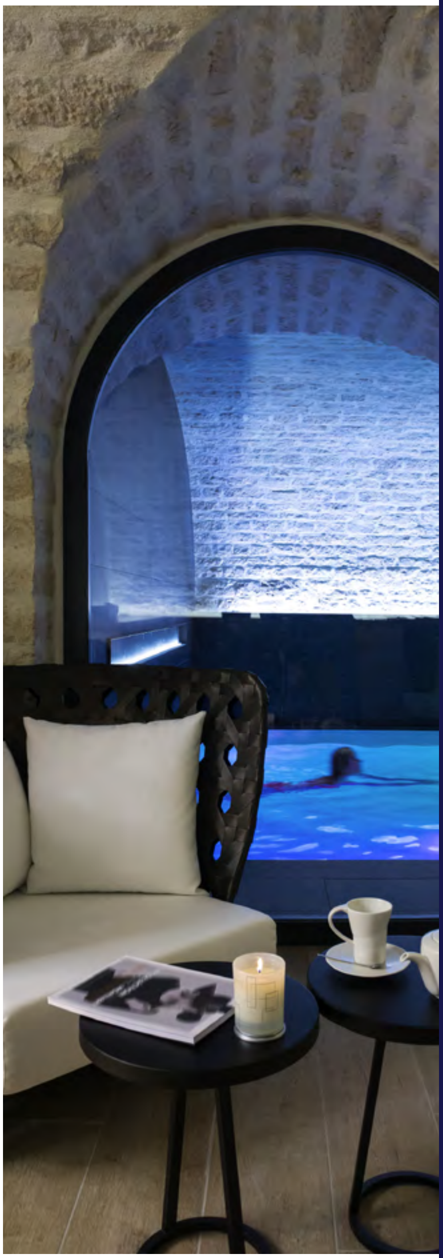
Boasting unique expertise in hotel operations and high value-added services, Accor has the market's most comprehensive portfolio of brands, all segments combined, and builds its success on the customer experience.

The experiences offered to travelers match the vision of augmented hospitality that the Group has been developing for three years, based on a comprehensive ecosystem and backed up by a 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.

"The experiences offered to travelers match the vision of augmented hospitality that the Group has been developing for three years, now based on a comprehensive ecosystem and backed up by a promise: ALL – Accor Live Limitless."



A pillar of the Group's growth, the loyalty of its guests boosts its appeal for its hotel and business partners. 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.

Armed with these tools and a simplified model generating greater cash flows, capable of deleveraging and making acquisitions or forming partnerships to enrich it, Accor has the means matching its strategic and financial ambitions, without compromising its social, environmental and societal commitments.

RESOURCES AND ASSETS IN THE VARIOUS PARTS OF THE MODEL

HUMAN CAPITAL
highly diverse and inclusive
- ~13,000 employees in head offices, 253,000 in hotels and restaurants
- Expertise in Talent & Culture, Procurement, Marketing, Design, Sustainable Development, F&B
- Corporate culture breeding innovation

BUSINESS CAPITAL
a global ecosystem of augmented hospitality services
- 250 million guests and 68 million cardholders
- Recognized expertise in hotel development and management
- 40 brands spanning all segments, efficient distribution systems that optimize footfall
  - Hotel businesses: Ennismore (including Mama Shelter, 25hours, SBE, JO&JOE), Mantis, Banyan Tree, Rixos, Atton, Adagio, Risma, Orient Express
  - Workspitality: Wojo
  - Travel businesses: VeryChic, Gekko, onefinestay
  - Digital services: ResDiary, D-Edge, Adoria, John Paul
  - Service companies: Paris Society, Potel & Chabot
- *ALL*, an attractive loyalty program with heightened guest engagement and personalization
  - 90 partnerships, including with PSG, IMG, AEG, VISA/BNP Paribas, Grab, Alibaba, Air France and others

ASSET-LIGHT NETWORK
leadership in Europe and emerging regions
- Very strong development 5,139 managed & franchised hotels, 4% of which owned or leased
- 5,000 private residences and 10,000 bars and restaurants
- 14,000 travel agencies (18,000 agents) and 700 concierges

FINANCIAL CAPITAL
- Optimized balance sheet and sound financial structure
- Group liquidity position of nearly €4 billion

4 strategic drivers

to maximize the value created by the Accor model

- *Attract and retain*
- *Accelerate growth*
- *Optimize the model*
- *Promote positive hospitality*

Augmented hospitality

LIVE/WORK/PLAY
in the service of a unique guest experience

LOCAL COMMUNITIES AND NATURAL ENVIRONMENTS

Natural resources
~0.5Mt of food**
~98 Mm^3 of water**
7.3Mt of CO_2 emitted**
909M Mm^2 of land used**
Use of renewable or non-renewable materials

Local communities
Economic fabric
Workforce
Heritage
Authentic tourist experiences

ALL ACCOR LIVE LIMITLESS

90 commercial partners [7]

GLOBAL DIGITAL ECOSYSTEM
boosting Accor's appeal and the loyalty program's profitability (personalization & loyalty)

HOTEL OWNERS [1]
on whose behalf Accor operates hotels

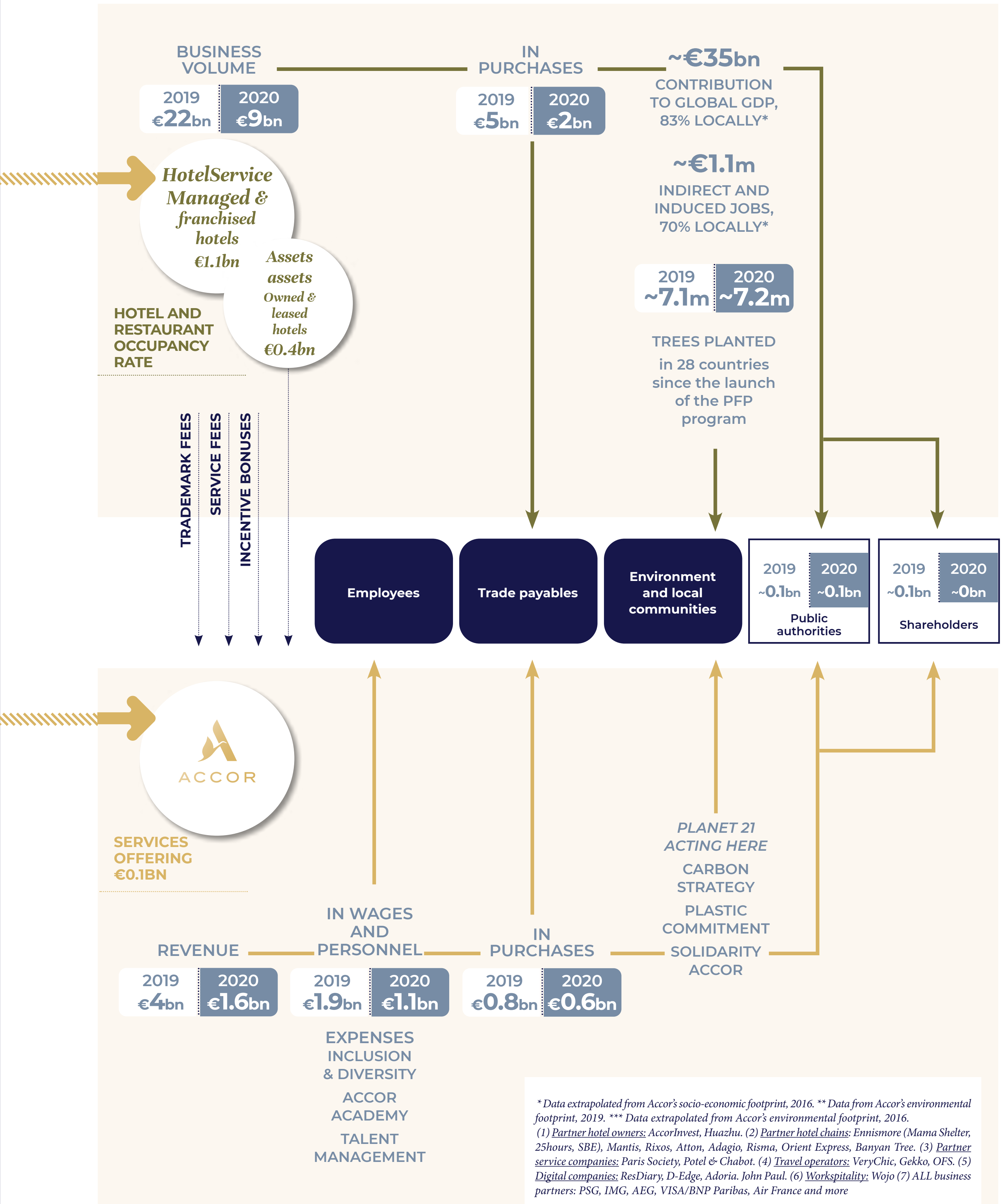
Real estate capital
5,139 hotels
753,344 rooms
110 countries

Human capital
~266,000 employees worldwide

HOSPITALITY SERVICES OFFERING
expanding the catalog of brands and services for hotel owners and guests

- **Hotel chains** [2]
- **New Businesses** Services [3], travel [4], digital [5] & Workspitality [6]
- **NGOs and purpose-driven companies**

SHARED VALUE CREATION WITH OUR STAKEHOLDERS IN 2020



* *Data extrapolated from Accor's socio-economic footprint, 2016. ** Data from Accor's environmental footprint, 2019. *** Data extrapolated from Accor's environmental footprint, 2016.*
(1) Partner hotel owners: AccorInvest, Huazhu. (2) Partner hotel chains: Ennismore (Mama Shelter, 25hours, SBE), Mantis, Rixos, Atton, Adagio, Risma, Orient Express, Banyan Tree. (3) Partner service companies: Paris Society, Potel & Chabot. (4) Travel operators: VeryChic, Gekko, OFS. (5) Digital companies: ResDiary, D-Edge, Adoria. John Paul. (6) Workspitality: Wojo (7) ALL business partners: PSG, IMG, AEG, VISA/BNP Paribas, Air France and more

A global ecosystem of augmented hospitality services

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

AN ORGANIZATION AND BRAND PORTFOLIO DESIGNED TO DELIVER AUGMENTED HOSPITALITY

Augmented hospitality, a defining vocation for the Group

Augmented hospitality means anticipating a customer's every need. Whether in organizing upscale events, delivering personalized services, creating unique experiences or offering digital solutions, Accor's aim is to open new pathways in travel and the discovery of new ways to live and work thanks to activities forming the categories "Live," "Work," and "Play."

These three areas of development are rounded out by an entity known as Business Accelerators intended for its real estate and business partners, resulting in the following new brand architecture:

- **Live**, with the Group's 40 hotel brands, and a determination to have hotels that do not confine their focus on the stays of guests, but which also strive to cater to the daily needs of local communities;
- **Work**, bringing the Group's coworking offers center stage; currently in the expansion phase with Wojo Corners;
- **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,** combining D-Edge, Gekko, ResDiary, VeryChic and other brands, which ramp up the performance and capacities of hotel owners while placing a special focus on guest needs.

Live

Luxury	Premium	Midscale	Economy
Raffles, SLS, Orient Express, SO/, Faena, Sofitel, Banyan Tree, The House of Originals, Delano, Sofitel Legend, Rixos, Fairmont, onefinestay	mantis, Angsana, M Gallery, 25h twenty five hours hotels, 21c, Hyde, Art Series, Mövenpick, Mondrian, Grand Mercure, pullman, Peppers, swissôtel, The Sebel	mantra, Novotel, Mercure, adagio, Mama Shelter, Tribe	BreakFree, ibis, ibis Styles, greet, ibis budget, Jo&Joe, hotelF1

Work

Wojo

Mamaworks

Play

Potel & Chabot

Paris Society

Business accelerators

Distribution	Experience	Operation
d-edge, Gekko, VeryChic, ResDiary	John Paul	adoria, Astore

A model underpinned by three complementary operating divisions and a redesigned loyalty program

Accor's business model is founded on a wide range of accommodation in hotels and private residences offered to travelers and travel professionals, together with coworking spaces and countless services. It is based on three complementary strategic segments with distinct trends:

DIVISION

HotelServices

Combining the hotels operated under management and franchise agreements, together with the corporate functions operated by the holding company.

DIVISION

New Businesses

Which has been expanded over more than five years to enhance the Group's expertise and diversify its ecosystem of hospitality services.

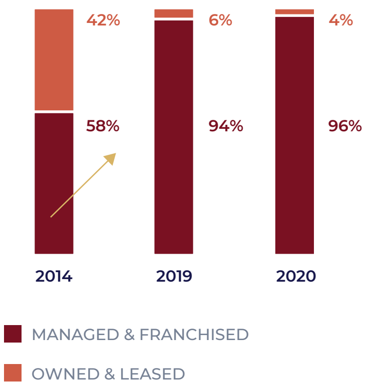
DIVISION

Hotel Assets

Housing owned and leased hotels, mainly in Australia and Brazil.

Hotel management and franchise activities

Under its various banners, Accor operates 4,978 privately owned hotels under management and franchise contracts. In 2020, these hotels, which are housed in the HotelServices division, accounted for 96% of the Group's hotel network.



ACCOR,
AN ASSET-LIGHT GROUP
(as a % based on number of rooms)

The Group covers operating costs for the services it provides to hotel owners (personnel, IT infrastructure, distribution and marketing, CRM and other expenses), and in return receives fees breaking down into three types:

- a trademark fee as a percentage of the hotel's revenue;
- additional sales and marketing fees, distribution and loyalty fees, IT fees, etc.;
- for managed hotels only, an incentive bonus based on the EBITDAR generated by the hotel. This rewards Accor's sound hotel management on behalf of the owner.

96% of Accor's network is asset-light

At the same time, the hotels operated by the Group incur operating costs to welcome travelers in the best possible conditions and offer them high-quality services meeting the specifications defined with Accor (wages and personnel expenses, and operating expenses including food, energy and sanitation, maintenance and upkeep services, equipment and furniture).

Group expertise in hotel management and development

Powerful digital tools

Attract, steer and convert demand

Sell in real time / Optimize revenue

Improve 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 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

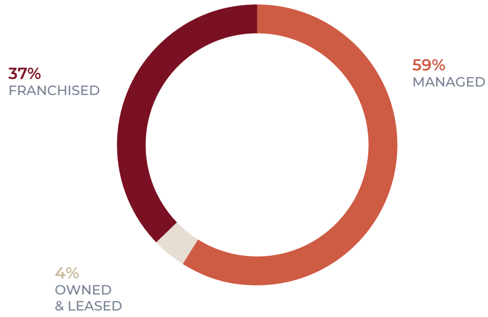
Values, value-creating

Strong local roots

The Group's hotels call 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 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.



GROUP PROFILE
(as a % based on number of rooms)

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.

A highly diversified partnership ecosystem

To benefit from the best expertise, and expand its business model relevantly and efficiently, Accor regularly acquires and builds partnerships with companies whose core businesses are those in which it aims to grow and enrich its ecosystem.

The chosen partners are either:

Chains of hotels
with attractive brands or hotels that the Group wishes to offer in its catalog

Service companies
that can expand the range of solutions offered by its ecosystem

Business partners
to increase global awareness of the Group and its brands, and the attractiveness of the loyalty program thanks to a wider range of benefits

NGOs, non-profits and purpose-driven companies
that assist Accor in implementing its CSR programs

Digital companies
that can help it optimize its distribution by diversifying it and making it more visible and efficient

Property owners
on whose behalf Accor operates hotels, and with which it develops its network

Targeted service activities, diversifying the Group's business model

Acquisitions made in recent years have brought Accor new distribution channels (Gekko, VeryChic, ResDiary, D-Edge), new services (John Paul, Adoria) and new spaces for guests to stay, play and work (onefinestay, Wojo). These companies embody the Group's augmented hospitality strategy aimed at improving the guest experience by imagining new products and services to round out the hotel stay. Acquisitions save Accor time in relation to its competitors, and keep it at the forefront of innovation. Expertise, especially in digital technology, acquired in customer relations improves not only the entire guest experience, but also the quality of the experiences that the Group offers.

With this diversification, Accor has multiplied touchpoints with its guests to create a more personalized relationship, making data central to its analyses so as to create value for its guests and partners.

Hotel Assets division

The remaining 4% of the hotels in the portfolio still operated by Accor are part of the Hotel Assets division, which had 29,102 rooms at end-2020. These hotels are mainly in Australia, as well as in Brazil where they are operated under variable lease contracts indexed to a percentage of EBITDAR.

This division also includes three activities in Asia-Pacific: AccorPlus (discount card program), Accor Vacation Club (timeshare business) and Strata (room distribution and management of common areas).

Finalization of the asset-light model in 2020

Accor put the finishing touches on its asset-light model by completing the last strategic asset disposals for its network.

It organized the sale of its subsidiary Orbis, and with it the hotels it gave the Group in Central Europe, for an amount of €1.1 billion without relinquishing the operating contracts.

Following the acquisition of the Mövenpick chain in 2018, Accor entered into a sale and management-back agreement with private investment fund HR Group for 16 leased hotels in Germany, Switzerland and the Netherlands, which the Group will manage for 20 years.

Restoring stakeholder confidence with new sanitation standards

Over the past few years, Accor has adopted initiatives to transform its hotels into genuine homes from home. Welcoming, protecting and taking care of our guests is at the heart of what we do and a true reflection of our philosophy. 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 the rapid resumption of its activities as soon as tourism flows restart.

92%

of the Group's hotels were 'ALLSAFE' certified at end-December 2020

Creation of the 'ALLSAFE' label in partnership with Bureau Veritas

The health, safety and well-being of its stakeholders, be they employees, guests, or partners, is Accor's over-riding priority. The Group thus aims to provide reassurance on its ability to welcome them under the best possible sanitary conditions. To do so, it worked closely with Bureau Veritas, the global leader in testing, inspection and certification, to set very stringent sanitary standards with the launch of the 'ALLSAFE' label, which was rolled out to 92% of the Group's hotels at end-December 2020.

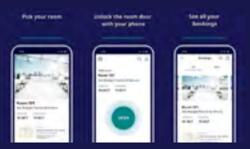
This project, carried out with doctors and epidemiologists, was designed in close co-operation with hotel owners and industry representatives and has been shared with the French Tourism Alliance and the French ministries for Tourism, Health and Labor to approve the standards identified. This approach 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, which certifies that the cleanliness, safety and prevention measures implemented by the Group's hotels are in line with the health situation, should contribute to the recovery in the hotel and restaurant activities once tourism picks up.*

Creation of medical assistance offering in partnership with Axa Partners

Accor signed a partnership with Axa Partners, a travel insurance and assistance services expert, to offer medical assistance to its guests giving them access to the best health solutions and best health care when they stay at the Group's hotels. Guests benefit from an extensive network of medical services covering tens of thousands of approved healthcare professionals, as well as medical teleconsultations around the world.

This initiative is rooted in the Group's firm belief that the hospitality business involves much more than providing a hotel room and restaurant. It has taken on a very special meaning amid the current health crisis.

Accor is getting ready for a recovery in business in the wake of the Covid-19 pandemic. This health insurance rounds out its augmented hospitality services ecosystem as part of the health and prevention protocols it enhanced with the 'ALLSAFE' label. The goal is for guests to rediscover the joy of travel at Accor hotels.



Rollout of 'Accor Key' to all Group hotels

Accor also decided to roll out its digital 'Accor Key' solution to all its hotels so that guests can have a completely contactless stay.

This key allows guests to access their rooms without a physical key. On arrival, they receive a virtual room key by downloading a special app to their smartphone. They will have access to rooms, entry to meeting rooms and floor access via lifts using their smartphone.

AN AGILE ECOSYSTEM TO MEET NEW TRENDS

MEETING guests' needs for flexibility and safety

As is often the case, this crisis reinforced the consumer trends that were already underway. When travel possibilities became much more uncertain due to the health restrictions, travelers began to seek out offers with the most flexible terms and conditions. Ten years ago, bookings were made 45 days in advance. One year ago, this period had shrunk to 28 days. Since the beginning of the crisis, only a few days separate the reservation from the actual arrival of the clients in the hotels. The Group has therefore had to adjust to this new environment by becoming more responsive and flexible. Depending on its guests' booking conditions, the Group has thus allowed them to cancel their reservations at no cost, with a full refund, and offered them the option of re-booking their stay at the hotel of their choice within 18 months.

The Group has encouraged its hotel partners to offer the same flexibility and has now made it easier to convert their hotels to brands such as The House of Originals, MGallery, Mövenpick, Grand Mercure, Mercure, IBIS STYLE and Greet, which currently represent 43% of Accor's pipeline.

Lastly, while hygiene has long been a critical issue in the tourism and travel sector, it has naturally taken on even greater importance during the health crisis. For 77% of guests, hygiene, social distancing and the hotel's policy are three key criteria they consider when selecting a hotel.

Accor therefore decided very early on to set the very highest standards of cleanliness for its hotels to reassure its guests and partners and welcome them under the safest conditions.

*"Throughout the crisis, Accor had to be flexible and responsive.
Only a few days separate the reservation from the actual guest arrival in hotels. In addition, depending on their reservation conditions, the Group allowed the cancellation of the reserved stays, their full refund and a postponement to those who wished it in the hotels of their choice.
Accor has also made it easier for its hotel partners to convert their hotels."*

SUPPORT the development of local tourism spurred by domestic demand

For many, the months spent in lockdown provided an opportunity to think about vacations in a new light. While international travel slowed sharply due to the health restrictions, many tourists eager for a change of scenery used this time to explore their own regions.

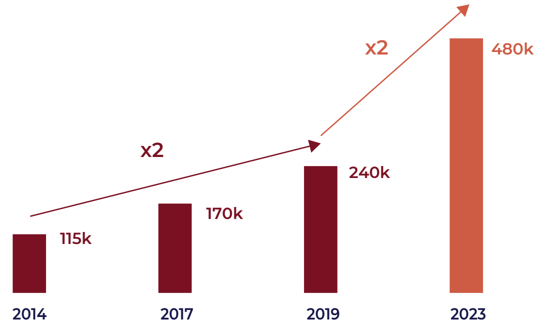
In France, 80% of summer vacationers stayed close to home. This local tourism, which helped support the local economy, not only led to savings on transportation (on average 23% of the vacation budget versus 15% for lodging), but also proved to be a much greener form of tourism.

One of the trends observed was that hotels seem to have remained a destination in themselves. Occupancy, in particular in the economy and midscale segments, rebounded nicely during the summer. The Group intends to capitalize on this customer base in the coming months.

ACCELERATE the Group's development in Lifestyle hotels

Of the noteworthy trends in recent years, the rise of the Lifestyle hotel industry is the one that has enjoyed the greatest success due to its identity component, which is built around values that resonate with those of its clientele.

In this segment, the hotels are a reflection of values and lifestyles that offer their guests a sense of belonging to a community. They constitute living spaces that allows travelers and local residents to interact and enjoy unique common experiences built on authenticity and sharing. The segment, which is a natural source of innovation, revolves around creative decor and services that reflect the aspirations of guests. The latter, typically younger than those of more long-standing brands, force Accor to continually reflect on its relationship with them and the experiences it offers them. This is a strategic segment for the Group since it serves to repurpose its customer base.



A GROWING SEGMENT
(in thousands of rooms)

Data based on the 60 largest Lifestyle brand networks.

This segment is expected to enjoy strong growth over the coming years and should provide a substantial share of the Group's revenue growth in the future. It currently accounts for 2% of the global offering of hotel chains and close to 10% of their pipeline. Accor had foreseen this trend a number of years back and had ramped up its development. This foresight means it now has the largest brand portfolio in the market. In 2020, Accor further increased its room for development in this segment with the establishment of Ennismore.

SUPPORTING changing working patterns with coworking spaces that are structured to meet new company needs

The various forms of health restrictions worldwide have profoundly affected the day-to-day lives of billions of people as regards their family, work and leisure routines. Restricting people's movement and travel has naturally encouraged the rapid growth in online communications tools to continue work and personal relationships. Remote work has inevitably played a much greater role and has met with success for employees and companies.

Employees born between 1980 and 2000 accounted for half of the payroll in 2020. 70% of them express the desire to work for themselves at least once in their lives as against only 7% who plan to work in a traditional office.

"The remote working revolution has begun."

7 workers out of 10 [1]
feel the pandemic will profoundly change how they work

2 French remote workers in 3
do not plan to return to the office full-time

1 remote worker in 2
does not want to work from home

Achieving work-life balance and autonomy are top of the list of concerns for employees. Whether they are contractors, remote working or entrepreneurs, they want to work less than 10 minutes from home. Highly connected, younger generations are also looking for spaces that reflect their open, communal, creative, flexible and innovative mindset. Spaces that can adapt to changing needs, particular in terms of growing start-ups.

These spaces are also ideal mobility solutions for company employees and highly attractive for millennials, who are the main targets of their recruitment campaigns.

1 *Malakoff Humanis study, June 2020.*

Accor has acquired all of SBE's asset-light operations The Group also entered into exclusive negotiations with Ennismore to establish the world's largest Lifestyle operator in the hospitality sector

For many years, Lifestyle, entertainment and places that nourish the soul have formed the cornerstone of Accor's development and growth strategy. Lifestyle is enjoying significant popularity amongst guests who are increasingly looking for hotel concepts that embody values and lifestyles that resonate with them.

This segment currently accounts for approximately 5% of Accor's revenue, but over 25% of its pipeline in absolute terms. By merging Ennismore and SBE, this new group will be home to 13 global brands, 73 functioning hotels and over 150 bars and restaurants. These will quickly be joined by over 110 new establishments that have already been signed and potentially up to 70 others that are currently being reviewed.

Thanks to this merger, Accor has once again added to its brand ecosystem, which has seen the fastest growth in the industry. The expectation is that this will become a major source of growth in the future.

13 Lifestyle brands

ENNISMORE

Luxury & Premium

SLS, 21c, HYDE, MONDRIAN, 25h twenty five hours hotels, DELANO, SO/, GLENEAGLE, FAENA, the hoxton

Midscale & Economy

MAMA SHELTER, TRIBE, JO&JOE

Strategic partnership with Faena to grow the brand internationally

In 2021, Faena and Accor announced that they were partnering to bring the Faena brand to strategic international destinations.

Faena has partnered up with Accor to break new ground, developing Faena Districts in the most select global destinations.

The partnership marks a further step forward in expanding the Group's presence in the Lifestyle hotels.

Accor is developing its Workspitality concept to meet business mobility needs

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 300 spots in 70 French towns and cities (dedicated buildings) in the economy to premium segments, and is creating lively, communal, creative, accessible and practical spaces within Accor hotels called Wojo Corners. This last meets work-life balance needs.

Accor is also working on converting bedrooms into offices following a whole range of requests from companies looking for new solutions for their employees.

In addition to their flexibility, which allows hotels to tailor spaces to its guests' desired workspace specifications (individual offices, from 1 to 3 workspaces, spaces comprising dozens of workspaces, meeting rooms of all sizes, *etc.*), these spaces have original designs and modern installations that are user-friendly. This has a considerable impact on workers' well-being and motivation. They are designed to fuel interaction, productivity, engagement and a real sense of belonging.

They also offer a range of hospitality services providing all the necessary comforts to create the best possible working conditions (24/7 reception, high-speed Wi-Fi, printers, catering, gyms, parking, on-site accommodation, *etc.*).

By 2022, 1,200 coworking spaces will be opened within Group hotels.

A loyalty program connecting members with brands and driving their engagement

A global digital portal combining the entire Accor offer

Accor aims to invent travel for tomorrow's world and to embrace all lifestyles by standing alongside its guests in their daily lives, interests and passions. But customer expectations have changed dramatically in terms of loyalty. People want greater ease of use, more practical and immediate benefits and heightened customization, plus an ecosystem that goes well beyond just hotels.

> *"People want greater ease of use, more practical and immediate benefits and heightened customization, plus an ecosystem that goes well beyond just hotels.*

In light of this, Accor has developed ALL – Accor Live Limitless, a new loyalty program to spearhead its business strategy that is accessible to any guest from a single mobile app, opening the doors to the entire Accor universe. ALL is an all-in-one portal of augmented hospitality dedicated to mobility, accommodation, travel and entertainment. It aims to transform venues into vibrant hubs combining hotels, leisure, catering, sport, meetings, coworking and entertainment to satisfy every desire and need of travelers, local residents and workers.

ALL also offers members the possibility of redeeming their loyalty points with many program partners, including a long list of players in the travel industry such as Air France, Qatar Airways, Hertz, Europcar, Paris Airport, and from the work of entertainment as well as PSG, IMG (an American sporting, events and food giant) and AEG (a show and concert organizer). Members can additionally use the program with start-ups like valet parking specialist, Ector, car parks and many other bespoke services. And to round out the offer, ALL has curated a collection of bookable events, sightseeing tours, private sales and countless other benefits in tune with members' passions.

Crucially for Accor, ALL is designed to allow the Group to underpin its sales growth and secure a larger part of its revenue by increasing both the number of guests with loyalty cards and their contribution to revenue by ensuring that everyone is inspired to use it in their day-to-day activities. ALL has accordingly eased Accor through the fundamental transition to more emotion and experience, thereby recasting its entire loyalty promise.

A means of attracting new partners, driving growth in footfall and strengthening loyalty

To generate traffic within the ALL loyalty program and boost its appeal to members, Accor agreed several major partnerships with international mobility and electronic payment players in 2020.

These partnerships are not only intended expand the range of Group benefits but also to drive forward footfall and revenue.

The partnership with Grab allows its members to use their GrabRewards points at the 40 Accor hotel banners, in turn ensuring ALL members enjoy access to the benefits of GrabRewards, the largest loyalty program in South-East Asia rewarding users for their daily purchases through a broad range of services (chauffeur services, delivery services, digital payments, etc.).

The partnership with Visa and BNP Paribas offers additional payment options to ALL members through the creation of a new co-branded ALL – Visa payment card. This card allows holders to use it for their daily purchases, obtaining rewards tailored to the interests and passions of members and gaining even more loyalty points in the Accor ecosystem. The card also provides access to unique experiences (short getaways in the countryside, mountains, beaches, dinners, spas, special events, PSG matches, concerts at Accor Arena, food festivals as well as deals from 85 Accor partners in the travel and lifestyle segments.

The ALL – Visa card launch is scheduled for Q1 2021 in Europe and is expected to encourage travelers to stay more frequently at Accor hotels, and with greater ease. It will also be easier for the Group to stay in touch with its guests beyond their stay and to recruit new members by increasing their average spend.

> *" The ALL – Visa card will encouragetravelers to stay more frequently in Accor hotels and will maintain contact with guests beyond their stay."*

On top of bringing in members of other loyalty programs, generating additional revenue for Accor, these partnerships will allow the Group to significantly increase the benefits and rewards enjoyed by ALL members and step up their engagement within the program.

ALL meets a series of central challenges:

- Loyalty and direct distribution
- Personalization, the increased number of touchpoints with guests, and footfall growth
- Increased ecosystem use and member upgrades through an architecture enhanced with new statuses

“ *ALL* represents a key resilience driver during the crisis

ALL is a strong, international, premium, inspiring and trendy brand ”

ACCOR, A GROUP COMMITTED TO ITS PEOPLE AND ITS COMMUNITIES

The commitment of its people has allowed Accor to grow strongly over the last 50 years and to become a global leader in the hotel industry. Accor's 266,000 employees are central to its daily operations in all their diversity. Hospitality is synonymous with a human touch. As such, the Group's people are its most valuable asset.

BE HEARTIST®

HEART

Everything we do comes from the heart

\+ ARTIST

We are experts in what we do

=

HEARTIST®

DIVERSITY

51%

of employees under 35

SKILLS DEVELOPMENT

2.5 m

hours of training given to employees

The Be Limitless employer promise

Accor's corporate culture calls on every employee to be a *Heartist*®; that is to do everything from the heart and to excel in their every endeavor. It gives them scope to serve guests with generosity, inventiveness, freedom and efficiency.

In 2019, Accor redefined its employer promise:

> *"Be limitless: Do what you love. Care for the world. Dare to challenge the status quo!"*

The "*Be Limitless*" employer promise brings with it a new framework for the organization and improvements to programs that already existed within the Group. It is built on the following four pillars:

- **Come as you are**
  The Group aims to be an inclusive company and to welcome everyone, embracing the richness of their differences.
- **Work with purpose**
  Accor wishes to give everyone the opportunity to show their personal commitment by participating in its positive hospitality programs, and by striving for sustainable development for the environment and local communities.
- **Grow, learn and enjoy**
  Accor aims to be an international school par excellence, where everyone can leverage training and career plans tailored to their ambitions and passions to develop their expertise in hospitality and lifestyle services.
- **Explore limitless possibilities** For Accor, hospitality extends far beyond the walls of its hotels. The Group creates lifestyle experiences that set new trends. Hotels, restaurants, coworking spaces, nightclubs, spas and start-ups at the cutting edge of technology are all part of the Accor universe offered to its employees, with no fewer than 44 brands for living, working and playing.

Because of the Covid-19 pandemic, the employer promise only came partly to life in 2020 and was not rolled out globally. All focus now turns to plans for 2021.

Accor's commitment to its communities and its support for ethics

Throughout the world, Accor operates in line with its ethical values, often demanding more than prevailing local laws. In the direct sphere of its activities, as with its guests, suppliers and partners, Accor is committed to defending human rights, fighting corruption and protecting the privacy of guests.

The Ethics & CSR Charter is the cornerstone of this commitment. It structures the Group's responsibilities and informs its environmental, social and societal policies.

Accor's CSR strategy, Planet 21-Acting Here, is built around four objectives and two priorities chosen in direct response to the social, environmental and societal challenges identified by the Group. This strategy is part of Accor's contribution to the United Nations Sustainable Development Goals (SDGs).

PLANET 21-ACTING HERE
STRATEGIC DRIVERS

Being an inclusive company and guaranteeing the well-being of employees. This goal is reflected in the Group's *Be Limitless* promise as an employer.

Involving guests in leveraging the positive effects of the Group's actions and the actions of its hotels and its employees. Accor aims to provide its guests with an increasingly responsible hotel experience while inviting them to act alongside it.

Sealing a long-lasting relationship with partners, including suppliers and the hotel owners and independent hotels associated with the Group. Preserving its reputation means extending its social, societal and environmental commitments with its partners so that the entire hospitality value chain can benefit from them.

Acting with local communities so that mobilization does not stop at the hotel door.

Lastly, the lessons learned from the Group's environmental footprint are clear: two of its strategic priorities, developing the real-estate holdings that it operates under its banners and developing its food and beverage business, are also the chief levers for reducing its environmental impact. Naturally, Accor is paying particular attention to these two specific challenges, which it hopes to address fully by 2020:

PLANET 21-ACTING HERE
STRATEGIC PRIORITIES

Offering guests healthy and sustainable food, while eliminating food waste.

Supporting hotels through the energy transition by focusing on carbon-neutral buildings.

Planet 21-Acting Here is guiding the company's efforts through the 2016-2021 period. Initially planned for end-2020, the program's completion was pushed back to end-2021, in light of the special circumstances surrounding Covid-19. Each roadmap priority is broken down into specific objectives for 2021 and reviewed annually. Details can be found on pages 221 to 224.

ACCOR, A RESOLUTELY INNOVATIVE GROUP

Over the last fifty 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 changing faster than ever, particularly on the back of a whole series of digital innovations in recent years and the rise of digital players who have upscaled such momentum.
As the pace of innovation picks up, Accor is seeking to become more agile in anticipating future market trends and positioning itself at the forefront of such changes. The Group has also strengthened its distribution and loyalty capabilities.

Robust digital capabilities, with a focus on benefits for guests and partners

The surge in online booking platforms, the immediate expression of feedback by guests and the emergence of new practices have changed the game in the hotel industry. Against this backdrop, in an effort to reinvent digital hospitality, Accor has more recently undertaken a series of digital innovation projects to develop new services specifically for its guests, partners and employees:

- **Offering guests unparalleled digital experiences**, which results in improved understanding, hosting and service, while at the same time strengthening brand loyalty;
- **Optimizing guest insights to provide a more personalized service:** trust is central to the customer relationship, particularly in an industry in which the assessment of the quality of the experience is based more on personal perceptions than objective service data;
- **Simplifying and streamlining the guest experience** across all channels *through* the digitalization of online payment solutions, *online check-in* and *fast check-out*;
- **Assisting travelers with their day-to-day needs** with a new ALL – Accor Live Limitless lifestyle loyalty program and an accompanying app providing access to a comprehensive, simple and appealing digital ecosystem;
- **Monitoring guest conversations:** before booking a hotel bedroom, 95% of travelers read through comments online. These comments are now seen as one of the decisive factors in bookings.

"On average, 1 review is published every 15 seconds: this online feedback offers a unique opportunity to build customer knowledge and effectively improve the services offered to guests by listening to them.[(1)]"

Accor also aspires to make life easier for its hotel partners and strengthen its relationship with them by offering high-quality and efficient information and reporting tools that cater to their every need:

- **Improving their revenue performance and helping them to control their costs** thanks to comprehensive Dynamic Pricing and Revenue Management solutions;
- **Offering a dedicated portal including personalized information and services** and an optimized and automated billing process;
- **Enhancing hotel operators' reputations** through online content and satisfaction surveys conducted with guests to gain an understanding of what they like and optimizing responses to their requests and suggestions;
- **Increasing the agility, robustness and stability of IT systems** to bring new services to market more quickly, ensure the perfect guest experience and keep pace with rising transaction volumes;

"TARS, Accor's distribution system, has some 60 billion booking queries per annum and 1.7 bookings per second.[(1)]"

- **Optimizing the use of databases**, which can be analyzed to improve hotels and guarantee guests a premium, bespoke service. Assembled on a large industrial-scale platform (ACDC), the data collected in hotels can be used by Accor as part of a predictive approach, providing fact-based decision-making support;
- **Offering innovative digital solutions for businesses (MICE & BtoB)**, in particular the booking of seminar spaces, enhanced with BtoB services.

(1) 2019 data, pre-Covid-19

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

To successfully open up to new uses, new generations, new professions and new activities, Accor seeks to stimulate the creativity of its teams through open innovation embracing all driving forces of progress, both internally and externally.

The Group sees anticipating change and constantly evolving as the keys to meeting the needs of its guests, employees and partners.

Accor's innovation ecosystem is designed to support and deliver sustainable value creation. To this end, the Group monitors and analyzes trends in its areas of business, always placing guests and partners at the heart of its thinking. The purpose of the ecosystem is to:

- **stimulate internal innovation,** notably through "intrapreneurship" and mentoring programs;
- **create new brands and new hotel concepts such as** greet, JO&JOE, Le Loft, Flying Nest, *etc.*;
- **Acquire existing brands** to penetrate new business sectors and new markets;
- **Forge strong links with** attractive partners the world over.

A stimulating innovation ecosystem

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

Innovation lab

Tracking trends, underpinning the Group's transformation through strong partnerships with The Camp, Viva Technology, Boma, Innovation Factory

Disruption and growth

Interface between the entrepreneurial ecosystem and the Group and strengthening ties with start-ups

Marketing, digital and e-commerce

Innovation in terms of the customer relationship, concepts and new experiences, with an emphasis on personalization, artificial intelligence (AI) and interactivity with guests and partnerships

Talent & Culture

Identifying and championing employees, managerial and cultural transformation for multi-disciplinary teams

Number of hotels

Implementing transformation and testing Group innovations

Open Ideas

Seeing the need to bridge the gap between those working on the ground and headquarters, Accor encourages each employee to submit via Open Ideas, the internal innovation collaborative platform, ideas either on their own or as part of a team, to vote for those they like, comment on existing submissions and freely discuss with their peers from across the globe. It also serves as an opportunity to take part in global challenges and discussions on real business issues and to iterate and co-create.

The platform, which is an innovation driver, not only plays a role in exploring all possibilities but also rolls out the most promising ideas. The end goal is to bring these proposals to life, as evidenced with the prototyping of the Google Glass for the Accor environment.

Co-innovate alongside the leaders of the future

While start-up and tech partners allow Accor to imagine the experiences that will spur tomorrow's hospitality, its people nonetheless remain the essence of its wealth. That 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.

Partnerships with start-ups

Accor also establishes innovation partnerships with external players in places where hospitality and technology meet, joining forces with them in endeavors that can be used to maximize their growth in its ecosystem. To identify new projects and test concepts that enhance the guest experience, Accor has adopted a co-development and co-creation approach with many start-ups. This ensures faster anticipation of changes, more agile adaptation and accelerated transformation.

Start-ups are true strategic assets for Accor. They bring new life to its thinking and give it access to fresh skills and know-how. Since 2016, a dozen new businesses have taken their place within the Group. These start-ups are listed on an open innovation platform called Startup Flow, accessible to the entire organization.

"At Accor, we believe that collaboration between start-ups and large corporations is key: with an open innovation lab on the one hand and an extensive testing and production ecosystem on the other, the benefits for both sides are clear."

Loosen the constraints on work to make it more agile and cooperative

Accor also fosters new management and collaboration methods to decompartmentalize and free up, and to abolish traditional power dynamics in favor of flowing relationships.

The Group's aim is to shake up habits, disrupt entrenched ways of thinking and unleash the creative potential of employees by training them in innovative work methods, offering them a stimulating work environment and making action plans more collaborative.

To imagine and create unique human experiences, whether for guests, partners or employees, Accor has embraced a creative process that puts people first and draws on experiments in the field (feedback from employees in the Hotel Labs), shunning preconceptions in order to act faster and better.

With a network of more than 150 partner business and hotel management schools and universities in its various host countries, Accor organizes an annual challenge for students aimed at encouraging and promoting its open innovation approach.

For eight years, the Group's teams have thrown down the gauntlet to students from all over the world in the global "TakeOff" challenge, a true springboard to success for the most creative among them. Every year, the event attracts more than 500 entrants, challenging them to find new solutions in a range of strategic areas such as the loyalty program, F&B services and the commitment of guests and employees to sustainable development.

Strategy and objectives

While Group revenue was hard hit by the travel restrictions imposed worldwide in 2020, its growth drivers remain intact, its financials are as strong as ever, and its asset-light model is still agile. All its drivers: its brands, network, expertise in development, hotel management, its distribution systems, loyalty program, product and technological innovations are all assets that give Accor the tools with which to quickly return to sustainable growth once the vaccination programs have shown results. These drivers are currently the source of the Group's resilience in this pandemic and will help us move quickly once the industry starts bouncing back.

In the meantime, Accor is working to enhance its core strengths by continuing to expand its service offering in light of the needs expressed by its guests during the pandemic, adding to its Lifestyle brand portfolio, improving its organizational efficiency and actively pursuing its development across all segments and regions.

A BUSINESS MODEL THAT ADDRESSES FOUR FUNDAMENTAL STRATEGIC CHALLENGES

The ecosystem that Accor has built up in recent years is reflected in a business model that intimately links value-creation mechanisms with multiple partners, hotel operators, non-hotel players and business, making them essential stakeholders.

As an asset-light group, Accor uses hotel assets, maximizing the income for their owners. To this end, it offers a portfolio of 40 hotel brands in addition to a broad range of services developed to elevate the guest experience (concierge service, shows, restaurants, culinary activities, sports events, and many more), and to diversify its offering into other spheres like coworking or private home rental.

In parallel, Accor offers its hotel partners a series of services to help optimize the management of their hotels; financial services, marketing, HR (Accor Academy), digital/IT (PMS, CRS, CRM), procurement (Adoria, Astore), distribution (D-Edge, VeryChic, Gekko, ResDiary), loyalty (ALL), etc.

Moreover, the Group has joined forces with a growing number of players in the loyalty space, significantly expanding the number of benefits offered under its loyalty program, in turn boosting its commercial appeal, loyalty potential and the visibility of its offerings.

Regardless of the standpoint used to assess the Group's model, its ecosystem has been designed to meet the following fundamentally strategic growth challenges:

Attract and retain — *Accelerate growth* — *Optimize the model* — *Promote positive hospitality*

Augmented hospitality

GUESTS

ALL ACCOR LIVE LIMITLESS

90 commercial partners [7]

GLOBAL DIGITAL ECOSYSTEM
boosting Accor's appeal and the loyalty program's profitability (personalization & loyalty)

HOTEL OWNERS [1]
on whose behalf Accor operates hotels

Real estate capital
5,139 hotels
753,344 rooms
110 countries

Human capital
~266,000 employees worldwide

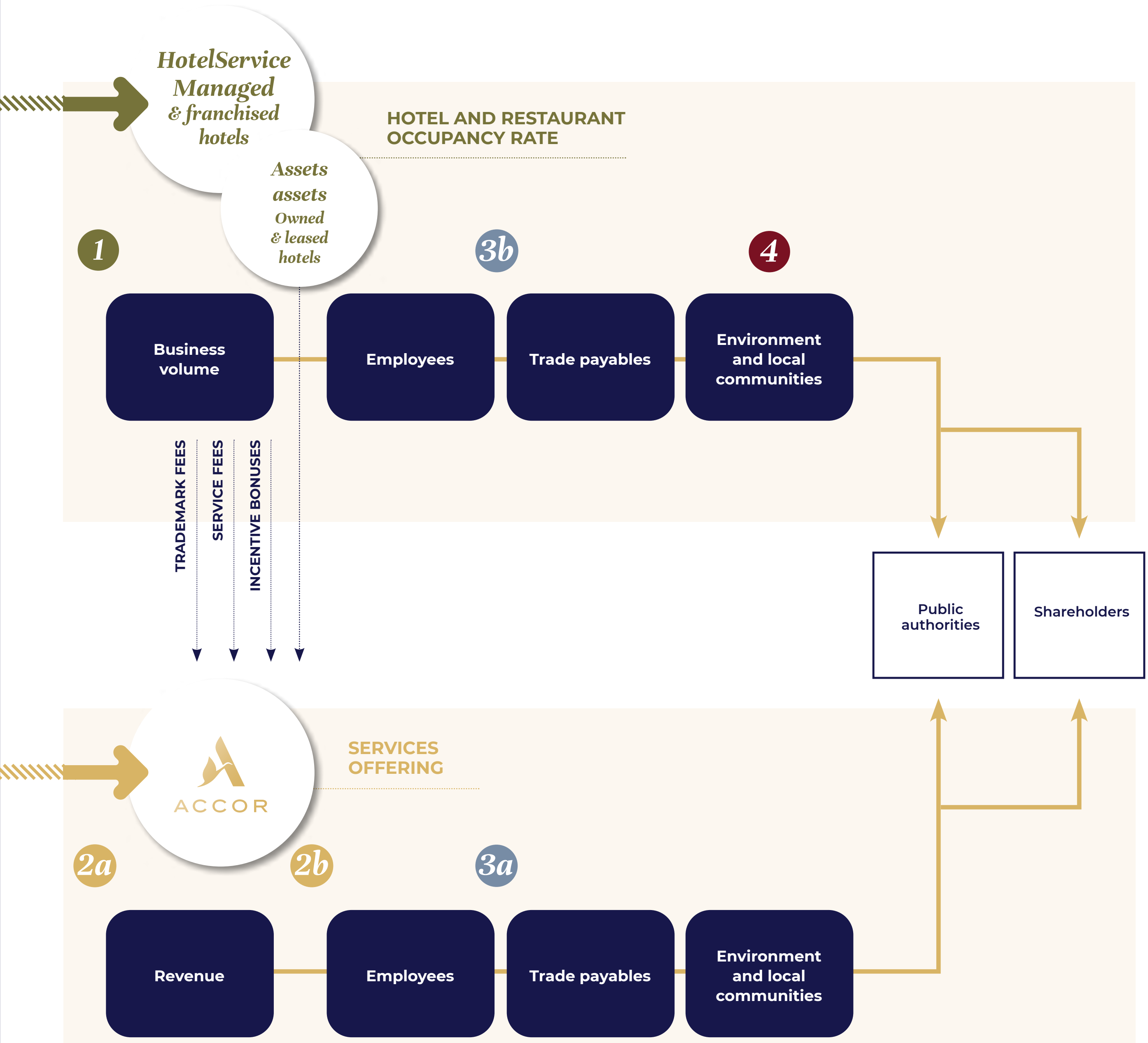
HOSPITALITY SERVICES OFFERING
expanding the catalog of brands and services for hotel owners and guests

Hotel chains [2]

New Businesses

1. Services [3], travel [4], digital [5]
2. & Workspitality [6]

NGOs and purpose-driven companies



1 *Attract & retain*

2 *Accelerate growth*

3 *Optimize the mode*

4 *Promote positive hospitality*

(1) Partner hotel owners: AccorInvest, Huazhu. (2) Partner hotel chains: Ennismore (Mama Shelter, 25hours, SBE), Mantis, Rixos, Atton, Adagio, Risma, Orient Express, Banyan Tree. (3) Partner service companies: Paris Society, Potel & Chabot. (4) Travel operators: VeryChic, Gekko, OFS. (5) Digital companies: ResDiary, D-Edge, Adoria. John Paul. (6) Workspitality: Wojo (7) ALL business partners: PSG, IMG, AEG, VISA/BNP Paribas, Air France and more

Attract and retain

The emergence of digital players has accustomed guests to new services and new offers, sparking profound changes in their expectations. Once merely functional and practical, needs now extend into the areas of emotion and experience. Delivering the best *value* for money is obviously essential, but is no longer enough, as guests today are looking to satisfy other more deep-seated needs 1:

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 personalization

ACCOR'S RESPONSE

Both technological, harnessing the power of big data and AI to better grasp and anticipate guests' needs (ACDC [1], 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.

MORE meaningful and unique experiences

ACCOR'S RESPONSE

Iconic partnerships (IMG, AEG, PSG, Visa and BNP Paribas, Grab, Accor Arena) and new 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.

1 *Accor Customer Digital Card.*

ACCOR'S RESPONSE

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. On the back of the long list of benefits available through the ALL partnerships, and the extremely wide range of hospitality services on offer, ALL looks to increase the long-term loyalty of its guests and 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 and evocative 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, Grab, Alibaba, Visa, *etc.*), via partner loyalty programs.

In an asset-light model where brands are a company's core 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).

Short-term, the pandemic will enable Accor to more specifically focus its marketing efforts on local audiences who will underpin the recovery, particularly in the economy and midscale segments.

Accelerate growth

The development of the hotel network 2a has a decisive influence on Accor's revenue growth. Two drivers have traditionally been used:

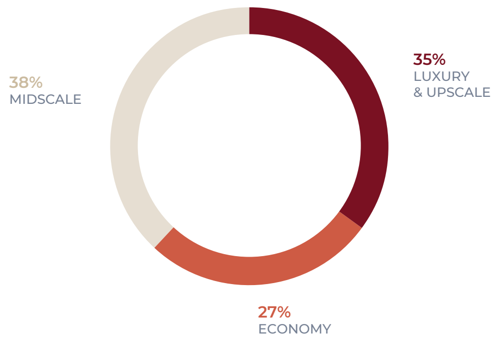
- Network growth, both organic and through acquisition;
- Growth in the RevPAR *ratio*, by moving towards the most profitable segments (Luxury, Lifestyle, Resort, *etc.*) and types of contracts (management), and by increasing the profitability of the floor space of hotels through concepts and services 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 (75% of current development); a strategy covering all segments, specifically the most profitable (Luxury, Lifestyle, Resort, *etc.*); facilitating the conversion of hotels to accelerate its development in the targeted segments; acquisition of hotel networks and signing of partnerships to strengthen regional leadership and its brand portfolio (FRHI, Mövenpick, Mantra, Atton, SBE, BHG, Ennismore, *etc.*).

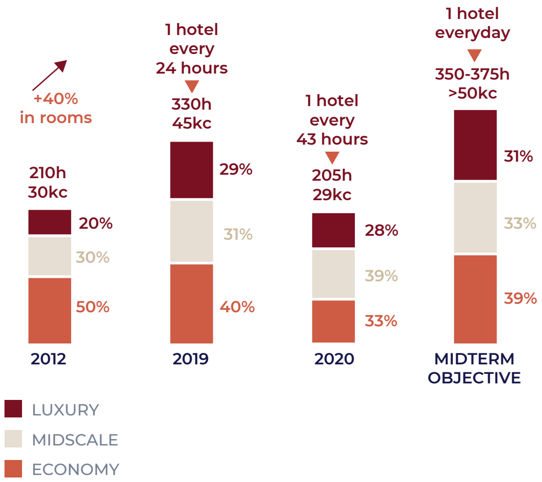
With this strategy, Accor is consolidating its leading positions in the regions and segments in which it operates, accelerating its expansion in high growth regions, such as China, thanks to Huazhu, and penetrating the US market in a targeted way through appropriate acquisitions in terms of brands and 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 boasts the best conversion rate in the sector, reflecting its stellar ability to complete its opening projects, primarily in the most profitable segments, as well as in the midscale and economy segments so as to maintain a balanced brand portfolio.



INCREASING LUXURY PIPELINE IN ROOMS
(as a %)

In order to bounce back as quickly as possible from the pandemic, Accor plans to first capitalize on its economy and midscale brands that have a strong local connection, in order to draw maximum advantage from local demand, which is expected to be skewed in the short-term towards local and leisure trips.



CHANGE AND OUTLOOK
FOR ORGANIC DEVELOPMENT
(as a %)

1.9%

Solid network growth
despite the health crisis

Diversification of hotel revenue through maximizing the income from floor space (Accor Local to open up to local guests, coworking with Wojo Corners to appeal to workers, One Park for car parks, intrapreneurship projects and support for start-ups); strengthening of food and beverages to develop appealing concepts that are better tailored to their local environment, with menus that more closely reflect guest expectations (high-quality, healthy produce, shorter menus that focus on local and sustainable products).

To sustain its growth, the Group also decided to expand its playing field by moving into part of the industrial value chain through the acquisition of booking platforms and companies offering hospitality-related services.

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 (Adoria, 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).

Another growth driver within the Group is the rapid increase in 2b 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 income.

ACCOR'S RESPONSE

Whether via its hotel brands, restaurants, coworking offerings or private home rental, concierge, convenience and entertainment services, via its travel or digital services, or indeed via its open innovation strategy designed to identify and test pilot concepts, to invest in the most promising start-ups, all these services bring Accor guests with highly different expectations who are not necessarily aware of the other services offered within its ecosystem, and thus have an opportunity to learn about 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, making it possible to not only attract new guests but also to be a source of new suggestions given its extensive offering as well as 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) and loyalty spaces. Such partnerships add to 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*).

Optimize the mode

For Accor 3a, it is a matter of bringing its cost structure into line with the organization of the asset-light model, and identifying the key resources needed to meet the challenges of the future.

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 3b, the challenge is to increase the effectiveness and profitability of the hotel management model the Group offers them: offer operational solutions to reduce their operating expenses; improve service quality, increase employee commitment and boost the appeal of the employer brand as well as reducing the employee turnover rate.

ACCOR'S RESPONSE

The *Heartist*® project and the new employer promise to enhance the role of employees; new talent and training management tools and processes; the engagement of the teams on community projects, as well as the development of new recruitment channels via integration; a new procurement platform and a revised supplier approval policy – with in particular the targeting of larger sales volumes via partnerships – to reduce purchase costs; programs to reduce food waste, energy consumption, water, laundry; the improvement of design and technical tools and processes, along with the operation of brand standards, to make them more flexible and less burdensome to use.

Streamlining the Group's structure

To align the structure of Accor SA with the Group's, Accor committed to undertake an in-depth review of its processes to map all its activities and identify any that might 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 without adversely impacting the functioning of the Company. This organizational work streamlines management structures. The Sales, Marketing, Distribution and Loyalty (SMDL) division also agreed to renegotiate its multiple service agreements in the IT sphere.

The Group's target is to achieve recurring savings of €200 million off a cost base of €1.2 billion, with 66% in 2021 and 100% in 2022.

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

This new organization will be rolled out in fiscal 2021.

€200m

of recurring savings as of 2022

Promote positive hospitality

Accor can make a positive contribution to society in two big ways 4 : 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 2 "Corporate Responsibility").

2020 was an exceptional year because of the Covid-19 crisis. Given the challenging economic environment Accor Group has experienced, a very large number of programs or projects connected with the Ethics & CSR approach have been put on hold or slowed down. In this deadline, the targets set for end-2020 were pushed back to end-2021, in particular the achievement of the targets of the Planet 21 program. 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.

"Accor has nevertheless shown its responsiveness and willingness during this extraordinary period to reallocate resources. The Group prioritized the health and social needs created by the pandemic and maintained its focus on sustainability."

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:

- The completion of the climate strategy submission to SBTi (Science Based Targets Initiative — see section 2.7.1.2). This carbon trajectory is compatible with the Paris Accord 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, use of renewable energy and carbon offsetting.
  Details of this roadmap can be found on page 157.
- Ongoing efforts to eliminate single-use plastic from the guest experience by end-2022 — despite the trend towards the increasing use of single-use products for health reasons;
- The establishment of an ALL Heartist solidarity program for employees most affected by the pandemic.

KEY ACHIEVEMENTS IN 2020 ILLUSTRATING ACCOR'S STRATEGY

"Against an unfavorable backdrop, Accor committed to supporting those most affected by the crisis, while continuing to improve its business model."

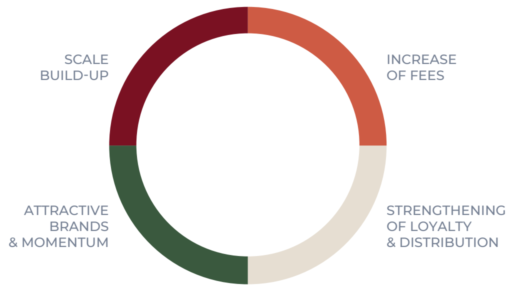
	Attract and retain	*Accelerate growth*		*Optimize the mode*		*Promote positive hospitality*
		DEVELOP	MULTIPLY	ACCOR	NUMBER OF HOTELS	
SOLIDARITY						
Launch of the ALL Heartist solidarity fund to support Group employees, its individual partners, professionals tackling Covid-19 and the vulnerable						X
CROSS-COMPANY PROJECTS						
Definition of a carbon trajectory that is compatible with the Paris Agreement target of limiting global warming to 1.5°C (see 2.7.1) audited by the *Science Based Targets Initiative*						X
Commitment to eliminate single-use plastic by 2022 (see 2.4.2.1)						X
Streamlining of the structure of Accor SA to align it with the Group's to generate recurring savings of €200 million				X	X	
Preservation of Group cash and strengthening of the statement of financial position with the arrangement of a new €560 million revolving credit facility and the issue of €500 million in Océane bonds				X	X	
Roll-out of a digital key known as 'Accor Key' across all Group hotels, facilitating an entirely contactless experience (see 1.4.5.)	X					
BRANDS						
Strategic partnership with the Faena lifestyle brand to expand into strategic international destinations (see 1.4.3.)	X	X				
Outright acquisition of SBE's asset-light operations (see 1.4.3.)	X	X				
Negotiations with Ennismore to create the largest Lifestyle hotel operator globally (13 global banners) (see 1.4.3.)	X	X				
PARTNERSHIPS						
Creation of the 'ALLSAFE' label in partnership with Bureau Veritas to level up hotel standards in terms of health, hygiene and prevention and rebuild customer confidence (see 1.4.5.)	X					
Creation of medical assistance in partnership with Axa Partners to provide guests with medical assistance during their stays (see 1.4.5.)	X					
Partnership between Accor and Grab allowing their respective members to access the 40 Accor hotel banners and the wide range of GrabRewards services (see 1.5.2)	X		X			
International partnership between Accor, Visa and BNP Paribas creating a new ALL – Visa card ensuring ALL loyalty program member access to the new ALL – Visa card for their everyday purchases (see 1.5.2)	X		X			
DISPOSALS						
Acquisition of 33.15% of the capital of Orbis for €339 million, then takeover of the Orbis hotel services activity for €286 million and **sale of Orbis real estate operations for €1.06 billion** (see 1.3.1)				X	X	
Sale & management back agreement with the HR Group private fund for the restructuring of a portfolio of 16 Mövenpick leased hotels based in Germany, Switzerland and the Netherlands (see 1.3.1.)				X	X	

AN AGILE BUSINESS MODEL TO NAVIGATE THE CRISIS

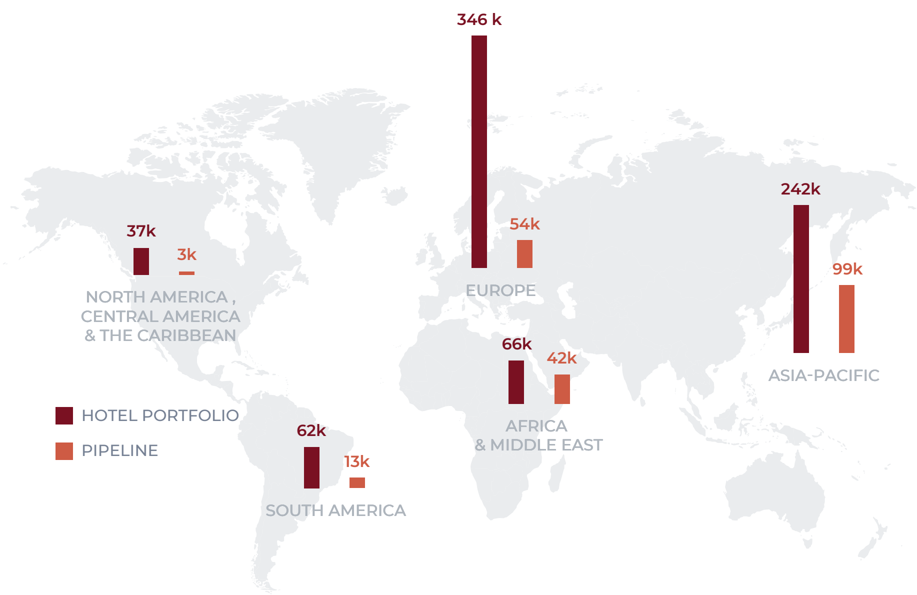
In a few short years, Accor took key opportunities to overhaul its business model with, in early 2020, the finalization of the sale of Orbis and of 16 Mövenpick leased hotels. Thanks to these initiatives, the Group now has a robust financial structure.

Thanks to its asset-light model, Accor has successfully navigated the pandemic in good condition while continuing to prepare for the future. In 2020, the Group continued to add services to its ecosystem in the health and medical spheres through partnerships with Bureau Veritas and Axa Partners in an effort to protect its guests and partners.

Agile and innovative, in 2020, Accor had a strong operating profile, built on pivotal strategic drivers, which currently ensure its resilience in the crisis and will underpin its long-term growth as soon as the economic climate improves.



THE VIRTUOUS CIRCLE OF AN ASSET-LIGHT MODEL



78%
openings completed outside Europe in 2020

HOTEL PORTFOLIO AND PIPELINE BY REGION AT DECEMBER 31, 2020
(in thousands of rooms)

A balanced operating profile

The transformation Accor has seen over recent years has profoundly changed its revenue base, which primarily consists of fees paid by franchised and managed hotels across its geographic footprint.

The influence of regions and segments on Accor's revenue and results was rebalanced in favor of emerging markets and the luxury, premium and Lifestyle segments, which offer the most attractive long-term growth and value creation potential.

Thanks to its model, Accor's results are much more sensitive to its organic and external growth because every new hotel, even one that is not profitable, is able to generate new fees once it starts operating. Its results are thus also more dependent on Customer satisfaction, which is a function of the strength of the relationship and experience created. Accor's results are also sensitive to the attractiveness of its brands, its service offerings and its loyalty program.

Group priorities

Accor's extensive offering means it enjoys a prime position in the hospitality services market. More than ever, its priorities are as follows:

- Offer unique and memorable experiences.
- Forge close partnerships with each stakeholder by developing impactful, personalized relations.
- Diversify its offerings to expand its revenue base.
- Acquire and build loyalty across ever more customers thanks to the attractiveness of its loyalty program.
- Strengthen its distribution.
- Deepen its network in growth markets.
- Expand its brand portfolio in key segments.
- Meet the needs of its most demanding guests and satisfy their expectations in terms of safety and flexibility.

Encouraging signs of recovery

As mentioned earlier, the Covid-19 pandemic has heavily hit business and leisure travel worldwide and seriously impacted Accor's activities in 2020. Factoring in the uncertainties still surrounding the pace of the recovery during 2021, the Group does not intend to communicate an annual EBITDA target at present. Nevertheless, Accor is confident in the sector's ability to bounce back and expects a gradual recovery in tourist activity as of this year and a return to 2019 business levels as of 2024 [1].

> *"Accor is confident in the sector's ability to bounce back and expects a gradual recovery in tourist activity as of this year and a return to 2019 business levels as of 2024.[1]"*

If the vaccination campaigns rolled out worldwide continue at the pace observed at end-March 2021, particularly in the regions worse affected by the virus, the vulnerable and willing groups should be immunized in 2021. 2021 should thus allow for tourism to restart at local levels and kick-start a more marked recovery in the second half. 2022 and 2023 should see a progressive broadening of this trend worldwide and enable a return to pre-pandemic travel habits in 2024 [1].

Likely fall in revenue from international business travel

Whilst looking forward to renewed tourism growth, the pandemic has shown that it is possible to maintain strong business relationships remotely without affecting their purpose, and working at effectively managing events that were previously in-person, in online or hybrid modes (mix of in-person and online meetings). In light of this, it is likely that some business travel involving visits, business meetings or team meetings for internal seminars and conferences, will not return to pre-pandemic levels. This is all the more likely given that businesses are looking to cut costs. Accor is thus not expecting to see a resurgence in these activities before 2022 and 2023, and at a lower intensity than previously. On the other hand, business travel intended to meet guests or maintain strong and lasting relationships with partners should pick up quickly once restrictions are lifted. The same should be true of major trade fairs and conferences which draw such groups to the hotels. In terms of leisure travel, Accor is already seeing very strong hopes for the coming months, like what was seen in summer 2020. Right now, this interest is primarily being expressed in the form of domestic demand in search of local destinations in the economy and midscale segments, on which Accor hopes to build.

Income likely to increase from coworking

While the pandemic is likely to have impacted the international business travel segment, it also encouraged remote working and changed employee perceptions about their ways of working. Employees are now looking for greater work-life balance, but also not to work from home or their company's offices, in good quality offices less than 10 minutes from home.

To meet such aspirations, the Group's hotels are currently receiving a high number of requests from companies looking to offer their employees such working arrangements. The Group plans to successfully meet such requests by extending the development of such dedicated spaces within hotels and by reconfiguring rooms as offices of all sizes to cater to all needs.

1 *UNWTO projections, study conducted in December 2020.*

A GROUP THAT HAS BEEN RESILIENT DURING THE CRISIS THANKS TO THE ONGOING STRONG CASH POSITION AND MORE EFFICIENT ORGANIZATION

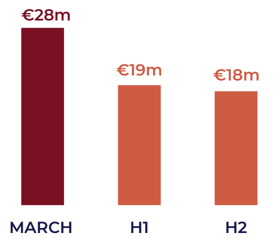
Following the disposal of assets in recent years, the asset-light model adopted by Accor has heavily refocused its revenue on the fees billed to franchised and managed hotels. This transformation also significantly improved both its cost base and profitability. Since it no longer incurred hotel overheads, the Management and Franchise business run by HotelServices saw its EBITDA margin rise to close to 75% in 2019.

The health crisis led to a drastic drop in hotel occupancy due to travel restrictions, resulting in a 72% decline like-for-like in fees collected by the Group in 2020, which totaled €292 million.
Consolidated EBITDA was -€391 million versus +€825 million in 2019, bringing the EBITDA margin to -24,1%.

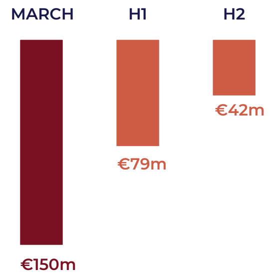
Preserving Group cash and strengthening the statement of financial position

Although the Group completed the transformation of its asset-light model in 2020, the crisis and its impact on results show that it must continue its evolution. In order to counter the seriousness of the situation and respond to the fall in its revenue, from end-March, Accor introduced an extraordinary plan to cut central costs by €60 million (travel ban, hiring freeze, partial unemployment of its staff in addition to streamlining other cost centers (Distribution, Marketing, IT, Hotel Assets and New Businesses). The Group also scaled back the recurring expenditure planned for 2020 by €60 million.

Thanks to these measures, the average monthly cash burn totaled €61 million in 2020, down on €80 million for the first half of 2020. The sensitivity of EBITDA in RevPAR amounted to €18 million in the second half, versus €20 million in the first half.



SENSITIVITY OF EBITDA TO REVPAR REDUCED
(in €m)

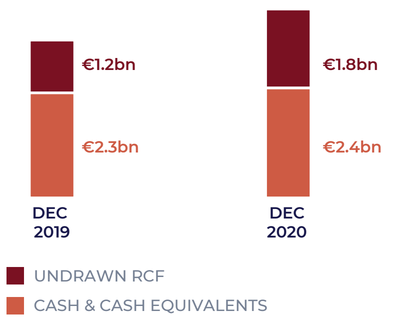


MONTHLY CASH BURN REDUCED
(in €m)

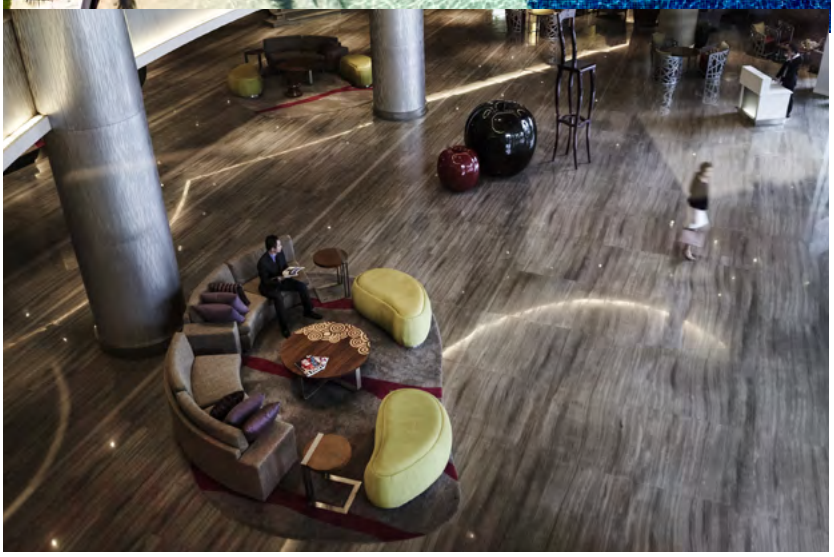
€4.2bn

in liquidity at end-December 2020

In parallel, Accor strengthened its financials by arranging a new €560 million revolving credit facility, supplementing an undrawn credit facility for €1.2 billion, and issued €500 million in Océane bonds at an annual coupon of 0.70%. At end-December 2020, the Group's liquidity amounted to €4.2 billion.



A STRONG LIQUIDITY
(in €bn)



Streamlined head office organization to upscale performance

Following emergency measures adopted in response to the pandemic, Accor is now undertaking a more in-depth review of its structure, model and mission to adapt its structure accordingly and emerge stronger from the crisis. Its cost structure is still too inflexible, complex and cumbersome to take full advantage of the responsiveness afforded by the asset-light model. Against this background, Accor decided to streamline the structure of the parent company to bring it into line with the Group's.

To this end, Accor SA conducted an in-depth analysis of its structure that resulted in the introduction of a plan to generate €200 million in recurring cost savings off a cost base of €1.2 billion. This plan includes:

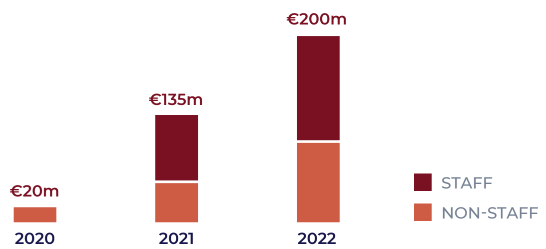
- Pooling of efforts and standardizing the structure by reducing regional Hubs from five to eight;
- Streamlining operating structures. Eliminating the Europe and Asia-Pacific consolidating entity;
- Eliminating and simplifying tasks. The frequency of 1,000 tasks will be eliminated or reduced;
- Automating processes thanks to the establishment of shared services;
- Cutting travel expenditure at the corporate level;
- Bringing consultants in-house within the SMDL business and cutting spending on outside services.

"On an annualized basis, two thirds of the savings are to be generated by end-2021 and 100% by end-2022."

This plan breaks down into 50% in savings on personnel expenses and 50% in savings on other expenses.

This restructuring will pay for itself in less than two years from implementing the plan and carries an implementation cost of €300 million, staggered over 2021 to 2023, including €168 million booked in 2020.

Thanks to savings implemented in 2021, for an amount of €135 million, Accor expects to have a positive impact of €70 million on EBITDA on a full-year basis.

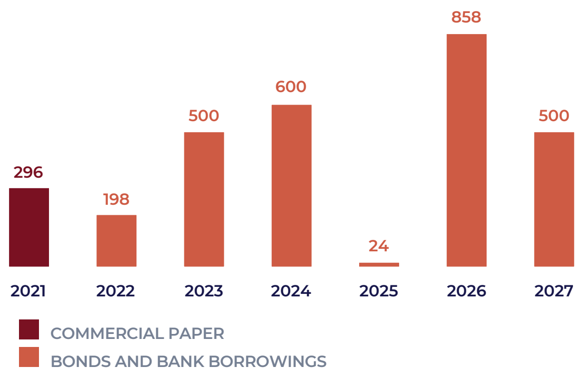


PERMANENT INCREASE IN EBITDA OF €200 million FROM 2022
(in €m)

Robust financial structure

Thanks to the sale of 85.8% of Orbis and of 16 Mövenpick hotels in 2020, on top of the disposals of 70% of AccorInvest and of 4.9% of Huazhu at end-2019,, Accor no longer holds practically any hotel assets, and has reasonable debt levels.

These disposals allowed Accor to strengthen its financial structure while continuing its organic growth in a sensitive context, and to enter into partnerships that help enhance the safety of its guests and their loyalty to the Group.



(1) Excluding hybrid bond

DEBT PROFILE (1) AT END-FEBRUARY
(in €m)

Since the transformation of its model in 2018, Accor no longer invests in real-estate and enjoys a lower cost structure, based on an optimized fee model. The final piece of the transformation currently underway is the streamlining of the structure of Accor SA to make the organization more effective. The Group thus hopes to be less exposed to downturns in the future.

Thanks to its cash pile and its asset-light model, Accor has sufficient financial strength to navigate any crisis while preparing for the recovery.

Acquisitions

Accor intends to continue exercising caution regarding the use of its resources until the recovery. Accor will thus conserve liquidity insofar as necessary, with a view to not adversely impacting its credit profile [1].

No proposed acquisition is currently being considered. The Group will look at allocating resources to acquisitions when the outlook so permits. For reference, prior to Covid, Accor was looking at small and medium-size asset-light groups in this sphere in terms of their potential for profitability, growth, integration and expansion of its ecosystem, with the goal of consolidating its leadership in key markets, building new leading positions in fast-growing markets, and accelerating its growth in niche markets. Such investments were undertaken on the basis of strict financial indicators, growth projections and attractive results.

Dividend policy

Accor's dividend policy was reviewed in 2018 to be directly correlated with the value creation of its business model.

In order to be transparent and directly based on the Group's cash-flow generation, the dividend is determined on the basis of the recurring Free Cash-Flow generated by Accor, to which a payout rate of 50% is applied.

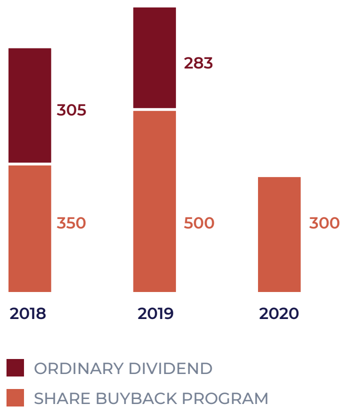
Shareholder payouts

While the Group's financial soundness allowed it up to 2019 to undertake both acquisitions and make extraordinary payouts to shareholders whilst keeping an eye on its credit profile, in 2020, the crisis forced Accor to take a series of firm measures to reduce its cash burn.

For reference, Accor had set itself the target of buying back 10% of its share capital by July 2020 through share buybacks totaling €850 million at end-2019, representing 7.5% of the share capital. Accor had also announced plans to return a further €1.0 billion to shareholders in 2020 and 2021, including €300 million under the share buyback program launched in 2018, along with the €700 million paid out in 2020 and 2021.

The €300 million share buyback program launched on January 20, 2020 was completed on March 24, 2020. As regards the two other tranches, Accor decided to suspend them for the time being given the uncertainty the Covid-19 pandemic has created for its operations since March 2020.

Exceptionally, the Board of Directors also decided to suspend payment of an ordinary dividend for fiscal 2019 to preserve Group cash. The same will apply for 2020.



SHAREHOLDER PAYOUTS
(in €m)

1 *Adjusted net debt / Adjusted EBITDA < 2.5x-3.0x and Adjusted funds from operations / Adjusted Net Debt > 25%-30.*

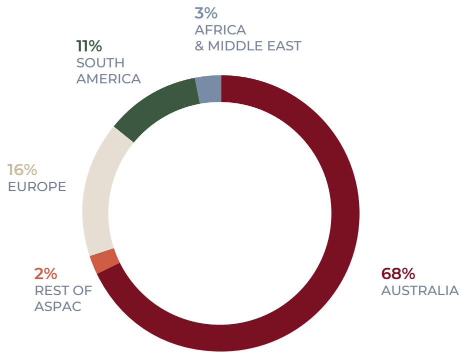
Achievements in 2020

Hotel Assets & Others

This division primarily includes the hotels operated by Mantra in Australia, where 63% of the division's revenue came from a strong summer season, and hotels located in Europe (16%) and Brazil (11%).

In 2020, the division saw a 63% fall in revenue and a 98% fall in EBITDA as reported. In order to diminish this operating loss, Accor made the costs of the hotels based in Australia and Europe variable through the use of partial unemployment schemes and benefited from variable leases in Brazil and Turkey.

For reference, the Hotel Assets division accounted for 26% of Accor EBITDA in 2019.



REVENUE
DRIVEN BY AUSTRALIA
(as a %)

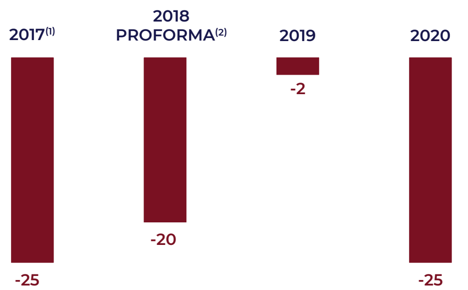
New Businesses

This division has also been affected by the crisis with revenue down 43% and EBITDA of -€25 million versus €2 million in 2019.

The revenue of digital services (D-Edge, ResDiary, Adoria, John Paul) declined 28% whilst that of travel-related businesses (onefinestay, Gekko, VeryChic) fell 69%.

The digital service entities D-Edge, ResDiary and Adoria showed some resilience during the crisis thanks to the loyalty of their clients and the extension of the length of their contracts.

The Gekko and VeryChic travel-related businesses were directly impacted by the lockdowns, curfews and border closures. Onefinestay continued to close unprofitable destinations and to refocus on long stays.



EBITDA
(in €m)

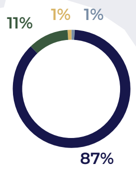
(1) Figures for FY17 are before IFRS 16 implementation.
(2) Proforma financial information after IFRS 16 implementation.

Performance
and leadership

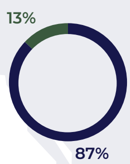
NORTH AMERICA, CENTRAL AMERICA & THE CARIBBEAN

25,000 employees

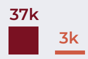
Employees by operating structure



Breakdown of hotel portfolio*



Hotel portfolio and pipeline



WORLDWIDE

~266,000
EMPLOYEES

€266
M
IN HOTEL FEES

444,408
ROOMS IN **MANAGED HOTELS**

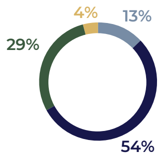
279,834
ROOMS IN **FRANCHISE HOTELS**

29,102
ROOMS IN **AFFILIATE HOTELS**

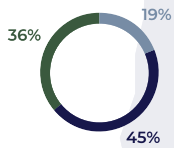
SOUTH AMERICA

15,300 employees

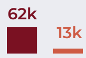
Employees by operating structure



Breakdown of hotel portfolio*



Hotel portfolio and pipeline



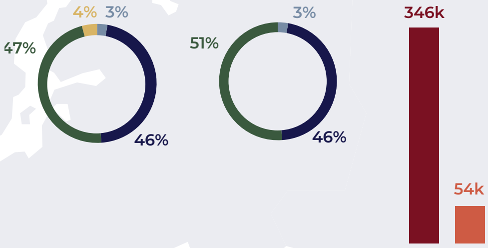
67m
CARDHOLDERS (EXCL. HUAZHU)

+31%
CARDHOLDERS IN 2020

EUROPE

77,500 employees

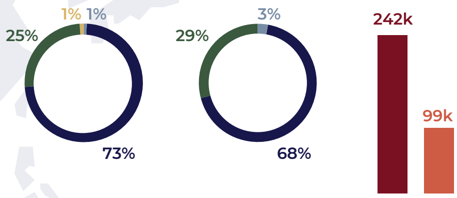
Employees by operating structure | Breakdown of hotel portfolio* | Hotel portfolio and pipeline



ASIA-PACIFIC

115,400 employees

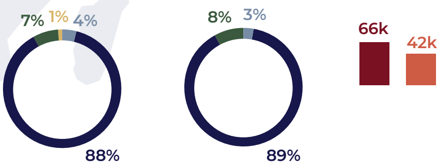
Employees by operating structure | Breakdown of hotel portfolio* | Hotel portfolio and pipeline



MIDDLE EAST & AFRICA

32,700 employees

Employees by operating structure | Breakdown of hotel portfolio* | Hotel portfolio and pipeline

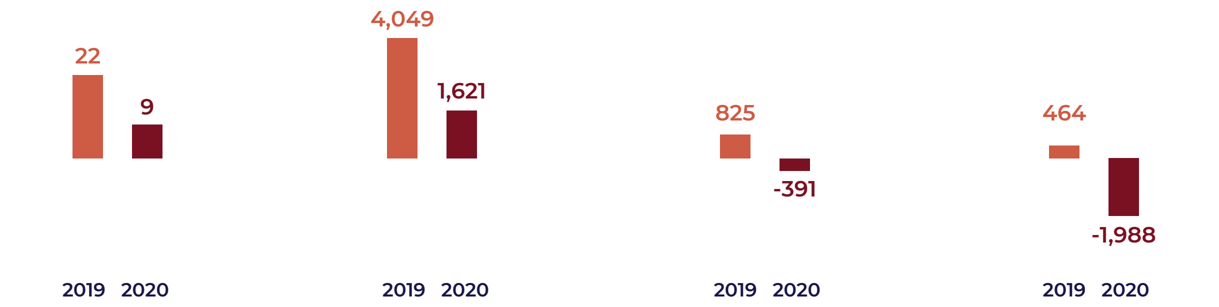


Network and Pipeline
- Hotel portfolio
- Pipeline

Operating structure
- Owned hotels
- Managed hotels
- Franchise hotels
- Headquarters

As a % based on number of rooms.

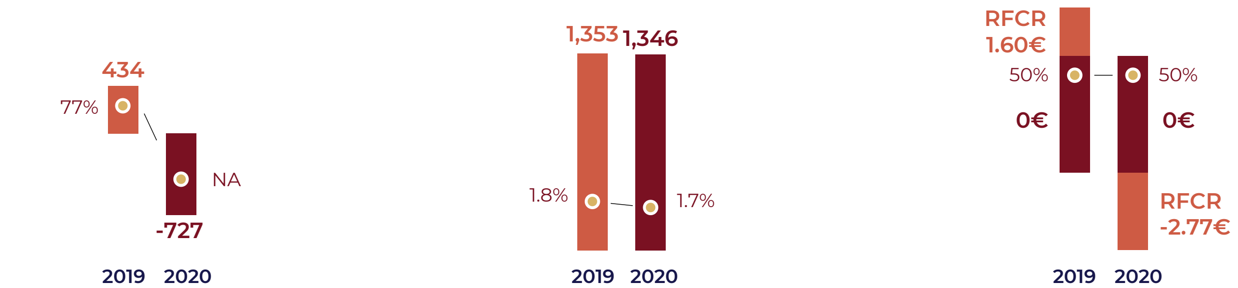
FINANCIAL PERFORMANCE



HOTELSERVICES' BUSINESS VOLUME *(in €bn)* | REVENUE *(in €m)* | EBITDA *(in €m)* | NET PROFIT GROUP SHARE *(in €m)*

€7.7bn

Stock market capitalization as of December 31, 2020



RECURRING CASH-LOW *(in €m)*
Cash conversion as a % of EBITDA

NET DEBT *(in €m)*
Cost of debt (as a %)

RFCF[1] PER SHARE *(in €)*
Payout ratio (as a %)
Dividend per share (in €)

ACCOR'S FINANCIAL AND NON-FINANCIAL RATINGS:
S&P: BB+ with negative outlook
Fitch: BB+ with stable outlook

ACCOR CELEBRATED FOR CSR WITH EXTRA-FINANCIAL RATING AGENCIES IN ITS SECTOR:
#1 CDP Carbon
#1 ISS-Oekom
#2 Sustainalytics
#2 MSCI

Accor is also included in the following indices:
Euronext Vigeo, FTSE4Good, Ethibel Sustainability, Standard Ethics French, MSCI ACWI ESG Leaders, MSCI ACWI ESG UNIVERSAL, STOXX®, CAC40-ESG

Accor is also rated by the following non-financial organizations:

- CDP Carbon score: A-
- ISS ESG rating: "Prime"
- Ecovadis rating: "gold level 2020";
- Sustainalytics rating: "ESG Risk Rating: 18.9, Low risk, 2nd in Travel, Lodging and Amusement"
- Gaïa rating: 73
- MSCI rating: A

1 *Recurring Free Cash Flow.*

Reliable governance to support the strategy

ACCOR'S GOVERNANCE SUPPORTS THE GROUP'S STRATEGY AND GOOD CONDUCT

The roles of Chairman of the Board of Directors and Chief Executive Officer have been combined since 2009. The Board considered that, by combining the roles of Chairman of the Board and Chief Executive Officer, the Group would be able to have greater agility in its governance and management, particularly during a period of transformation or an economic downturn, while creating a direct relationship between management and shareholders. Since 2009, the Board has noted with satisfaction the effectiveness of the balance of power existing between its executive and non-executive directors, notably thanks to the presence of a Senior Independent Director.

The independent directors (60% of the Board) **and the four Board committees** also contribute to the balance of powers. The activity of the Board Committees in 2020 is discussed below.

The Board of Directors 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 Executive Committee has 17 members representing all of the businesses and geographical regions in which the Group operates and contributes to the management and anticipation of major challenges. It implements the strategic objectives approved by the Board of Directors, reviews significant issues and monitors the operating performance against the objectives set.

Since 2014, the **Ethics and CSR Committee** has been tasked with reporting to the Executive Committee on matters pertaining to ethics and CSR, making recommendations and discussing any matter pertaining to managerial ethics or business conduct, or potential conflicts of interest and analyzing any potential dysfunctions and initiating specific additional controls if needed.

Further information on Accor's governance can be found in Section 3.1 "Corporate governance and governance structure".

FOCUS ON THE MEMBERSHIP AND ORGANIZATION OF THE BOARD OF DIRECTORS

The Company is governed by a Board of Directors that looks to ensure its members have complementary technical skills and expertise (in particular finance, marketing, digital, luxury or hospitality) to enable the Board to properly identify and understand the challenges faced by the Group's activities and help foster their development.

Membership of the Board of Directors as of December 31, 2020

Sheikh Nawaf
BIN JASSIM BIN JABOR AL-THANI
End of term – 2022 AGM

Bruno
PAVLOVSKY
End of term – 2023 AGM

Aziz
ALUTHMAN FAKHROO
End of term – 2022 AGM

Sarmad
ZOK
End of term – 2022 AGM

Sébastien
BAZIN
End of term – 2023 AGM

Isabelle
SIMON
End of term – 2022 AGM

Iliane
DUMAS
End of term - 05/02/2023

Nicolas
SARKOZY
End of term – 2022 AGM

Sophie
GASPERMENT
End of term – 2022 AGM

Iris
KNOBLOCH
End of term – 2023 AGM

Chantale
HOOGSTOEL [1]
End of term - 01/11/2021

Qionger
JIANG
End of term – 2022 AGM

AUDIT, COMPLIANCE & RISKS COMMITTEE

COMMITMENTS COMMITTEE

APPOINTMENTS, COMPENSATION AND CSR COMMITTEE

INTERNATIONAL STRATEGY COMMITTEE

Independent

Not-independent

Directors chairing a Committee

Director representing employees

Vice-Chair and Senior Independent Director

40%
Percentage of women directors

53
Average age

60%
Independence of the Board

1 *On January 27, 2021, Ms. Christine Serre was appointed as Director representing employees to succeed to Ms. Chantale Hoogstoel, whose term of office expired.*

BOARD OF DIRECTORS

17 meetings in 2020

96.57% attendance rate

- Monitoring the health crisis and its consequences for the Group
- Monitoring the implementation of an emergency plan
- Monitoring the missions conducted by the ALL Heartist Fund
- "*Reset*" plan targeting perennial cost savings
- Arrangement of a revolving credit facility of €560,000,000

- Completion of the sale of 85.8% of the share capital of Orbis to Accor Invest and the *Sale & Management back* agreement for the Mövenpick leased hotels
- ALL – Accor Live Limitless *loyalty program*
- Acquisition of 100% of sbe's asset light operations
- Continuation of share buyback program
- 2019 parent company and consolidated financial statements and 2020 interim financial statements
- Review of the independence of directors and potential conflicts of interest
- Approval of an interim plan
- Notice of the Annual Shareholders' Meeting
- Review the duties and membership of the Board Committees

Work of the Board of Directors and its Committees in 2020

All information relating to the Company's governance is provided in the corporate governance report in section 3.1 of the Universal Registration Document.

BOARD COMMITTEES

Commitments

8 meetings

- Review and monitoring of the various acquisitions and disposals projects

International Strategy

1 meeting

- Recent developments (particularly monitoring the pandemic) and their impact on the Group's operations

Audit, Compliance & Risks

5 meetings

- Interim and full-year accounts
- Group financial results
- Adoption of a related-party agreements charter
- Review of the fees of the Statutory Auditors
- Monitoring of the missions conducted by the ALL Heartist Fund
- Review of the cybersecurity and personal data protection measures put in place
- Monitoring of the Group compliance program

Appointments, Compensation and CSR

7 meetings

- Review of the compensations
- Review of the succession process
- Review of the independence of directors
- Review of the gender diversity policy and adoption of an action plan
- Review of CSR initiatives
- Formal self-assessment procedure regarding the operations of the Board

COMPENSATION OF EMPLOYEES AND EXECUTIVE OFFICERS

Overall compensation policy

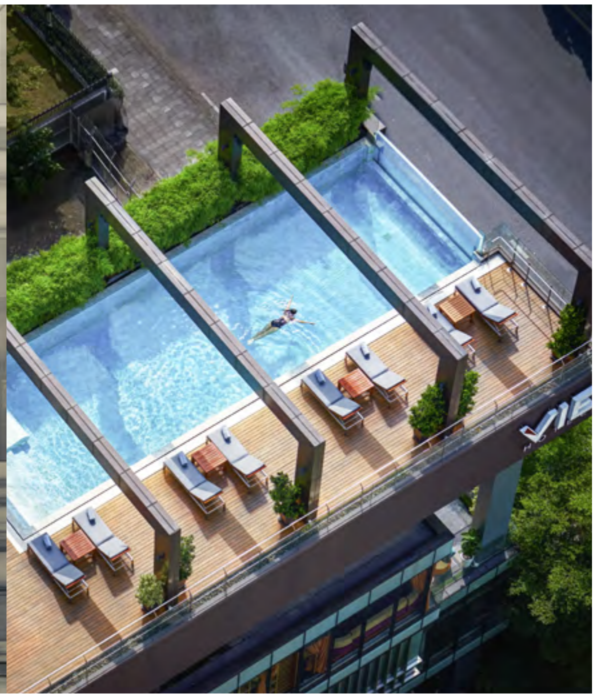
Accor has established a global compensation policy that is adapted to each country's local practices. It is based on five underlying principles: take into consideration the performance and potential of each employee; offer competitive compensation in relation to the relevant markets and countries; ensure that employee compensation is determined fairly; promote employee savings and share ownership; strengthen employee healthcare coverage and other benefits.

More information on the talent compensation policy is available in section 2.3.7. "Recognizing and valuing employees".

Executive compensation

The Company's compensation policy for its executive officers is determined by the Board of Directors, acting on the recommendation of the Appointments, Compensation & CSR Committee. The Board's primary objective is to put together executive compensation packages that are reasonable, balanced, equitable and performance-based, and which create value in the short, medium and long term. Consequently, fixed and variable compensation principles, criteria and amounts are analyzed each year by the Appointments, Compensation & CSR Committee, using compensation benchmarks conducted by external consultants of the practices of other CAC 40 companies 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 2021 along with the items of compensation paid or awarded in respect of fiscal 2020 to the Chairman and Chief Executive Officer will be submitted to the approval of shareholders at the Company's 2021 Annual Shareholders' Meeting and are presented in section 3 of this Universal Registration Document.



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

Components	Criteria and objectives	Amount/Weighting
ANNUAL FIXED COMPENSATION	Determined by the Board of Directors based on the recommendation of the Appointments, Compensation & CSR Committee, taking into account: • Experience; • Responsibilities; • Market practices.	€950,000 Unchanged since January 1, 2016 [1]
ANNUAL VARIABLE COMPENSATION	Annual variable compensation that varies depending on performance in relation to the following objectives:	The annual variable compensation will represent between 0% and 150% of a reference amount set at €1,250,000, representing between 0% and 197% of his annual fixed compensation
	Quantitative objectives (accounting for 80% of the annual variable compensation): • **Financial objectives** (actual versus budgeted consolidated EBITDA for 2021, actual versus budgeted free cash flow (excluding disposals and acquisitions) after change in operating working capital for 2021, actual versus budgeted RESET savings for 2021, organic growth in the number of rooms (net of transfers to other banners) in line with the 2021 budget; • **Extra-financial objectives** (ALL Safe rollout diversity and inclusion).	Each quantitative objective may trigger the payment of between 0% and 160% of the share of variable compensation it represents
	Qualitative objectives (accounting for 20% of annual variable compensation): • Crisis exit strategy and management of the team trough the crisis exit; • Operational excellence of the organization and talent development.	Each qualitative objective may trigger the payment of between 0% and 120% of the share of variable compensation it represents
LONG-TERM COMPONENTS	**Performance shares,** which vest subject to fulfillment of performance conditions decided by the Board of Directors and to continued presence in the Group.	The grants represent a maximum of 250% of annual fixed compensation, determined by the Board of Directors

1 *It being noted that in light of the pandemic and the recourse to short-time working in 2020, the Board of Directors 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 a comprehensive risk management

APPROACH

The group's risk management approach aims to:

- **identify, assess and reduce risks** which consequences may, even partially, jeopardize the achievement of its objectives and the implementation of the Group's strategy;
- **identify, assess and reduce risks** generated by the Group's business with social, societal 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 mappings, specific to one or several risks (see section 1.8.1 "Risk management architecture"), 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.

RISK MAPPING

Identification / Evaluation

Risk universe
Risk assessment scales
Risk matrices

ANTICIPATORY ACTIONS

Prevention

CSR
Compliance
Safety and Security
Ethics
Information system security
etc.

Protection

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

Event

REACTIVE ACTIONS

Reaction

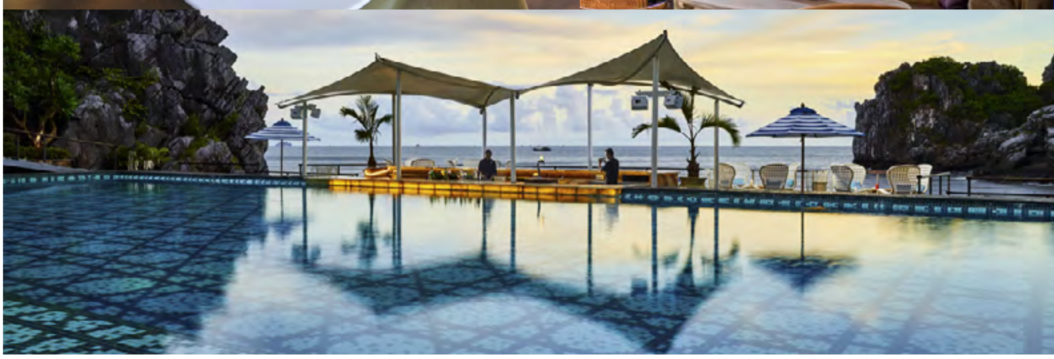
Activation of crisis management and communication systems
Activation of business continuity plans
Risk financing

MATERIAL RISKS

The material risks resulting from the map of the Group's major risks are presented in the table below. They are classified into two categories and are shown in decreasing order of criticality within each category. The description of these risks and the associated mitigation measures are described in section 1.8.3.

Category	Designation of risk
RISKS RELATED TO THE BUSINESS ENVIRONMENT	Unfavorable change in the geopolitical, health or economic environment
	Malicious attack on the integrity of digital personal data
	Non-compliance with standards, laws and regulations
RISKS RELATED TO THE BUSINESS MODEL	Integration of acquisitions
	Unavailability of digital operating data


SLS



GROUP PRESENTATION

Corporate profile

Accor is a world-leading augmented hospitality group offering unique and meaningful experiences in 5,000 hotels and residences across 110 countries. The Group has been acquiring hospitality expertise for more than 50 years, resulting in an unrivaled portfolio of brands, from luxury to economy, supported by one of the most attractive loyalty programs in the world.

Beyond accommodation, Accor enables new ways to live, work, and play, by blending food and beverage with nightlife, wellbeing, and co-working. It also offers digital solutions that maximize distribution, optimize hotel operations and enhance the customer experience.

Accor is deeply committed to sustainable value creation and plays an active role in giving back to planet and community via its Planet 21 – Acting Here program and the Accor Solidarity endowment fund, which gives disadvantaged groups access to employment through professional training.

1967 1981

1967

- Paul Dubrule and Gérard Pélisson create SIEH.
- First Novotel hotel opens in Lille.

1974

- First ibis hotel opens in Bordeaux.
- Acquisition of Courtepaille.

1975

- Acquisition of Mercure.

1976

- Hotel operations are launched in Brazil.
- Ticket Restaurant ® exported to several countries: Brazil, Italy, Germany, Belgium, Spain.

1980

- Acquisition of Sofitel (43 hotels and two seawater spas).

1981

- Initial public offering of SIEH shares on the Paris Bourse.
- Start-up of Services operations in Mexico.

1982 1989

1982

- Acquisition of Jacques Borel International, European leader in managed food services (Générale de Restauration) and concession restaurants (Café Route, L'Arche), and world leader in the issuance of meal vouchers (Ticket Restaurant®), with 165 million vouchers a year distributed in eight countries.

1983

- Creation of Accor following the merger of Novotel SIEH Group and Jacques Borel International.

1985

- Creation of Formule 1: a new hotel concept based on particularly innovative construction and management techniques.
- Creation of Académie Accor, France's first corporate university for service activities.
- Acquisition of Lenôtre, (caterer, gourmet restaurants and cooking school).

1988

- 100 new hotels and 250 restaurants are opened during the year, an average of one opening a day!
- Start-up of Services operations in Argentina.

1989

- Formule 1 expands outside France for the first time, with two properties in Belgium.
- Alliance formed with Groupe Lucien Barrière SAS to develop hotel-casino complexes.

1990 1994

1990

- Acquisition of the Motel 6 chain in the United States, comprising 550 properties. With its global brands, Accor becomes the world's leading hotel group, in terms of hotels directly owned or managed (excluding franchises).
- Ticket Restaurant® business launched in Venezuela.

1991

- Successful public offer for Compagnie Internationale des Wagons-Lits et du Tourisme, which is active in hotels (Pullman, PLM, Altea, Arcade), car rental (Europcar), onboard train services (Wagons-Lits), travel agencies (Wagonlit Travel), managed food services (Eurest) and highway restaurants (Relais Autoroute).
- Creation of Etap Hotel.

1993

- Creation of Accor Asia Pacific Corp. (AAPC) is created by the merger of Accor's Asia-Pacific businesses with Quality Pacific Corp.
- Interest acquired in the Pannonia chain (24 hotels), as part of Hungary's privatization program.
- Service business rolled out to several countries: Czech Republic, Austria, Luxemburg

1994

- Partnership between Carlson and Wagonlit Travel in business travel services.
- Ticket Restaurant® introduced in Slovakia, Uruguay and Hungary.

1995 1997 — 1998 2001 — 2002 2004

1995

- Sale of Eurest to Compass: making Accor the largest shareholder in the world's leading food services company.
- Disposal of 80% of the concession restaurants business.
- Introduction of an extensive training and communication program to improve environmental protection.

1996

- Accor becomes the market leader in the Asia-Pacific region, with 144 hotels in 16 countries and 56 projects under construction.
- Management of the ibis, Etap Hotel and Formule 1 chains is consolidated within Sphere International.
- Launch of the Compliment Card in partnership with American Express.

1997

- Accor changes its corporate governance system. Paul Dubrule and Gérard Pélisson become Co-Chairmen of the Supervisory Board, while Jean-Marc Espalioux is appointed Chairman of the Management Board.
- Carlson and Wagonlit Travel merge to form Carlson Wagonlit Travel, owned equally by Accor and Carlson Companies.
- Public offer made for all outstanding shares of Accor Asia Pacific Corp.
- Acquisition of a majority interest in SPIC, renamed Accor Casinos.

1998

- Introduction of the Corporate Card in partnership with Air France, American Express and Crédit Lyonnais.
- Development of the partnership policy: Air France, SNCF, American Express, Crédit Lyonnais, Danone, France Télécom, etc.

1999

- The hotel portfolio grows by 22% with 639 new properties, led by the acquisition of Red Roof Inn in the United States.
- Deployment of the Internet strategy.
- The 50% interest in Europcar International is sold.

2000

- Launch of accorhotels.com.
- Brand logos are redesigned to highlight the Accor name, raising international visibility and public awareness.
- 38.5% interest in Go Voyages acquired.
- 80% interest in Courtepaille sold.

2001

- Broader presence in the Chinese hotel market in partnership with Zenith Hotel International and Beijing Tourism Group.
- Suitehotel launched in Europe.

2002

- Acquisition of a 30% interest in German hotel group Dorint AG (87 hotels, 15 257 rooms).
- Accor Casinos is now equally owned with the Colony Capital investment fund, with Accor continuing to manage the Company.
- Stake in Go Voyages is raised to 60%.

2003

- Stake in Orbis is raised to 35.58% by purchasing an 8.41% interest held by minority shareholders.
- Stake in Go Voyages raised to 70% following the acquisition of an additional 10% interest.
- All Dorint hotels are cobranded Dorint Sofitel, Dorint Novotel and Dorint Mercure.

2004

- Accor, the Barrière Desseigne family and Colony Capital set up Groupe Lucien Barrière SAS to hold the casino and hotel assets of Société Hôtelière de la Chaîne Barrière, Société des Hôtels et Casino de Deauville, Accor Casinos and their respective subsidiaries. Accor owns 34% of the new combination.
- Acquisition of a 28.9% interest in Club Méditerranée.
- Stake in Go Voyages is raised from 70% to 100%.

2005

2006

2007

2005

- Colony Capital invests €1 billion in Accor in exchange for €500 million in ORA equity notes and €500 million in convertible bonds, enabling Accor to strengthen its equity base and step up the pace of expansion.
- Accor implements a new property management strategy and signs an initial agreement with French real estate company Foncière des Murs to transform fixed-rent leases on 128 hotels in France into variable leases.

2006

- Change in governance system: Accor changes its corporate governance system from a Supervisory Board and Management Board to a Board of Directors, with Serge Weinberg as Chairman and Gilles Pélisson as Chief Executive Officer.
- As part of the non-strategic asset disposal process, Accor sells its 1.42% stake in Compass Group PLC and its 50% interest in Carlson Wagonlit Travel, as well as most of its investment in Club Méditerranée (22.9% out of a total 28.9% stake).
- As part of the ongoing shift in the Hotels business model, Accor carries out a second transaction with Foncière des Murs, involving 59 hotels and five seawater spas in France, as well as 12 hotels in Belgium. The deal means that Accor continues to operate the hotels under 12-year leases with variable rents and no guaranteed minimum, renewable four times per hotel at Accor's option.
- Accor sells six US Sofitel hotels to a joint venture comprised of GEM Realty Capital, Whitehall Street Global Real Estate Limited Partnership 2005 and Accor, which remains a 25% shareholder in the joint venture and continues to manage the hotels under the Sofitel brand through a 25-year contract.
- Compagnie des Wagons-Lits wins a tender from French National Railways SNCF for onboard food services on the TGV Est Européen high-speed train line.

2007

- Accor sells two other US Sofitel units in New York and Philadelphia to a joint venture comprised of GEM Realty Capital, Whitehall Street Global Real Estate Limited Partnership and Accor. Accor remains a 25% shareholder in the venture and continues to manage the hotels under the Sofitel brand through a 25-year management contract.
- As part of the ongoing shift in the Hotels business model, Accor sells 47 hotel properties in France and ten in Switzerland to a real estate consortium comprising two investment funds managed by AXA Real Estate Investment Managers and Caisse des Dépôts et Consignations. Accor continues to operate the hotels under 12-year leases with variable rents and no guaranteed minimum, renewable six times per hotel at Accor's option.
- Also as part of the sustained implementation of the Hotels strategy, Accor sells 30 hotels in the United Kingdom to Land Securities and leases them back under 12-year leases with variable rents and no guaranteed minimum, renewable six times.
- In addition, a memorandum of understanding is signed with Moor Park Real Estate for the sale of 72 hotels in Germany and 19 in the Netherlands, with Accor continuing to operate the units under similar leaseback conditions.
- Accor Services acquires Kadeos, Prepay Technologies and Surf Gold.
- Red Roof Inn is sold to Citigroup Inc.'s Global Special Situations Group and Westbridge Hospitality Fund II, LP.
- The Italian food services business is sold to Barclays Private Equity.
- 28,400 new rooms are opened during the year.

2008 2009 2010

2008

- As part of its strategy of refocusing on its two core businesses, Services and Hotels, Accor sells its remaining 50% stake in the Brazilian food services business to Compass Group.
- Pursuing its asset-light strategy, Accor sells the Sofitel The Grand hotel in Amsterdam under a sale and management-back arrangement for an enterprise value of €92 million.
- In line with its commitment to expanding the Hotels business in Central Europe, Accor raises its interest in the Poland-based Orbis hotel group to 50% by acquiring an additional 4.53% stake in the Company.
- Accor launches AIClub, a free crossbrand loyalty program that earns points in more than 2 000 hotels and 90 countries worldwide.
- Creation of the Accor Corporate Foundation to promote training and professional integration for disadvantaged people.
- Accor continues to expand worldwide with the opening of 28 000 new rooms.

2009

- Gilles Pélisson, Chief Executive Officer, is appointed Chairman of the Board of Directors.
- Accor raises its stake in Groupe Lucien Barrière to 49%.
- In late August, the Board of Directors approves Gilles Pélisson's recommendation to conduct a review of the potential benefits of demerging the Hotels and Prepaid Services businesses into two self-managing companies, each with its own strategy and resources for growth. The findings demonstrate the sustainable, profitable nature of each business, as well as their ability to meet the challenges of future growth and development. At year-end, the Board of Directors therefore approves the potential benefits of demerging the two businesses.
- In line with its ongoing asset-right strategy, Accor announces a major real estate transaction in the budget segment in France, with the sale of 158 hotelF1 properties, representing a total of 12 300 rooms.
- 27,300 new rooms are opened during the year.

2010

- Initiated in 2009, the project to demerge the Hotels and Prepaid Services businesses is approved by shareholders at the Combined Ordinary and Extraordinary Shareholders' Meeting on June 29, 2010 and becomes effective on July 2 following the initial stock market listing of Edenred, the new company formed from the Services business.
- In line with its asset management strategy, Accor continues to dispose of non-strategic operations and hotel properties during the year, including (i) the sale of Compagnie des Wagons-Lits' onboard rail catering businesses in July, (ii) the sale of two portfolios of European hotels, one of five hotels to Invesco Real Estate in February and the other of 49 hotels to Predica and Foncière des Murs in August, and (iii) the sale and franchise-back of 18 hotels in Sweden in December.
- Denis Hennequin is appointed Chief Executive Officer in December, then Chairman and Chief Executive Officer in January 2011.
- Following the opening of 25 000 new rooms during the year, the Accor portfolio comprises more than 500 000 rooms at year-end.

2011 2012 2013

2011

- Now a pure player in hotels, Accor launches its new corporate signature, "Open New Frontiers in Hospitality", and revitalizes its economy brands around the ibis megabrand, with ibis, all seasons and Etap Hotel being transformed into the new ibis, ibis Styles and ibis budget.
- In March, Accor sells its 49% stake in Groupe Lucien Barrière and, in September, completes the disposal of Lenôtre to Sodexo.
- As part of its asset-light strategy, Accor confirms its ability to continue actively managing its assets in order to focus on its core hotel operator business, with the sale and franchise-back of its 52.6% stake in Hotel Formula 1 (South Africa), the sale and variable leaseback of seven Suite Novotel hotels (France) and the sale and management-back of the Novotel New York Times Square, Pullman Paris Bercy and Sofitel Arc de Triomphe.
- In December, Accor strengthens its presence in Australia and New Zealand with the acquisition of Mirvac, involving 48 hotels (6 100 rooms) and a 21.9% equity interest in Mirvac Wholesale Hotel Fund (MWHF). As a result, Accor's offering in the two countries totals 241 hotels across every hospitality segment.
- In September, Accor signs a franchise contract for 24 hotels (2 664 rooms) with Jupiter Hotels Ltd. This contract brings the number of Mercure hotels in the UK to 68.
- Annual room openings reach a new historic high, with 38 700 units coming on line during the year.

2012

- As part of its asset management strategy, Accor restructures its hotel base in North America by selling the Motel 6/Studio 6 chain for €1.5 billion. Accor announces the sale of the Pullman Paris Rive Gauche and the sale and management-back refinancing of such properties as the Pullman Paris Tour Eiffel, the Novotel Times Square in New York and the Sofitel Paris-La Défense.
- Accor continues to expand with the opening of 38 000 new rooms in every segment, mostly under management contracts and franchise agreements and more than 70% located in emerging markets. Accor strengthens its market leadership in Brazil by acquiring the Posadas hotel chain.
- Throughout the year, Accor works on revitalizing its brand portfolio. In the economy segment, it implements the ibis megabrand project that enables more than 1,500 hotels to embrace the new ibis, ibis Styles and ibis budget standards, while in the upscale segment, it initiates MGallery's repositioning, led by its boutique hotels, and launches Mei Jue in China. *The Group also consolidates Sofitel's image with high-profile openings in Mumbai, Bangkok and Agadir and enhances Pullman's image with a vast renovation program.*

2013

- In 2013, Accor carried out several major transactions. Some included projects initiated in prior years, such as the renovation of a large number of Pullman hotels, the project to move MGallery further up market and enhance its visibility, and the final stages of deployment of the ibis megabrand.
- Progress is also made on the development strategy, particularly via several high-profile openings in the Middle East, which include the first Pullman hotel in Dubai and an ibis/Novotel complex in Abu Dhabi.
- At the same time, the strategy of optimizing the property portfolio is pursued, with the two most significant transactions concerning the sale and management-back of the Sofitel Paris Le Faubourg early in the year for €113 million and the sale of the interest in Australian hotel owner TAHL for a total of €100 million.
- Sébastien Bazin is appointed Chairman and Chief Executive Officer in August 2013.
- The Foundation, created in 2008, becomes the Accor Solidarity endowment fund to collect donations from a larger number of stakeholders.

2014 2015 2016

2014

- In 2014, Accor begins an in-depth transformation of its organization around two separate but strategically related businesses – hotel operator and brand franchisor HotelServices and hotel owner and investor HotelInvest.
- It also pursues its development in fast-growing regions, particularly in the Asia-Pacific region, and acquires hotel portfolios in Switzerland, the United Kingdom, Germany and the Netherlands, representing a total of 110 hotels.
- In addition, Accor forges an alliance with Huazhu and reinforces the existing partnership with Orbis to guarantee new development capabilities in China and Central Europe, respectively, and acquires a 35% stake in Mama Shelter, a source of inspiration for new, innovative "lifestyle" concepts.
- The Group launches its five-year, €225 million digital plan to streamline and personalize its communications with customers, employees and partners.

2015

- In 2015, the Group maintains its strategic, operational and cultural transformation dynamic.
- AccorHotels boosts its visibility and the strength of its brands, especially its corporate brand, by adopting the same name as its market place, AccorHotels, which brings together all of the Group's brands.
- The accorhotels.com booking platform becomes a market place, offering independent hotels selected by AccorHotels the chance to be listed alongside the Group's hotels.
- The Group consolidates its worldwide leadership in the luxury segment with the announced acquisition of the FRHI Group and its three flagship brands Fairmont, Raffles and Swissôtel.
- AccorHotels continues to restructure its hotel portfolio through various buyback operations and the sale of profitable portfolios, and continues its development in fast-growing regions, with a record 229 hotel openings worldwide, including two in Iran.

2016

- AccorHotels opens a new chapter in its history in 2016 by setting out to conquer new markets and expanding its business model.
- The Group significantly consolidates its worldwide leadership in the luxury hotel segment through the acquisition of the Raffles, Fairmont and Swissôtel brands.
- Backed by FRHI, but also by its strategic partnership with Huazhu in China, AccorHotels continues its expansion in high-growth regions, opening a record 347 hotels (81 042 rooms). It also begins reaping the benefit of the combination of the Le Club Accor, FRHI and Huazhu loyalty programs, expanding its visibility among 106 million members.
- AccorHotels also extends its model to include luxury serviced private rentals by acquiring 100% of onefinestay and equity interests in Squarebreak and Oasis Collections, and negotiates with Travel Keys to further entrench its global leadership.
- The Group increases its visibility in the lifestyle segment, where Mama Shelter already operates, by launching its Jo&Joe brand and partnering with 25hours Hotels.
- AccorHotels acquires John Paul, the world leader in concierge services, to expand its service offerings to the benefit of customers of its hotel network and its digital platforms, and to enhance its customer relations expertise.

2017

2018

2019

2017

- AccorHotels strengthens its leadership and continues its transformation, to become a global multi-service travel and mobility specialist.
- The Group diversifies its accommodation solutions into the rental of luxury private homes with the acquisition of Travel Keys and Squarebreak, now grouped together under the onefinestay brand, as well as into the rental of collaborative workspaces with the acquisition of Nextdoor.
- AccorHotels consolidates its digital services division dedicated to independent hotels through the acquisition of Availpro, thereby rounding out Fastbooking's range of services.
- The Group enhances its accommodation solutions with gastronomy and entertainment services by acquiring stakes in Noctis and Potel & Chabot.
- AccorHotels diversifies its distribution channels into private sales of hotel accommodation and luxury holidays by acquiring VeryChic, and into hotel bookings for business customers with Gekko.
- The Group expands its business among new customers by launching AccorLocal, which provides local services to people living near its hotels in France.
- AccorHotels increases the number of brands in its portfolio to 25, rebalancing its business toward the luxury & premium segment with Banyan Tree, Rixos Hotels and Orient Express.
- The Group cements its leading positions in Brazil with the acquisition of BHG and in Australia with the signing of a new agreement to acquire Mantra, and continues its fast-paced development in China thanks to Huazhu.
- AccorHotels makes a major change in its model by agreeing to the sale of 55% of AccorInvest to long-term investors, with the transaction to be effective in the second quarter of 2018.

2018

- Accor refocuses on its hotel operator business by selling 64 .8% of AccorInvest to international investors, and deconsolidating the entity.
- Accor continues its organic growth, with the opening of a record 300 hotels (43 905 rooms), and steps up its development in the luxury, lifestyle, premium and midscale segments through the acquisitions of Mantra, Mövenpick, Atton and 21c Museum, and partnerships with sbe and Mantis.
- The Group further diversifies its activities by acquiring new distribution channels, in hotel bookings for business travelers with the acquisition of Gekko, in restaurant bookings with ResDiary, and in supply management and meal preparation optimization solutions for restaurants with Adoria.
- Accor launches its "ImpACT" digital modernization program to keep pace with the changing behavior and consumption patterns of its customers (chatbot), better meet their expectations in terms of fluidity and speed, further personalize their experience (ACDC), optimize loyalty, CRM and payment solutions, and make its IT systems and architecture more robust and more agile.

2019

- Accor completes its transition to an asset-light model with the disposals of Orbis and of 16 leased Mövenpick hotels (effective as of the start of March 2020), as well as of an additional tranche of 5.2% of AccorInvest and of 4.9% of Huazhu.
- Accor continues its organic growth, with the opening of a record 327 hotels (45 108 rooms), and steps up its development in the lifestyle segment through the launch of The House of Originals, Tribe and greet brands.
- The Group expands its ecosystem of services with the acquisition of 40.6% of Ken Group in the upscale sports club segment.
- Accor creates ALL – Accor Live Limitless, a new lifestyle loyalty program offering access to a new world of experiences, additional services and rewards.
- Accor forges several world-class partnerships in segments prized by customers to enrich their experiences and offer them even more rewards within the ALL – Accor Live Limitless ecosystem, including with AEG, IMG and the PSG football club in the fields of sport, entertainment and fine dining, Air France-KLM in air travel, and Alibaba in retailing and loyalty.

2020

2020

- Accor engages in solidarity initiatives with its employees, individual partners, those in need and healthcare professionals, *via* the ALL Heartist Fund.
- The Group formed a partnership with Bureau Veritas to reassure guests on the cleanliness conditions of its hotels thanks to the creation of the ALLSAFE label, as well as a partnership with Axa Partners offering guests medical assistance coverage during their stays.
- Accor took steps to protect its cash position by implementing a cost cutting plan, and strengthening its financial positions to protect cash by issuing a €560 million credit line and a €500m bond issue redeemable in shares.
- Accor defined a plan to make recurring cost savings of €200 million, which was rolled out in 2020.
- Accor broadened its brand and service ecosystem, acquiring 100% of the hotel activities of sbe, and entered into exclusive negotiations with the Ennismore, the world leading lifestyle hotel brand.
- The Group continued its expansion, opening 205 hotels (28,942 rooms).

1.2 The Group's activities

As shown in the 2020 Integrated Report, Accor has built its model and its strategy on four growth drivers:

- extension of its catalogue of offers by building on a stronger, more varied and better balanced portfolio of products (hotels, residences, apartments, office spaces, etc.) and brands in the most profitable segments (luxury, lifestyle, resorts);
- acceleration of the pace of organic development to diversify its locations in fast-growing regions and consolidate its geographic leadership;
- expansion of its ecosystem of services to diversify the customer base (leisure, business, Millennials, independent hotels, local residents) and enrich its augmented hospitality model;
- consolidation of its digital capacity to better predict the behavior and consumption patterns of its guests, give them more personalized experiences, enhance its loyalty programs, and make its systems more efficient.

1.2.1 A balanced brand portfolio with stronger positions in fast-growing segments

In the competition between players in hospitality, everyone's goal is to offer guests the most compelling experience possible, in a tireless search for ways to surprise them and take their satisfaction to a higher level. Because finding the keys to matchless service of this nature is a major source of differentiation, Accor places particular emphasis on the perpetual quest for fresh ways to offer guests high-quality stays and unforgettable experiences.

Accor strives relentlessly to identify promising trends which will enable it to offer the most attractive products. To this end, it creates and acquires brands capable of embodying these trends, with the following steps:

- start with a market after having precisely identified expectations;
- measure up possible competition by understanding the DNA of the brands operating in the specific market segment;
- meet identified aspirations by acquiring brands or creating a global concept that can be split into several brands;
- design tangible products embodied by these brands, without compromising on the quality of the building, comfort, equipment, technology, architecture, interior design, atmosphere or F&B offer, particularly in the luxury and premium segments.

1.2.2 A varied, easily understandable portfolio of experiences

Hospitality

Its 40 hotel banners as represent a comprehensive array of experiences allowing everyone to find a brand that chimes with their desires, satisfies their needs and respects their budget.

With a longstanding presence in economy and midscale hotels, Accor now operates across all segments, from the most upscale to economy:

- in the luxury and premium segments, with superlative and highly differentiated products (26%)*;
- in the midscale segment, with key products developed with leading partners (34%)*;
- in the economy segment, through standardized products, but without compromising on quality or value for money (40%)*.

* *As a % based on number of rooms*

HOSPITALITY
LIVE

With a remarkable choice of more than 5 000 hotels around the world, ranging from luxury to economy establishments as well as 5 000 private residences for rent, Accor strives to meet all aspirations and all needs. Accor reinvents the guest experience each day.

Luxury Segment

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

17 hotels, or 2,410 rooms, in 13 countries, and 2,263 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

27 hotels, or 3,267 rooms, in 9 countries, and 4,094 rooms in the pipeline.

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 68 rooms in the pipeline.

LIVE

Luxury Segment (continued)

SOFITEL LEGEND

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

Network

5 hotels, or 876 rooms, in 5 countries.

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 wellbeing experiences. Combining these aspects with unique architecture adds up to the consummate customer experience.

Network

81 hotels, or 31,779 rooms, in 29 countries, and 7,177 rooms in the pipeline.

SLS

SLS is the quintessence of an extraordinary experience, blending culinary art, theatrical staging and a hint of subversive design. 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

7 hotels, or 1,842 rooms, in 2 countries, and 1,169 rooms in the pipeline.

SO/

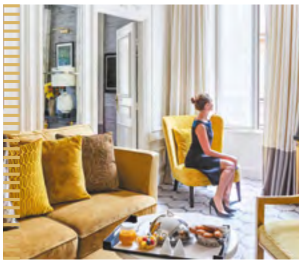
A sparkling cocktail of refinement and style mixed with a burst of slightly offbeat local energy to create an inimitable experience. but also to be surrounded by like-minded individuals.

Network

9 hotels, or 1,350 rooms, in 8 countries, and 2,239 rooms in the pipeline.

LIVE

Luxury Segment (continued)



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

114 hotels, or 29,124 rooms, in 45 countries, and 5,312 rooms in the pipeline.

THE HOUSE OF ORIGINALS

The House of Originals opens the door to historic and iconic hotels that innovate constantly, setting trends – not following them. From nightlife to design, cooking to mixology, every hotel embodies this enduring spirit, offering the promise of originality.

Network

5 hotels, or 959 rooms, in 4 countries, and 467 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

27 hotels, or 9,680 rooms, in 7 countries, and 5,202 rooms in the pipeline.

onefinestay

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

Network

5,000 properties in 2 collections: City and Villa.

LIVE

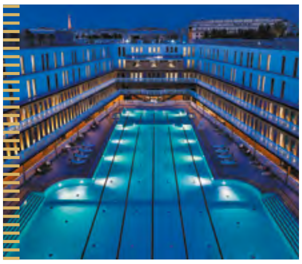
Premium Segment

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

34 hotels, or 858 rooms, in 12 countries, and 304 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

106 hotels, or 11,140 rooms, in 33 countries, and 6,600 rooms in the pipeline.

21c MUSEUM HOTEL

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.

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.

Network

8 hotel, or 2,000 rooms, in Australia, and 108 rooms in the pipeline.

LIVE

Premium Segment (continued)

MONDRIAN

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

6 hotels, or 1,325 rooms, in 3 countries, and 1,615 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

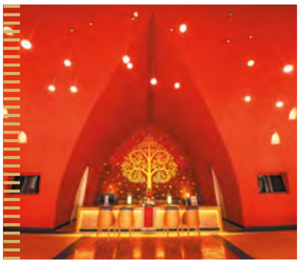
143 hotels, or 42,085 rooms, in 40 countries, and 12,527 rooms in the pipeline.

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

35 hotels, or 14,772 rooms, in 18 countries, and 5,553 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

17 hotels, or 2,655 rooms, in 12 countries, and 3,787 rooms in the pipeline.

LIVE

Premium Segment (continued)

25h
twenty five hours hotels

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

13 hotels, or 2,065 rooms, in 4 countries, and 1,230 rooms in the pipeline.

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

102 hotels, or 24,163 rooms, in 27 countries, and 12,580 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

2 hotels, or 460 rooms, in the United States, and 782 rooms in the pipeline.

LIVE

Premium Segment (continued)

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

57 hotels, or 13,071 rooms, in 12 countries, and 6,822 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

28 hotels, or 4,789 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

32 properties, or 2,149 apartments, in 3 countries, and 473 apartments in the pipeline.

LIVE

Mantra means upscale accommodation and a warm welcome in vibrant cities and popular seaside locations. Whether you're traveling for business or to relax with your family, you'll feel right at home.

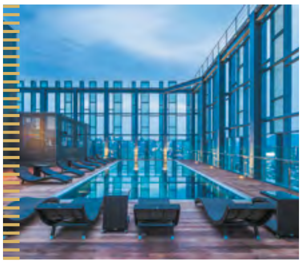
Midscale Segment

mantra

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

Network

78 hotels, or 15,586 rooms, in 3 countries, and 300 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

542 hotels, or 105,559 rooms, in 63 countries, and 33,608 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

875 hotels, or 114,926 rooms, in 61 countries, and 33,834 rooms in the pipeline.

LIVE

Midscale Segment (continued)

adagio

How can you be out of town and yet 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

115 properties, or 13 079 apartments, in 13 countries, and 6 497 apartments in the pipeline.

MAMA SHELTER

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

14 hotels, or 1,932 rooms, in 7 countries, and 1,310 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

3 hotels, or 288 rooms, in 3 countries, and 6,381 rooms in the pipeline.

LIVE

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

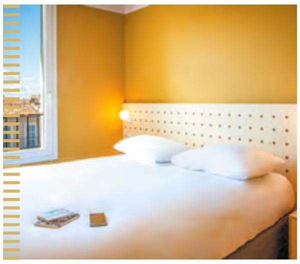
22 hotels, or 3,288 rooms, in 2 countries.

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 customers, travelers and local residents.

Network

1,233 hotels, or 156,149 rooms, in 67 countries, and 21,397 rooms in the pipeline.



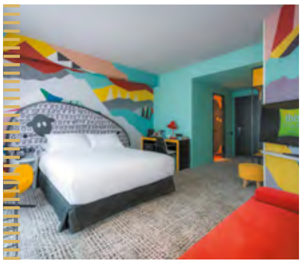
greet

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

4 hotels, or 238 rooms, in France, and 1,472 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

562 hotels, or 59,481 rooms, in 49 countries, and 24,757 rooms in the pipeline.

LIVE

Economy Segment (continued)

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

639 hotels, or 64,074 rooms, in 24 countries, and 6,822 rooms in the pipeline.

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

2 open houses, or 283 beds in France, and 516 beds 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

162 hotels, or 12,432 rooms, in France, and 62 rooms in the pipeline.

AUGMENTED HOSPITALITY
WORK

Augmented hospitality means anticipating a customer's every need. Whether for organizing upscale events, delivering personalized services, creating unique experiences or offering digital solutions, Accor's vision of augmented hospitality is more than simply planning ahead, it is creating ahead.

Coworking

Accor provides coworking solutions and spaces adapted to the needs of all customers, from freelancers to entrepreneurs, as well as a wide selection of areas within hotels to host customers' meetings and events.

Wojo is a leading player in the European coworking market. With a new take on workspaces – Wojo Spots and Wojo Corners – on top of its existing sites, Wojo puts everyone within 10 minutes of the office.

Network

12 sites, 9 in Greater Paris and 2 in Lyon and 1 in Barcelona.

Over 300 spaces managed by Accor, and 900 addresses planned for 2023.

Mama Works is a real cocoon for inspiration and concentration. It's an invigorating agora where teams can get together to debate, discuss and create, a bright loft where ideas, people and energies circulate freely. A bright loft where ideas, people and energies circulate freely. about freedom and flexibility, a rallying point for everyone from forward-thinking CEOs to promising entrepreneurs and freelancers.

Network

3 spaces totaling 6 495 sq. m in Lille, Lyon and Bordeaux, and 2 spaces covering 3 800 sq. m in the pipeline.

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 customers.

PLAY

Live Limitless offers the freedom to take advantage of the full spectrum of services whenever the mood strikes. Accor provides an unlimited range of experiences, tailor-made events and sophisticated locations available day and night to entertain guests throughout the world.

Events & Catering

Accor has made its 10,000 restaurants and bars the heart and soul of its hotels, by thinking like restauranteurs and offering authentic, unforgettable experiences. The Group creates locations that are not merely "trendy" but rather essential lively places for locals and travelers.

POTEL & CHABOT

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 nine spectacular sites in Paris and a catalogue of 600 addresses in France and abroad, Potel & Chabot can organize events of any size.

A few exclusive addresses

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

PARIS SOCIETY

In just under ten 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.

Some iconic 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 5 prestigious projects in the pipeline.

Wellbeing

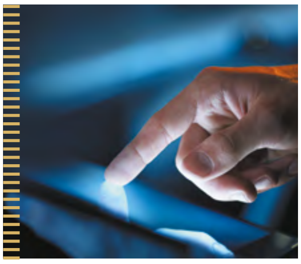
Accor offers solutions and services to boost performance in distribution, operating management and the customer experience. Our Business Accelerators are all accomplished experts in their fields, ensuring the success of our customers' projects at each stage of their development.

Network

Over 405 luxury spas, more than 560 fitness clubs and 14 Thalassa wellness centers.

BUSINESS ACCELERATORS

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.

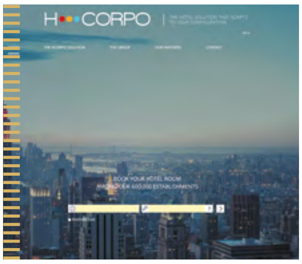


d-edge

D-EDGE's high-end technology gives independent hotel operators and chains a range of flexible and transparent 360° solutions to optimize online distribution and maximize revenue.

Customer base

11,000 hotel customers in more than 100 countries.



GEKKO

Gekko is the European leader in hotel reservation platforms. Through its brands, it provides innovative solutions for business travel, pleasure travel and B2B hotel specialists.

Activity

More than 500 corporate customers, 14,000 travel agencies in 9 countries, and 1,000,000 hotels and private rentals spread around the world.

VERYCHIC

VeryChic offers its members exclusive deals in exceptional hotels, with discounts of up to 70%. More than 5,000 partner hotels optimize their distribution via VeryChic.

Network

9.1 million members and 5,000 partner hotels in 50 countries.

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

185 million meals served every year in 9 700 restaurants in 59 countries.

BUSINESS ACCELERATORS

JOHN PAUL

John Paul provides businesses and brands with loyalty solutions for their customers and employees through three complementary programs. John Paul blends the unique know-how and skills of its 700 concierges with its digital platform of ultra-personalized content.

Network

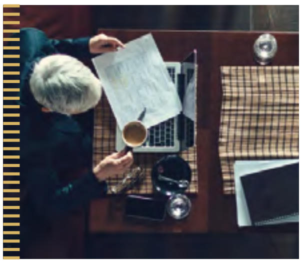
800 talented staff available 24/7 worldwide, 10 000 exclusive partners.

adoria

Adoria's purpose is to contribute to the success of food and beverage groups through supply management and meal preparation optimization solutions for restaurants via an Internet platform that connects all players along the chain. Adoria is the first independent software platform for food and beverage.

Network

65,000 references in the catalogue, more than 100,000 orders per month, and €400 million in purchases each year.



ASTORE

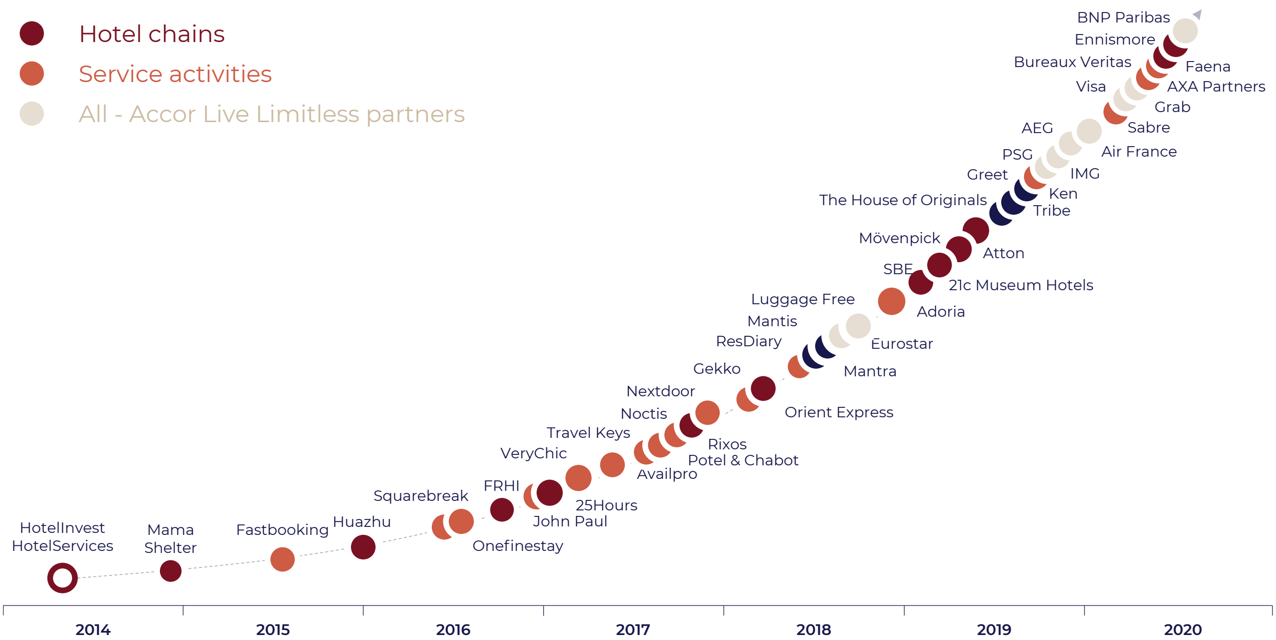
Astore is a global and local team of experts that responds to all hospitality needs with innovative digital solutions to secure and maximize the achievements of hotel operators.

Activity

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

1.3 A simplified, expanded and more agile business model

In an environment shaped by swift change in guests' habits and the need to rethink the codes for the hotels of tomorrow, Accor has redefined its business model by selling almost all of the real estate it previously owned. At the same time, it has used its acquisitions and partnerships to build a hospitality ecosystem geared toward increasing its sources of revenue in growing areas and profitable segments, and to acquire new brands, new services and new rewards for its customers and partners.



1.3.1 *Finalization of the Group' asset-light profile*

In 2020, Accor continued its asset-light strategy by selling the property assets it still owned, notably those of its subsidiary Orbis in Central Europe, plus 16 Mövenpick leased hotels.

Disposal of the Orbis real estate activity

Acquisition of 85.8% of Orbis

Orbis is the leading hotel group in Central Europe. It has exclusive rights to most Accor brands through a master franchise agreement. Its portfolio includes 148 hotels (23 000 rooms) in 16 countries (Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Macedonia, Moldova, Montenegro, Poland, Romania, Serbia, Slovakia and Slovenia), operated under the Sofitel, Pullman, MGallery, Novotel, Mercure, ibis, ibis Styles and ibis budget brands.

To gain flexibility in the management of the Orbis hotel portfolio and sell the property without losing the management rights, Accor initially consolidated its control over the company (in which it held a 52.7% stake) by launching a public offer for its shares in November 2018. The transaction enabled Accor to acquire 33.1% of Orbis for €339 million, increasing its stake to 85.8%.

Acquisition of the Orbis Hotel Services business

Subsequently, Orbis split its owner-operator and hotel services (hotel management and franchise) operations, as HotelServices and HotelInvest did between 2015 and 2017, in order to refocus on its asset portfolio and sell its hotel services business. Orbis and Accor came to an agreement under which Accor acquired the hotel services business for approximately €286 million, making the Group the manager of the 73 hotels owned and leased by Orbis.

Sale of 85.8% of the Orbis real estate activity to AccorInvest

Following discussions with several investors, Accor signed an agreement with AccorInvest for the sale of its 85.8% stake in the capital of Orbis for €1.06 billion. This transaction was carried out in the form of a public offer for all outstanding shares in Orbis.

The disposal was completed on March 11, 2020.

Sale and management-back of 16 leased Mövenpick hotels

On March 2, Accor closed a transaction to restructure a portfolio of 2020 leased Mövenpick hotels located in Germany, Switzerland and the Netherlands (including three hotels in the pipeline) managed by Accor under a 20-year management contract.

The transaction took the form of a sale and management-back agreement with HR Group, a German private investment fund. The removal of these hotels from Accor's hotel portfolio reduces consolidated debt by €430 million, corresponding to the total amount of the lease commitments attached to them.

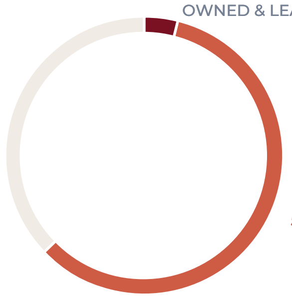
1.3.2 An asset-light model centered on management contracts and franchise agreements

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 4% 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 4% 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 portfolio by operating structure at December 31, 2020

(As a % based on number of rooms)



Accor decides how to operate its hotels based on its priorities, constraints set by local laws and negotiations with real estate partners. Its strategy is to choose hotels' operating structure in accordance with:

- their positioning (luxury, premium, midscale or economy);
- the size of the country and type of economy (developed or emerging);
- their location (large, mid-size or small city);
- their return on capital employed;
- their earnings volatility;
- their EBIT margin.

Type of fees	Management contract	Franchise agreement
Brand	✓	✓
Base management	✓	
Incentive	✓	
Sales & Marketing	✓	✓
Distribution	✓	✓
Loyalty	✓	✓

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.

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.

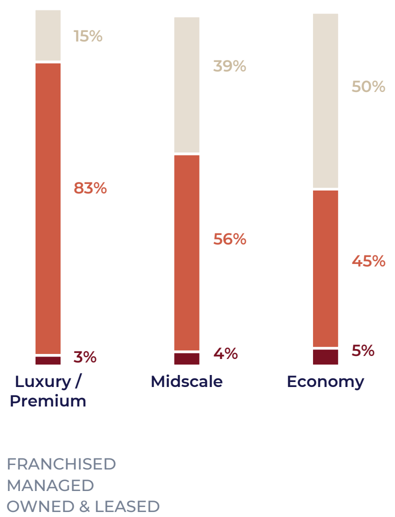
Franchise agreements are signed for an average term of 15 years. They can, however, be terminated early at the franchisor's request in some special cases, including:

- 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.

Hotel portfolio by segment and operating structure at December 31, 2020

(As a % based on number of rooms)



Although the sale of AccorInvest did little to change the shape of the Accor network in the luxury and premium 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 95% of hotels in the economy segment (up 31 points vs. 2017), 96% in the midscale segment (up 23 points vs. 2017), and 97% in the luxury and premium segments (up 8 points vs.2017). The share of management contracts increased to 83% in the luxury and premium segments (up 8 points vs. 2017), while the proportion of franchise agreements remained stable at 15%. Management contracts represent 56% of contracts in the midscale segment (up 16 points vs. 2017) and 45% in the economy segment (up 22 points vs. 2017), while the proportion of franchise agreements was up slightly to 39% in the midscale segment (5% increase vs. 2017) and up to 50% in the economy segment (gain of 7 points vs. 2017).

(1) Including acquisitions and partnerships completed in 2018.

Hotel portfolio by brand and operating structure at December 31, 2020

	Owned & leased		Managed		Franchised		Total	
Brand	Number of hotels	Number of rooms	Number of hotels	Number of rooms	Number of hotels	Number of rooms	Number of hotels	Number of rooms
RAFFLES	0	0	17	2,410	0	0	17	2,410
FAIRMONT	1	53	78	31,314	2	412	81	31,779
SOFITEL	2	583	113	27,872	4	1,545	119	30,000
SO BY SOFITEL	1	92	8	1,258	0	0	9	1,350
PULLMAN	3	1,482	111	31,380	29	9,223	143	42,085
MGALLERY	0	0	67	8,308	48	4,072	115	12,380
SWISSÔTEL	1	238	29	13,151	5	1,383	35	14,772
GRAND MERCURE	0	0	35	8,966	22	4,105	57	13,071
THE SEBEL	0	0	13	1,086	19	1,063	32	2,149
RIXOS	0	0	15	5,259	12	4,421	27	9,680
MANTIS	0	0	32	844	2	14	34	858
ART SERIES	7	1,834	1	166	0	0	8	2,000
PEPPERS	3	380	22	4,183	3	226	28	4,789
MÖVENPICK	1	333	98	23,415	3	415	102	24,163
SLS	0	0	6	1,545	1	297	7	1,842
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	1	287	1	69	2	356
MONDRIAN	0	0	3	802	3	523	6	1,325
HYDE	0	0	1	60	1	400	2	460
25Hours	0	0	13	2,065	0	0	13	2,065
Luxury & Premium	**19**	**4,995**	**667**	**165,259**	**157**	**29,353**	**843**	**199,607**
NOVOTEL	15	2,537	333	73,586	159	25,086	507	101,209
NOVOTEL SUITES	0	0	22	3,010	13	1,340	35	4,350
MERCURE	2	326	268	44,668	605	69,932	875	114,926
ADAGIO	22	2,668	37	4,656	10	1,005	69	8,329
(1) MANTRA	25	4,134	46	10,977	7	475	78	15,586
MAMA SHELTER	5	756	9	1,176	0	0	14	1,932
TRIBE	0	0	2	209	1	79	3	288
Midscale	**69**	**10,421**	**717**	**138,282**	**795**	**97,917**	**1,581**	**246,620**
Multibrand	**1**	**51**	**27**	**4,494**	**17**	**1,877**	**45**	**6,422**
IBIS	46	8,518	466	77,069	721	70,562	1,233	156,149
IBIS STYLES	4	820	110	19,137	448	39,524	562	59,481
IBIS *BUDGET*	14	3,394	215	27,102	410	33,578	639	64,074
ADAGIO ACCESS	6	619	38	3,901	2	230	46	4,750
HOTELF1	0	0	67	5,877	95	6,555	162	12,432
JO&JOE	1	98	1	185	0	0	2	283
BREAKFREE	1	186	21	3,102	0	0	22	3,288
greet	0	0	0	0	4	238	4	238
Economy	**72**	**13,635**	**918**	**136,373**	**1,680**	**150,687**	**2,670**	**300,695**
TOTAL	**161**	**29,102**	**2,329**	**444,408**	**2,649**	**279,834**	**5,139**	**753,344**

1.4 Investments to consolidate the Group's network, brand portfolio and service offering

Since 2014, Accor has broadened its catalogue of offers by creating a more diversified portfolio of brands and products, from hotels, residences and apartments to coworking spaces, with a decisively stronger focus on growing segments (luxury, lifestyle, resort). It is also consolidating its augmented hospitality model through acquisitions and partnerships that enrich its services ecosystem and diversify its customer base (leisure, business, Millennials, independent hotels, local residents, freelancers, entrepreneurs, employees).

Summary of investments [1] made by Accor from 2016 to 2020

Investments *(in millions of euros)*	Section	2016 [1]	2017 [2]	2018 [1]	2019	2020	% invested over the year
Asset portfolio		139	160	36	76	11	6.0%
Hotel acquisitions	1.4.1 & 1.4.3	2,625	108	1,803	108	74	62.1%
Acquisitions of new businesses	1.4.5	323	101	174	52	12	9.4%
Acquisitions of other businesses		0	46	24	45	34	2.1%
Digital projects	1.6	43	21	26	15	17	1.7%
Others	1.3.3	108	71	780	23	27	18.8%
TOTAL		**3,239**	**507**	**2,841**	**319**	**175**	**100.0%**

(1) Amounts restated in accordance with IFRS 5.

(2) Amounts restated in accordance with IFRS 15.

In 2018, Accor received €4.8 billion in cash from the sale of 64.8% of AccorInvest, and pursued its strategy further by reallocating €2.9 billion to the development of its business through acquisitions and strategic partnerships, including:

- €1,465 million to acquire the Mantra, Mövenpick, Atton, 21c Museum and Tribe hotel chains;
- €292 million to develop hotel partnerships with sbe and Mantis;
- €161 million to acquire Gekko, ResDiary, Adoria and OnePark;
- €727 million to acquire the Orbis portfolio and the Group's headquarters.

Investments made in 2019 were substantially below the levels seen in previous years, and broke down as follows:

- €108 million in additional equity investments in hotel chains, including Rixos Hotels and 25Hours ;
- €52 million in equity investments in the Ken Group and companies such as DailyPoint, Bizzon and SoyHuCe;
- €45 million in equity investments, notably in Group360 and Fever.

In 2020, investments amounted to €74 million and were mainly limited to an additional 20.1% interest in Mama Shelter, bringing the Group's stake to 70%, and an investment made by the Kasada investment fund, 30%-owned by Accor, for the purchase of a portfolio of 8 hotels located in Senegal, Ivory Coast and Cameroun from AccorInvest. Accor also disbursed €9 million net of the cash acquired as the Group takes full ownership of SBE.

1.4.1 Hotel acquisitions which diversify the Group's brand portfolio and consolidate its network in growing areas

Since 2016, Accor has invested €4.7 billion in hotels. The Group has significantly 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.

(1) See Note 8.4 to the consolidated financial statements for more details.

1.4.2 *Hotel partnerships which broaden the Group's brand portfolio and consolidate its network in growing 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.

1.4.3 *Reinforcement of the lifestyle portfolio*

This segment, which has enjoyed the strongest growth in recent years, 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. For the past three 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, ethetics 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. Accor also launched the House of Originals brand in 2019, which aims to create a community dedicated to its guests, featuring sbe's iconic culinary offerings.

In 2020, Accor decided to further strengthen this segment, by entering negotiations with with Ennismore to create a new lifestyle entity to become the segment leader. The Group also forged ties with Faena in 2021 to expand the luxury brand worldwide.

Strategic partnership with Faena to expand the brand worldwide (signed in 2021)

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 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.

Faena will become a key component of Ennismore.

Exclusive negotiations with Ennismore for the creation of the world's leading lifestyle operator in the hospitality sector

13 Lifestyle brands

ENNISMORE

Luxury & Premium

SLS, 21c, HYDE, MONDRIAN, 25h twenty five hours hotels, DELANO, SO/, GLENEAGLE, FAENA, the hoxton

Midscale & Economy

MAMA SHELTER, TRIBE, JO&JOE

Accor and Ennismore engaged in exclusive negotiations in November 2020 to define the precise terms and conditions of their merger. The merger will take the form of an all-share transaction and will give rise to a new autonomous and fully asset-light entity to take the name Ennismore. Right from its creation, Ennismore will bring together a portfolio of 13 world class brands (The Hoxton, Gleneagles, Delano, SLS, Mondrian, SO/, Hyde, Mama Shelter, 25h, 21c Museum Hotels, TRIBE, JO&JOE and Faena) and with 73 hotels in operation and a committed pipeline of more than 110 hotels, and over 150 restaurants and bars.

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

As part of the creation of Ennismore, Accor took control of 100% of sbe's hotel management business on November 24, 2020 for a cash outflow of €255 million for the restructuring of sbe debt. On January 15, 2021 Accor signed an agreement to acquire the remaining 50% stake in 25hours for an amount of €61 million, and plans to acquire 100% of Mama Shelter in the coming months.

Each of the brands of the new entity will remain faithful to its original culture and DNA, with the support of dedicated teams and the full support of their founders. This new entity will benefit from an in-house global creative studio, designing award-winning interiors and brand communication, an expert digital and technology team innovating the guest experience and a team of restaurant and bar specialists crafting unique concepts rooted in their neighborhoods.

Accor's Lifestyle operations today represent c.5% of Accor's revenue and over 25% of the pipeline. Growth will be accelerated, building on a strong footprint in Europe and the United States, and a rapidly expanding presence in Asia Pacific, the Middle East and South America supported by Accor's development teams. Accor will be the majority shareholder of the new entity. Finalization of the transaction is subject to employee consultation and standard regulatory approvals. It should take place during the first half of 2021.

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

1.4.4 An extended and balanced brand portfolio

At the end of 2020, Accor's classic brand portfolio relied on major legacy networks ibis and Novotel, now fully modernized, higher value brands including Pullman, and big contributors such as Sofitel and Fairmont.

The Group's portfolio has been broadened in all segments and has become easier to understand for customers and partners alike, responding with its breadth to all aspirations, whether they be for classic hotels, collections, lifestyle and resort segments or brands with strong regional roots, which are particularly sought-after during these times of crisis.

	Classic	Collections	Lifestyle	Resorts	Regional
LUXURY	Raffles, Fairmont, Sofitel	Orient Express, Sofitel Legend, The House of Originals, onefinestay	Delano, SLS, Faena, SO/ Sofitel	Banyan Tree, Rixos	
PREMIUM	Pullman, Mövenpick, Swissôtel, Grand Mercure	mantis, MGallery, 21c Museum Hotel	Mondrian, 25h twenty five hours hotels, Hyde	Angsana	Art Series, Peppers, The Sebel
MIDSCALE	Novotel, adagio, Mercure		Mama Shelter, Tribe		mantra
ECONOMY	ibis, ibis Styles, ibis budget		JO&JOE, greet		BreakFree, hotelF1

Furthermore, Accor also continued its diversification strategy by forging two partnerships with very innovative players in their markets, to offer new guarantees to guests and partners.

1.4.5 An ecosystem rich with performance-enhancing services

With a diversified, balanced and innovative brand portfolio, Accor regularly expands its augmented hospitality model by consolidating an ecosystem of coherent businesses and services enabling it to offer travelers innovative and exclusive personalized experiences.

Over the past five years, Accor has committed €662 million to new businesses. These transactions have allowed it to enrich its catalogue of customized services (John Paul) and other services in events, fine dining and entertainment (Paris Society and Potel & Chabot). The Group has also extended its accommodation activities to the rental of private residences (onefinestay) 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, ResDiary and Adoria 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.

OPTIMIZING THE TOP/BOTTOM LINE FOR HOTELS

- VeryChic: *Exclusive deals in exceptional hotels*
- Gekko Group: *New distribution channels to reach more corporate and leisure guests*
- d-edge: *Digital distribution solutions for hotels*
- adoria: *Digital management solutions in F&B*
- ResDiary: *Table reservation and management platform for restaurants*

LEVERAGING SQUARE METERS IN HOTELS

- Accor Local: *Connect the hotel to its neighborhood with brunch, breakfast, fitness, yoga classes or a massage*
- WOJO: *Better meet the needs of nomad workers*
- onepark: *Optimize car park occupancy*
- Grooms: *Optimize kitchen occupancy*

ENHANCING THE GUEST EXPERIENCE IN HOTELS

- onefinestay: *Over 5,000 luxury private rentals*
- John Paul: *Concierge service*
- properly: *Rental housekeeping and inspection tech platform*
- Ken Group: *Upscale sports clubs*

Complementing Accor's range of services in areas adjacent to the hotel industry, each of these activities fits into the Group's strategy of enriching the customer journey and increasing the number of touchpoints with guests. Through these acquisitions, Accor is mirroring trends in its industry and reinventing itself by leveraging new value-creation drivers. Each of them contributes to diversifying the Group's customer base, increasing the number of touchpoints and creating new areas of growth for hotels in the Accor network. Countless opportunities for emulation and synergies exist between Accor and its partners, as well as among its partners themselves, Each brings a range of expertise and services to the ecosystem, contributing to the enrichment of the model overall, and providing the Group with new sources of growth.

Against a backdrop of heightened concern on health issues, Accor decided to enhance its health, safety, hygiene and prevention protocols to ease stakeholder uncertainty and foster ideal business conditions for its hotel and restaurant activities as soon as international tourism flows resume.

Creation of the 'ALLSAFE' label, in partnership with Bureau Veritas

Welcoming, protecting and taking care of others is the very DNA of Accor. The health, safety and well-being of our employees, customers, and partners is our over-riding priority. As a leading hospitality group, Accor anticipates new expectations of travelers and meets their needs to the highest possible standards of health and safety. Against this backdrop, Accor aims to reassure its stakeholders: employees, customers and partners, on its ability to welcome them in the best conditions possible. In doing so, Accor worked closely with Bureau Veritas, the global leader for testing, inspection and certification, to create new industry standards with the launch of the 'ALLSAFE' label, currently being rolled out to all Group hotels.

This project, carried out with doctors and epidemiologists, was designed in close co-operation with Accor hotel owners, industry representatives and has been shared with the French Tourism Alliance and the French ministries for Tourism, Health and Labor to validate the standards recommended. This approach has led to the drafting of operating guidelines for all those involved in the sector to enable them to ensure strict compliance with the different recommendations of the relevant health authorities (WTO, French ministry of health, etc.) for accommodation, general and restaurant services. Before reserving a stay, European customers can consult a dedicated website listing Bureau Veritas certified establishments. The label certifies that the cleanliness, safety and prevention measures implemented by the Group's hotels are in line with the new health protocols that have emerged with the current crisis. In this way, Accor now meets society's new and upgraded expectations. By defining health and safety standards applicable to all Group hotels as well as to other chains and independent hotels, the "ALLSAFE" label contributes to the restart of the whole sector, for both hotels and restaurants.

Creation of medical assistance offering for Group customers, in partnership with Axa

Accor also signed a strategic partnership with Axa, the world leading insurance group, to offer medical assistance to the customers of its 5 139 hotels around the globe. Since July 2020, this partnership has enabled Group guests to get the best care, availing of the medical services of Axa partners, the international arm of Axa, specialized in assistance, travel insurance and credit insurance.

Over the past few years, Accor has adopted initiatives to transform its hotels into genuine homes away from home. As a result, this exclusive initiative for which both Accor and Axa have been working hard for many months took on a new meaning as the crisis deteriorated, and is now part of a broader review of trends in the hospitality industry which goes way beyond hotel rooms or restaurants. With this initiative, Accor guests can benefit from all 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.

In an increasingly complex environment, the 266,000 Accor network employees are able to assist guests and protect their health and safety during their stays, by transforming each of the Group's hotels in 110 countries worldwide into genuine safe havens. 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.

At the same time, Accor has continued to invest in its digital capacity to keep ahead of the behavior and consumption patterns of its guests, further personalize their experiences, make its IT systems more agile, and optimize the attractiveness of its loyalty program.

1.5 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. Everything is done to surprise guests by offering increasingly personalized assistance, fresh new offers and bespoke experiences.

1.5.1 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. The Group boasts 250 million customers and 67 million members in its loyalty program – a number that is set to grow – thanks to its 40 brands and 85 partnerships;
- 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, have decided to join forces 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

Technology plays an increasingly critical role in the hotel industry, hotel operators seek all-in-one solutions covering the full range of their technological needs. The partnership, therefore, aims to provide the market with a solution combining CRS and CRM, which will simplify the complexity of technology for hotel operators so that they can focus on their guests. 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 customers' 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. With that in mind, the Group invests constantly in its information systems, particularly in solutions allow it to increase its capacity to process growing volumes of data, accelerate the speed of its booking systems and make them easier to use.

In recent years, Accor has also redesigned the digital pathway of its guests from the beginning to the end of their stay by streamlining their relations with hotels, by facilitating their access to the services offered through a new ecosystem, and by forging a relationship based on a better understanding of their aspirations.

1.5.2 The challenges of digital transition

Increased competition from digital players and new consumption patterns of travelers in one of the most digital 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, bringing us closer to travelers with tailor-made solutions to optimize their experiences.

Roll-out of the "Accor Key" digital key solution to all Group hotels (announced in 2021)

The roll-out of the "Accor Key" digital key solution provides guests with a contactless journey in its facilities. This major project confirms Accor's ambitions to innovate and invest in high-quality technological solutions to deliver the most convenient experience for its guests. The focus of the rollout is to provide customers with a keyless door entry solution, while ensuring that hotels do not lose the human touch that guests require. On arrival at their destination, customers will receive their room key virtually upon downloading Accor's digital key app. They will have access to rooms, entry to meeting rooms and floor access via lifts using their smartphone. Once departing the hotel, the mobile key will automatically be deactivated. Following successful pilot programs in North America, Europe and Asia, the roll out will start in all new Accor hotels opening in 2021 and extend to existing properties with an objective to equip 500 hotels with Accor Key this year, and at least 50% of all rooms across the network within the next five years. By providing customers access to their rooms without a physical key, Accor will also help reduce the amount of plastic used for traditional key cards and cardboard for the key holder.

Accor has begun a process designed to profoundly improve its information systems and digital infrastructure and thereby strengthen its distribution and loyalty-building capacity.

Stronger distribution capacities

To keep as close an eye as possible on emerging innovations and allow its guests to benefit from them, Accor works with technology partners leading their respective fields, above all to more accurately target its guests and align its offers with their aspirations.

Improved guest experience by optimizing marketing campaign targeting

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.

Diversification of the Group's distribution channels

Accor diversified its distribution channels *via* the distribution platforms Gekko, VeryChic, ResDiary and Adoria acquired between 2017 and 2019, to reach a wider pool of premium business and leisure customers, which are otherwise difficult to access. It also forged strategic partnerships with Ctrip and Google in 2018, and with Alibaba in 2019.

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, and by ensuring the seamless integration of the customer journey into Alibaba's comprehensive ecosystem. Fliggy, Alibaba's travel arm, will step in to take bookings for hotels, restaurants, entertainment and other lifestyle services. The partnership between Accor and Alibaba will also be instrumental in the rollout of the ALL loyalty program, by enabling Alibaba customers to access services and rewards and speed up its expansion in China and worldwide, drawing on the strength of its ecosystem, the great knowledge of its customers and the power of its digital marketing.

Stronger Group loyalty capacities

Digital technology increases the means available to Accor to personalize its relationships with guests, as well as its offers to guests. Personalization is built directly on its ability to gain a better understanding of its individual guests, and to recognize them for optimal service.

Strengthening of 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.). Thanks to its vast network, knowledge of guests built up during their stays is a powerful tool to personalize its relationship with them, to understand their aspirations, and suggest offers that provide lasting appeal and satisfaction.

Strengthening guest engagement by rewarding loyalty

Like other players in hospitality, Accor is seeking to increase its hold on guests in order to maintain their loyalty to its rich service ecosystem over time. Meeting increasingly numerous and specific demands, the Group's ecosystem is gradually expanding to enrich Accor's relationships with its guests, and to maximize their experiences around diversified service lines to foster long-term commitment.

A broad and appealing ecosystem

With its augmented hospitality ecosystem, Accor is positioned as a travel companion to guests, offering them the broadest range of services and benefits.

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. Embodied by the new "ALL – Accor Live Limitless" program, it will combine the Group's distribution platforms with a new experiential loyalty program. This genuine global digital loyalty platform accompanies its members in their diverse daily needs and wants (live, work, play) by providing a wide range of hospitality services accessible from a single portal, all.accor.com, designed to grow frequency of use and increase touchpoints. 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, and the Paris Saint Germain football club. 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. Seeking to engage guests, these negotiated alliances will be a source of value for the brands, whose reputation and attractiveness will be increased, particularly among hotel owners, further boosting the Group's fees and earnings. As loyalty points are exchanged for rewards within its ecosystem, Accor gains knowledge of its members' preferred touchpoints and their purchasing behavior, and is able to develop more targeted offers and messages.

Partnerships that diversify loyalty circuits and strengthen the appeal of ALL with new customers.

Another way to strengthen the Group's capacity to build loyalty is to increase the number of loyalty program members and capitalize on the strengths of other programs.

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, making it one of the most diverse in the industry.

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, who have become members of its program. This alliance has given Accor increased visibility with more than 130 million Chinese members, who benefit from earn, burn and other Group rewards worldwide, giving a boost to the hotels in the Accor network.

Partnership with Eurostar to attract cross-Channel travelers

In 2018, Accor increased the attractiveness of its loyalty program for cross-Channel travelers by partnering with Eurostar. The joint system provides members of each group with exclusive access to a wider range of benefits, and the flexibility to exchange points between the two programs. The partnership enhances the appeal of the Accor loyalty program for its members by giving them new rewards, while attracting travelers who do not know Accor or its products, and giving them the chance to discover them.

Integration of Luggage Free services:

Accor has extended the range of services offered to its members by joining forces with Luggage Free, a leading provider of travel shipping services, which can take charge of their luggage during their journey.

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 are convertible and redeemable in both loyalty programs, allowing members to capitalize on both groups' international geographic footprints. In addition to reinforcing the attractiveness of their respective loyalty programs by providing current members with the advantage of conversion, Accor and Air France-KLM also gain a non-negligible amount of potential bookings from each other's loyalty club members. This partnership also enables Accor to be present in the daily lives of members beyond the hotel sector.

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 ten-year naming contract concluded with the AccorHotels Arena in Paris in 2015, and gives Accor access to AEG's various international assets including the Qudos Bank Arena Sydney and the Barclaycard Arena Hamburg, and to ticketing rights with AEG Presents UK and AEG Presents Asia, the American Express Presents BST Hyde Park festival and more. Boosting the appeal of ALL, the extension of this partnership gives ALL members access to sporting and cultural events with their loyalty points.

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 travelling. 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 and enjoy the experiences provided by the Group's network of 40 different hotel banners. Similarly, ALL members will have access to the numerous GrabRewards benefits. Grab has 36 million regular users and they can now benefit from the broad range of rewards of ALL by becoming members and using their GrabRewards to stay, eat, shop and travel seamlessly across the globe. More than 19 million of the 67 million ALL members worldwide live in the Asia-Pacific region.

Partnership with Visa and BNP Paribas, offering new payment possibilities for ALL members

Accor signed a partnership with Visa and BNP Paribas to launch the co-branded payment card ALL/VISA. ALL members who sign up can use the card for everyday purchases. The card enables them to gain points from the first euro spent, to move up to a higher status more quickly and benefit from exceptional moments in Accor hotels, and unforgettable moments throughout its ecosystem. A major pillar in the Group's loyalty strategy, this card is an essential means of increasing guest engagement more frequent and simplified stays in our hotels. Beyond maintaining mere contact with members, the ALL payment card will strengthen the relationship and enable new member recruitment as well as increasing their average spend. It should also lead to an increase in member numbers and accelerate diversification of Group revenue.

ALL, a guest loyalty tool to boost Group revenue

Loyalty is central to Accor's strategy of capturing market share, because it has a direct impact on the contribution of its members to the Group's overall business volumes and its revenue growth. Members spend more than non-members because they can earn loyalty points. This is a key factor in stimulating and boosting their spending. Providing excellent data, members are more active and generate more revenue for the Group.

Increasing the proportion of members within the loyalty program is therefore a strategic challenge for the Group, as it helps reinforce a significant part of its revenue base in an intensely competitive environment that would otherwise push members toward other players.

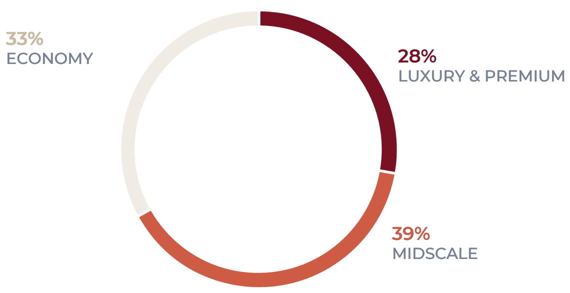
1.6 Development and geographic footprint of the Group

1.6.1 Development driven by organic growth

Enjoying strong momentum despite the health crisis, Accor saw its network grow by 28,942 rooms (205 hotels) in 2020, driven by organic growth. Accor's development covered all segments, predominantly in the midscale (39%) and economy (33%) segments and to a lesser extent in luxury & premium segments (28%).

Openings by segment in 2020

(As a % based on number of rooms)



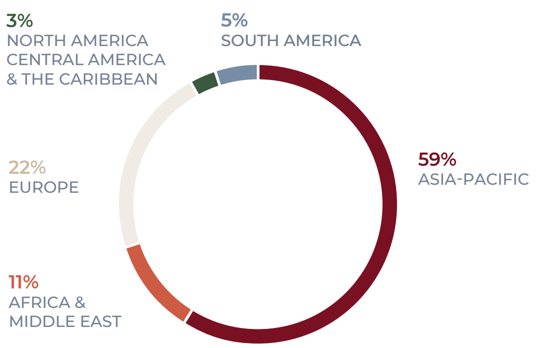
Globally, the Mercure, Ibis, Pullman and Mama Shelter brands provide 80% support to Group development. The luxury & premium segment enjoyed growth of 2.2% in 2020 thanks to the Pullman, Mövenpick and Sofitel brands. Benefiting from growth of 2.5% over the year, the midscale segment owes 92% of its development to the Mercure and Novotel brands, while growth in the economy segment (1.1%) reflects the expansion of the ibis family, which continues to fulfill its great potential around the world.

Geographically, 78% of openings were outside Europe in 2020: 59% in Asia-Pacific with the Mercure, Pullman, ibis brands, 11% in the Middle East & Africa thanks to Sofitel, Pullman and ibis, 5% in South America through ibis, Swissôtel and Novotel and 3% in North America, Central America and the Caribbean thanks to Fairmont and MGallery.

Europe accounted for 22% of openings, mainly under the ibis, Mama Shelter, Rixos and Mövenpick brands.

Gross openings by geography at December 31, 2020

(As a % based on number of rooms)



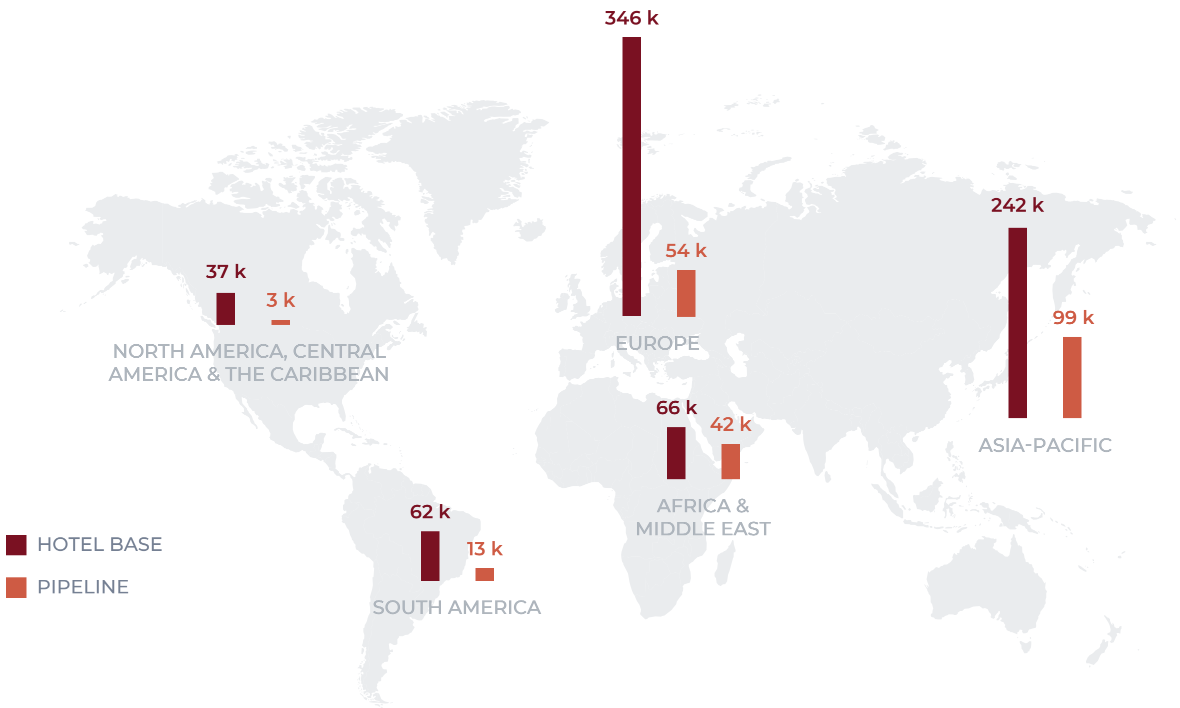
1.6.2 Global coverage of all markets

Accor operates on six continents in all market segments, from economy to luxury. A leader in most geographies (other than China and 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 346,393 rooms representing 46% of its total portfolio by number of rooms at end-2020. At the same time, Accor has new growth drivers in other parts of the world, such as in Asia-Pacific with 1,273 hotels (32% of rooms), North America, Central America & the Caribbean with 120 hotels (5% of rooms), South America with 393 hotels (8% of rooms) and the Middle East & Africa with 298 hotels (9% of rooms).

Hotel portfolio and pipeline by region at December 31, 2020

(in thousands of rooms)



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

Hotel chain penetration is still low globally (30% in Europe and Asia-Pacific, 35% in the Middle East & Africa and 20% in South America), and growth potential is very high, based on projected growth in tourism out to 2030.

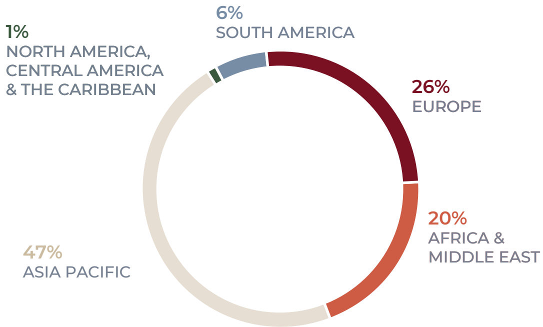
Hotel portfolio by region and brand at December 31, 2020

	Europe		Middle East & Africa		Asia-Pacific		North America, Central America & the Caribbean		South America		Total	
Brand	**Number of hotels**	**Number of rooms**	**Number of hotels**	**Number of rooms**	**Number of hotels**	**Number of rooms**	**Number of hotels**	**Number of rooms**	**Number of hotels**	**Number of rooms**	**Number of hotels**	**Number of rooms**
Raffles	4	504	4	624	9	1,282	0	0	0	0	17	2,410
Fairmont	11	3,264	14	4,654	12	3,603	43	19,883	1	375	81	31,779
Sofitel	29	5,925	24	6,004	51	14,673	7	2,182	8	1,216	119	30,000
So by Sofitel	3	397	1	92	4	611	1	250	0	0	9	1,350
Pullman	28	7,712	13	4,733	90	25,921	3	1,262	9	2,457	143	42,085
MGallery	57	5,203	7	1,094	39	4,622	9	1,240	3	221	115	12,380
Swissôtel	12	2,842	6	4,259	13	6,251	1	662	3	758	35	14,772
Grand Mercure	-	-	2	559,00	48	10,812	0	0	7	1,700	57	13,071
The Sebel	-	-	0	-	32	2,149	0	0	0	0	32	2,149
Rixos	19	5,993	8	3,687	0	0	0	0	0	0	27	9,680
Mantis	3	114	28	721	1	4	2	19	0	0	34	858
Art Series	-	-	0	-	8	2,000	0	0	0	0	8	2,000
Peppers	-	-	0	-	28	4,789	0	0	0	0	28	4,789
Mövenpick	22	4,667	59	14,213	21	5,283	0	0	0	0	102	24,163
SLS	0	0	0	0	0	0	7	1,842	0	0	7	1,842
DELANO	0	0	0	0	0	0	1	1,114	0	0	1	1,114
THE ORIGINALS	3	425	1	225	0	0	1	309	0	0	5	959
REDBURY HOTELS	0	0	0	0	0	0	2	356	0	0	2	356
MONDRIAN	0	0	1	270	1	296	4	759	0	0	6	1,325
HYDE	0	0	0	0	0	0	2	460	0	0	2	460
25Hours	13	2,065	0	0	0	0	-	0	0	0	13	2,065
Luxury & Premium	**204**	**39,111**	**168**	**41,135**	**357**	**82,296**	**83**	**30,338**	**31**	**6,727**	**843**	**199,607**
Novotel	271	45,746	31	6,477	162	40,712	10	2,062	33	6,212	507	101,209
Novotel Suites	30	3,616	3	383	2	351	0	0	0	0	35	4,350
Mercure	590	67,372	23	4,755	202	34,854	0	0	60	7,945	875	114,926
Adagio	56	6,467	7	1,100	0	0	0	0	6	762	69	8,329
Mantra	0	0	0	0	77	14,409	1	1,177	0	0	78	15,586
Mama Shelter	11	1,687	0	0	0	0	1	70	2	175	14	1,932
Tribe	2	162	0	0	1	126	0	0	0	0	3	288
Midscale	**960**	**125,050**	**64**	**12,715**	**444**	**90,452**	**12**	**3,309**	**101**	**15,094**	**1,581**	**246,620**
Multibrand	**16**	**1,380**	**5**	**1,015**	**22**	**3,525**	**2**	**502**	**0**	**0**	**45**	**6,422**
ibis	746	82,831	49	9,005	260	38,040	20	2,686	158	23,587	1,233	156,149
ibis Styles	385	32,788	8	1, 811	121	18,595	2	219	46	6,068	562	59,481
ibis *budget*	530	47,530	4	484	47	5,676	1	154	57	10,230	639	64,074
Adagio Access	46	4,750	0	0	0	0	0	0	0	0	46	4,750
hotelF1	162	12,432	0	-	0	-	0	-	0	-	162	12,432
Jo&Joe	2	283	0	-	0	-	0	-	0	-	2	283
BreakFree	0	0	0	0	22	3,288	0	0	0	0	22	3,288
greet	4	238	0	0	0	0	0	0	0	0	4	238
Economy	**1,875**	**180,852**	**61**	**11,300**	**450**	**65,599**	**23**	**3,059**	**261**	**39,885**	**2,670**	**300,695**
TOTAL	**3,055**	**346,393**	**298**	**66,165**	**1,273**	**241,872**	**120**	**37,208**	**393**	**61,706**	**5,139**	**753,344**

At the end of 2020, Accor operated 5,139 hotels (753,344 rooms) around the world and plans to open 1,209 additional hotels (212,000 rooms) within the next five years.

Pipeline by region at December 31, 2020

(As a % based on number of rooms)



1.6.3 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 2020, and the expansion of the brand portfolio. At the same time, the Group has focused its organic development exclusively on hotel management and franchising.

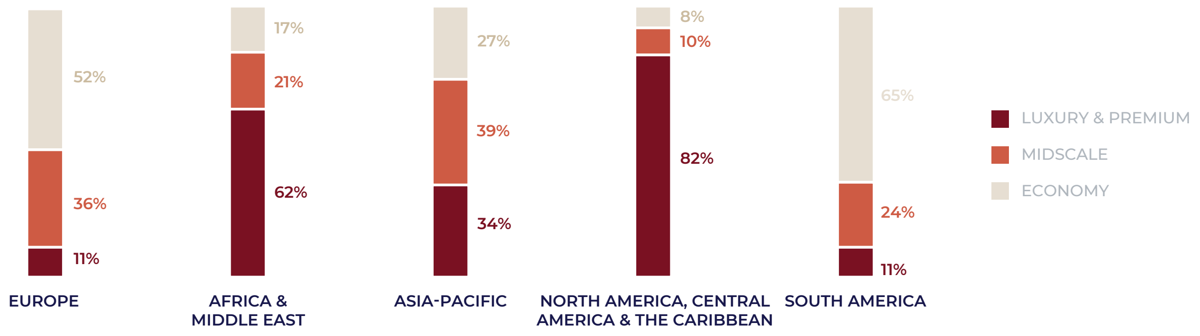
Hotel portfolio by region and operating structure at December 31, 2020

	Managed		Franchised		Owned & leased		Total	
	Number of hotels	Number of rooms	Number of hotels	Number of rooms	Number of hotels	Number of rooms	Number of hotels	Number of rooms
Europe	1,071	160,779	1,929	176,657	55	8,957	3,055	346,393
Middle East & Africa	259	59,162	30	5,417	9	1,586	298	66,165
Asia-Pacific	736	164,821	500	70,374	37	6,677	1,273	241,872
North America, Central America & the Caribbean	99	32,232	20	4,923	1	53	120	37,208
South America	164	27,414	170	22,463	59	11829	393	61,706
TOTAL	**2,329**	**444,408**	**2,649**	**279,834**	**161**	**29102**	**5,139**	**753,344**

At December 31, 2020, 97% of Accor's hotels in Asia-Pacific were operated under management contracts and franchise agreements. The North America, Central America & the Caribbean, Middle East & Africa and South America regions had 100%, 98% and 81% of hotels under management contracts and franchise agreements, respectively. Europe, which had the lowest proportion of hotels under management contracts and franchise agreements before the change of the Group's model (68% and 51% of hotels, respectively) had 97% of hotels under management contracts and franchise agreements in 2020. It is in this geography that the majority of assets were transferred to AccorInvest.

Hotel portfolio by region and operating structure at December 31, 2020

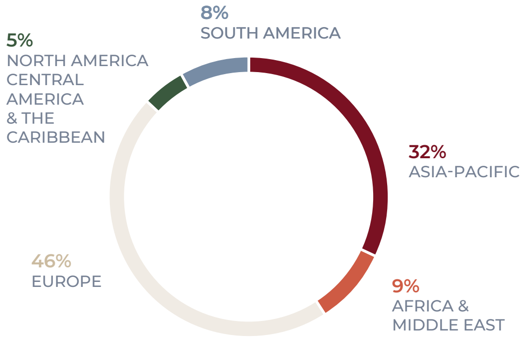
(As a % based on number of rooms)



Accor's growth and diversification in recent years have consolidated its operations in fast-growing areas (49% of the network).

Hotel portfolio by region at December 31, 2020

(As a % based on number of rooms)

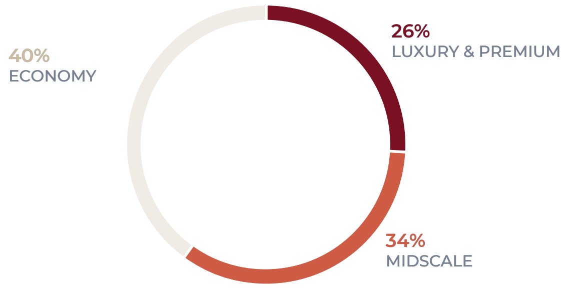


1.6.4 A broader footprint in the luxury and premium segments

The Group's development has been focused on the most profitable segments to increase the weighting of high-value markets in its brand portfolio. Between 2015 and 2020, the weight of the luxury and premium segments within the Accor network increased by 148%, versus growth of 47% in the network as a whole.

Hotel portfolio by segment at December 31, 2020

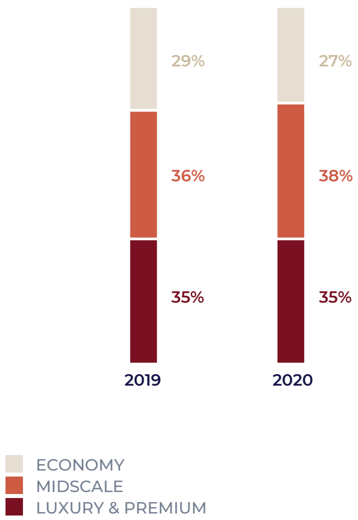
(As a % based on number of rooms)



At December 31, 2020, the luxury and premium segments accounted for 26% of the Accor network, stable compared with 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, 2020

(As a % based on number of rooms)



The range of 40 hotel brands offered by Accor covers all segments. The strong international development of its various banners, particularly in fast-growing regions, allows the Group to take full advantage of long-term growth in the hotel market.

1.7 Markets and competition

Accor ranks 6th in the global hotel industry, based on number of rooms and is the European leader.

Hotel companies ranked by number of rooms worldwide at January 1, 2021

Rank	Group	Hotels	Rooms
1	MARRIOTT INTERNATIONAL	7,551	1,400,289
2	JIN JIANG (*)	10,304	1,087,994
3	HILTON WORLDWIDE	6,422	1,010,257
4	IHG	5,964	886,036
5	WYNDHAM HOTEL GROUP	8,941	795,909
6	**ACCOR**	**5,139**	**753,344**
7	HUAZHU	6,392	600,179
8	CHOICE HOTELS	7,147	597,977

Source: MKG Consulting – March 2021.

Note on methodology: MKG Consulting rankings of hotel groups are based on the number of rooms operated by chains at January 1, 2020, excluding timeshares (e.g., Marriott Vacation Club, Hilton Grand Vacation, Oyo Vacation Homes [formerly @Leisure Group]), excluding affiliated hotels/hotels in voluntary networks (for example: Design Hotels, Hôtels & Préférence, etc.) and excluding owned hotels operated by another operator under third-party brands

(*) Preliminary data for 2021 (MKG Consulting estimate)

European hotel companies ranked by number of rooms at January 1, 2021 (27-country European Union and the United Kingdom)

Rank	Group	Hotels	Rooms
1	**ACCOR**	**2,829**	**308,727**
2	JIN JIANG – INC. RADISSON HOTEL GROUP	1,229	121,735
3	MARRIOTT INTERNATIONAL	583	107,761
4	IHG	683	107,396
5	BEST WESTERN	1,153	84,634

According to the MKG Hospitality report, three Accor chains rank among the top ten, in number of rooms, in the European Union (27 countries) and the United Kingdom.

European integrated hotel chains by number of rooms at January 1, 2021 (27-country European Union and the United Kingdom)

Rank	Trademarks	Hotels	Rooms
1	**IBIS MEGA BRAND**	**1,567**	**150,384**
2	PREMIER INN	830	80,718
3	BEST WESTERN	1,014	76,271
4	HOLIDAY INN / HOLIDAY INN EXPRESS	510	74,024
5	**MERCURE**	**555**	**62,786**
6	B&B HOTELS	530	47,257
7	NH HOTELS	286	44,776
8	**NOVOTEL / NOVOTEL SUITES**	**272**	**44,131**
9	TRAVELODGE	580	44,020
10	SCANDIC	173	35,327

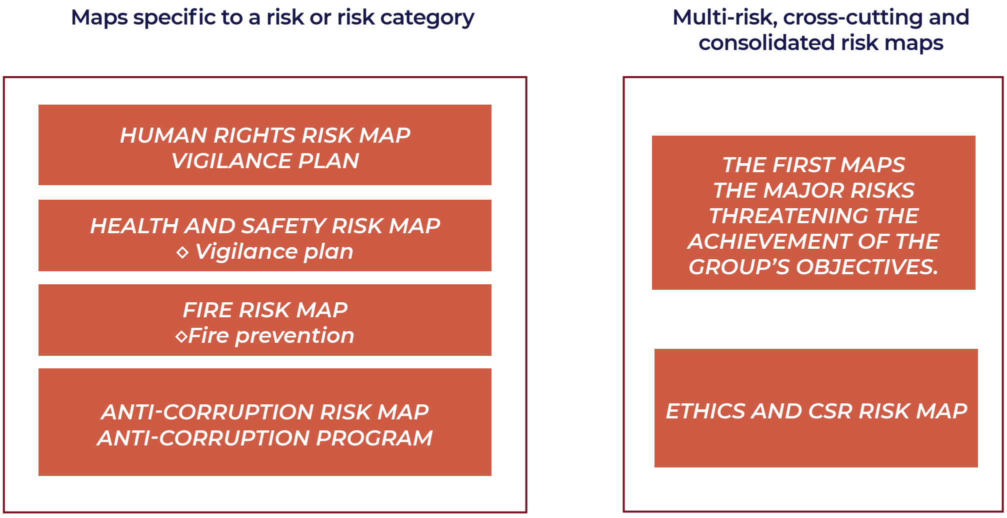
Source: MKG Consulting –March 2021.

1.8 Risk management

1.8.1 Risk management architecture

The Group's risk management system is built around:

- "multi-risk", cross-cutting and consolidated risk maps designed to inform senior management and ensure that the level of risk lies within the Group's risk tolerance range or, if it does not, to identify the risks for which the level of control needs to be reinforced;
- maps specific to a risk or risk category, designed to facilitate the steering of risk mitigation programs by the operating divisions and corporate functions.



Multi-risk, cross-cutting and consolidated risk maps

Two cross-cutting, consolidated risk mapping processes are performed at the Group level. The first maps the major risks threatening the achievement of the Group's objectives. The second maps ethics and CSR risks (in accordance with the law on the duty of vigilance), in other words risks arising from the Group's operations and with social, societal or environmental consequences.

Both of these processes group together different types of risks for the purpose of gaining an overall perspective. This grouping process makes it easier to compare and prioritize risks and it is underpinned by the use of shared rating scales. In other words, likelihood and impacts are assessed in terms of net risk.

Furthermore, for the first time in fiscal 2020, a prospective mapping exercise was conducted of emerging risks and trends up to 2050 that could more or less directly impact the hotel and tourism sector. The risks and trends were assigned to three categories: changes in consumer trends; changes in business models and environmental issues.

Major risk map

This risk map is managed by the Group Risk Management Department (section 1.8.2) and covers all of the risk categories to which the Group is exposed. It is updated annually. The results are presented each year to the Executive Committee and the Audit, Compliance & Risks Committee. The major risks threatening the implementation of the Group's strategy and the achievement of its objectives are noted there. The raw data comes from individual interviews conducted by the Risk Management Department in the operating divisions and corporate functions.

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 1.8.3.

The risk mapping exercise was also decentralized with through the use of local risk maps managed by risk representatives in *hubs* who follow the same approach as that adopted by the Group.

Ethics and CSR risk map

This risk map is managed by the Group Risk Management Department (section 1.8.2) and covers all risks related to human rights, health and safety, protection of the environment and business ethics. It is updated annually. The results are presented to the Group Ethics & CSR Committee. These risks are identified and assessed by consolidating the corruption, fire, human rights and health and safety risk maps.

The risks that are not subject to a specific mapping process are assessed using data extracted from their management tool (environmental footprint, materiality matrix, etc.) or based on individual and group interviews conducted in-house.

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 into account the plausibility of occurrence of the risk and the number of sites exposed. The impact scale takes into account the extent of the negative consequences of the risk and the degree to which Accor would be responsible for these consequences.

In 2020, three risks were deemed to be significant in view of their criticality. They are described in section 2.1. These risks have been identified pursuant to French government Decree No. 2017-1265 of August 9, 2017, enacting Order No. 2017-1180 of July 19, 2017, relating to non-financial disclosures by certain multinationals and groups.

Emerging risks and trends map

A map of emerging risks and trends was developed in response to volatile, complex and unpredictable external environments, in order to engage in early discussions and preparation work on the new challenges facing our industry.

The fact that uncertainty remains regarding such risks and opportunities – which are potentially long-term – makes them difficult to identify, quantify and understand. Nevertheless, it seemed necessary to discern the key trends, which differ from the traditional risks outlined in the major risk map.

All of the new identified challenges were placed into three categories as follows: changes in consumer trends, changes in business models and environmental issues.

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 corruption and influence peddling risk map, managed by the Compliance Department;
- the human rights and health and safety risk maps, managed by the Social Innovation Department (direct sphere: Accor employees and employees of managed and franchised hotels);
- the human rights, health and safety and environmental risk map, managed by the Procurement Department (indirect sphere: subcontractors and suppliers);
- the human rights, health and safety and environmental risk map, managed by the Procurement Department (indirect sphere: subcontractors and suppliers);
- the fire risk map, managed by the Group Risk Management Department.

Corruption and influence peddling risk map

In fiscal 2019 and 2020, the scope and content of the corruption risk mapping methodology were fully revised and strengthened. A new exercise was launched in the second half of the year drawing on the new methodology, which 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 divisions and corporate functions are exposed in its various host regions.

Risks and their level of control were assessed on the basis of 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 & CSR 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.

Human rights, environmental and health and safety risk map (direct and indirect sphere)

Health and safety risks were identified based on visits made to some of the Group's hotels (pre-COVID-19) 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.

Moreover, the risk map for non-respect of human rights and basic freedoms is regularly updated in conjunction with the Social Innovation Department based on external reference databases listing exposures in some countries to topics such as child labor and internal data that identifies employees and hotel locations.

In order to meet the commitments made in the Planet 21 program, the Group devised a plan for more effective control over its nominated suppliers solutions.

Working alongside the Sustainable Development Department, the Procurement Department used a supplier risk map to identify Accor's exposure to CSR risks. The latter was based on the following criteria applied to each of the 98 product families identified by the Procurement Department: volume of purchases, CSR risks of product families, exposure to customer risks and Accor's influence on the supplier. Combined with the use of databases and references (e.g. EcoVadis), these criteria help to identify all procurement categories which are structured into three risk levels (standard, risky, very risky).

The risk management approach of each of these suppliers differs based on its risk level. A tool is deployed to prioritize audits for the suppliers identified as at-risk, taking into account the geographical location and the risk context linked to the country of the supplier.

The risk map covers 100% of listed suppliers.

Fire risk map

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

Climate change risk map

Climate change represents a challenge for the entire tourism industry. The change in business model prompted Accor to regularly monitor risk mapping on the consequences of climate change, starting in 2019.

Risks were identified and assessed by an internal group of experts based on 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 results of this risk mapping exercise are presented in section 1.8.3.

In 2021, Accor's 10/20-year climate risk map will be further developed in order to (i) notify the Accor Group of the potential consequences of climate change and (ii) improve financial transparency as regards climate in the long term, in compliance with the recommendations of the TCFD (Task Force on Climate-related Financial Disclosure).

There is also dedicated governance to manage climate issues. In 2020, Accor's Chief Executive Officer, Sébastien Bazin, created a Carbon Steering Committee. It is chaired by Accor's Deputy Chief Executive Officer, Chris Cahill. The Committee's organizational structure and objectives are described in section 2.7.1.1.

1.8.2 Risk management governance

The Audit, Compliance & Risks Committee

The Audit, Compliance & Risks Committee, whose membership and remit are described in section 3.4.1, oversees the annual mapping of major risks and the deployment of priority risk action plans. The completion 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. With that in mind, and to ensure that the risks threatening the achievement of its objectives are correctly identified, assessed and treated, the Group has embarked on a phase of restructuring and strengthening of its risk governance. In December 2020, Accor formed the Group Risk Committee which succeeds the "Central Risk Management Coordination Committee." The Committee is tasked with:

- ensuring that Group risks are managed in line with its profile, tolerance and strategy;
- contributing to the identification, evaluation and prioritization of major risks at the Group and Hub level;
- 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 will be represented in the Committee:

- Finance;
- Legal;
- IT;
- Purchasing;
- Communications;
- CSR;
- Transformation;
- SMDL;
- Talent & Culture;
- Internal Audit;
- Strategy;
- Marketing;
- Development;
- Internal Control;
- Hub representatives (rotation schedule);
- Risks.

The Committee is chaired by the Group's Deputy Chief Financial Officer and Chief Financial Officer.

The first Group Risk Committee meeting was held in January 2021. The Committee will meet on a quarterly basis.

Group Risk Management Department

The Group Risk Management Department reports to the Group Risk Committee, the Audit, Compliance & Risks Committee and the Group Risk and Insurance Department. It comprises five people who are based at the headquarters with four people at the Hubs. They are involved throughout the Group risk management process described in the Integrated Report.

The department identifies and assesses the Group's major risks and contributes to the process of identifying and assessing the risks of the Group's various host regions and functions. It ensures that measures designed to reduce major risks are implemented and monitored. It is responsible for overseeing the proper implementation and consistency of the Group's risk maps (see section 1.8.1 "Risk management architecture").

As part of the overall mapping process for preventing hotel risks (fire, health and food risks), it defines, promotes and coordinates safety procedures for the people and goods in the Group's hotels. It also ensures, through controls, that these procedures are properly implemented by the relevant parties.

As part of the Group's protection strategy, it is responsible for arranging appropriate coverage for the Group's risks, notably by setting up insurance policies (see section 1.8.4).

Safety & Security Department

The Safety & Security Department, reporting directly to the Chairman and Chief Executive Officer, is responsible for defining and rolling out Group-wide safety and security policies.

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 approves or prohibits 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.

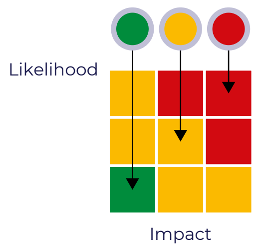
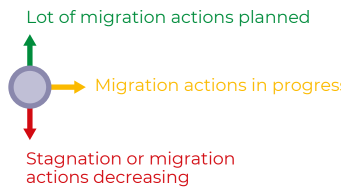
It has developed a crisis management system and ensures that all Group hotels are incorporated and monitored accordingly (see section 1.8.4 "Crisis management").

The Safety & Security Department tracks and analyzes the global safety and security situation on a daily basis, reviewing such things as the geopolitical context, public health and hygiene conditions, extreme weather events and social unrest.

1.8.3 *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;
- existing level of control;
- the intensity of risk mitigation action plans.

Net risk	Existing level of control	Intensity of risk mitigation action plans
		
Whatever their nature, the risks faced by the Group are assessed on the basis of two factors: their likelihood and the intensity of their potential financial impact. Assessments are performed on a "net" basis, i.e., taking into account existing risk mitigation measures.	The level of control of each risk is assessed so that the Group can assess whether additional control measures should be implemented.	Each risk is analyzed from a third angle, on top of the previous two: the number and effectiveness of future action plans.

These risks are classified into two categories: risks related to the business environment and risks related to the business model. They are shown in descending order of criticality within each category.

Risks related to the business environment

Unfavorable change in the geopolitical, health or economic environment

Description of the risk	Mitigation measures
Accor's broad geographical business footprint exposes it significantly to a range of geopolitical, health and macroeconomic risks. As explained in section 1.6.2, the Group's operations are largely focused on Europe and Asia-Pacific, which represent respectively 46% and 32% of rooms of the network. In light of this, 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. In 2020, the hotel sector was hard hit. In 2021 and going forward, the risk, 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. Regarding geopolitical risk, the current disruption linked to the 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.	Protecting guests and employees is a priority for the Group. That is why Accor has adopted a Safety & Security strategy based on an organization, monitoring and appropriate security measures that are subject to change in line with the severity of 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. These plans were 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. To limit the impact of a risked deep and lasting deterioration in macroeconomic factors, Accor launched a plan at end-March 2020 to reduce its central costs and streamline other cost centers (Sales, Marketing, Distribution and Loyalty, Hotel Assets and New Activities). Second, the Group conducted an in-depth and disciplined analysis of its organization and adapted to its new asset-light model. From this analysis, Accor successfully launched a provisional €200 million recurring savings plan. The Group boasts a solid financial position, with available cash totaling €2.4 billion at end-December 2020. The Group also has undrawn credit lines of €1.8 billion, following the negotiation of an additional €0.6 billion credit line with a banking syndicate in addition to an existing facility of €1.2 billion. Supported by these decisions, Accor has sufficient cash to navigate a potentially extended period for the current pandemic for up to twelve additional months at a minimum. Accor has ensured the sustainable business and financing of AccorInvest (Company in which Accor holds a 30% interest and which owns more than 15% of Accor brand hotels). Lastly, 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.

Malicious attack on the integrity of digital personal data

Description of the risk	Mitigation measures
For the needs of its business, Accor uses its guests' data (identity and sometimes payment), specifically 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 the 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.).	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 2020 revenue, Accor has maintained all planned budgets related to cyber risk prevention. Similarly, for 2021, Accor has earmarked a substantial budget in an effort to maintain IT security levels in recent acquisitions. 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. In 2020, more than 70,000 Accor-banner employees completed the PCI DSS e-learning course. For the General Data Protection Regulation (GDPR) compliance program, supervised by the Data Governance Committee (section 2.2.2.4), the Group maintains a processing process map, assesses the risks to which these processes 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 1.9.3. 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.

Non-compliance with standards, laws and regulations

Description of the risk	Mitigation measures
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 and the fight against corruption have been introduced. The ALL program, presented in detail in section 1.6.2, 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 an increasing volume of 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. Similarly, the Group's network of more than 5,000 hotels in over 100 countries brings it into contact with a great number of public and private agents in the conduct of its business. 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). 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.	The Group has legislative and regulatory watch systems in all of its host regions to guard against risks arising from failure to apply any new laws or regulations. These systems are implemented by legal teams throughout the world. The teams ensure compliance with applicable standards, laws, regulations and other texts by all Group entities in all host countries. In the field of personal data, the Group has set up an organization dedicated to ensuring the Group's compliance with PCI DSS and the GDPR, but also to supporting Accor-banner hotels brands in their own compliance. This organization, described in section 2.2.2.4, 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 Offer, the Compliance function described in section 2.2.3.1 promotes implementation of the Group's anti-corruption policy throughout the organization. This policy is relayed by Executive Management and a network of local compliance officers, supported by the Ethics & CSR Committee and the Committee of the Board of Directors in charge of compliance matters (see section 2.2.2.2 "Corporate social responsibility (CSR) incorporated into the committees of the Board of Directors"). In 2020, 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 process and risk-related prevention controls.

Risks related to the business model

Integration of acquisitions

Description of the risk	Mitigation measures
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 external growth strategy on acquisitions of hotel chains (FRHI, Mövenpick, SBE, etc.), distribution channels (Gekko, VeryChic, ResDiary), new services (John Paul, D-Edge) and new spaces to stay, play and work (onefinestay, Wojo). The Group intends to pursue this strategy by carrying out further external growth transactions, especially acquisitions of small and medium-sized asset-light groups. Accor's growth depends largely 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, difficulties in taking control of the acquired activities, 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 paragraph 1.4.	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.).

Unavailability of digital operating data

Description of the risk	Mitigation measures
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 interruptions 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.	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 1.9.3. A back-up system and redundant networks have been put in place to guarantee continuity of service if an incident were to occur despite these preventive measures. Given the uncertainties inherent to crisis situations and operation in degraded mode, doubts nevertheless remain as to the proper implementation of the contingency plan within very short timeframes. An action plan is underway to guarantee the reliability of the contingency plan by automatically reestablishing services in a sufficiently short time so as not to affect the Group's business. 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.

1.8.4 *Prevention and protection*

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. The standards have been vetted by Bureau Veritas, a world leader in hygiene and cleanliness inspection.

Safety and security, protecting guests

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;
- 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;
- approves or prohibits 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 the needs of the hotels in terms of advice and training.

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

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

Protection

Crisis management

The Group has set up a structured, aligned crisis management organization with specifically designated teams for headquarters and for the operating units in the more than 100 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 and Risk Management Department operate a 24/7 crisis hotline.

Transferring risk: insurance

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

This Group insurance program offers:

- property damage insurance in over 60 countries worldwide for all Group brands;
- the possibility for owners of franchised and managed hotels to benefit from some of the Group's liability coverage so as to enhance the compensation paid out to guests in settlement of their claims.

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

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 property 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 in order 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.

1.9 Internal control and Internal Audit

1.9.1 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 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 fixed by Executive Management or the Management Board are applied;
- the Company's internal processes are functioning correctly, particularly those implicating 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 mitigate 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, Internal Control procedures cannot provide an absolute guarantee that the Company's objectives will be achieved, no matter how well the system is designed or how well the procedures are applied.

Corporate values and principles

The Group's internal control system supports the corporate values expressed by the Board of Directors and Executive Management and communicated to all employees. The Group has drawn up rules of conduct and integrity relating to employee behavior and relations with customers, shareholders, business partners and competitors. As such, its Ethics Corporate Social Responsibility Charter provides clear framework for the responsible conduct that the Group expects in terms of ethics, integrity, legal compliance and overall corporate social responsibility. In 2020, the Group adopted a Compliance program designed to tackle compliance risk, particularly bribery-related and anti-trust risks (see section 2 on page 145 for more information on the duty of care). In 2020, the Group developed its internal control system with an Internal Control Book that underlines the main forms of control to be conducted by process.

1.9.2 *Overall organization of internal control*

Scope of internal control

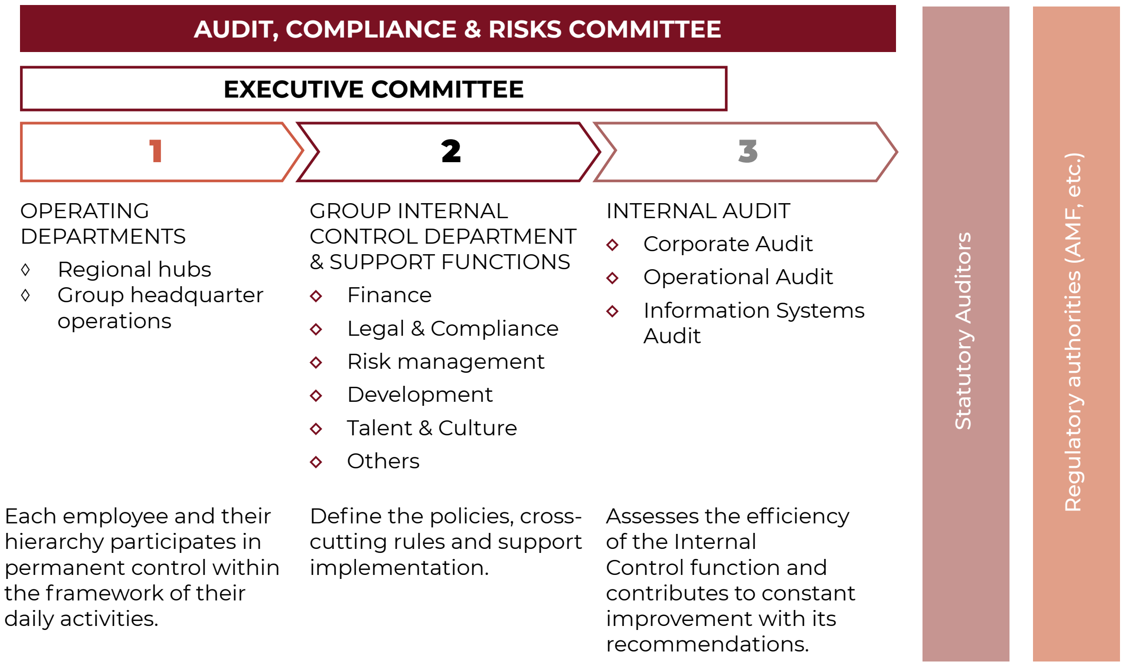
The internal control procedures described below cover the parent company and all of its consolidated subsidiaries.

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's Internal Control Department.

Internal control procedures are monitored on the following three fronts:



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

The Audit, Compliance & Risks Committee

As described in the Board of Directors Bylaws (see section 3.11, Appendix A), the Audit, Compliance & Risks Committee carries out the following main tasks:

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

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

The Internal Audit Committee

The Internal Audit Committee comprises the Chairman and Chief Executive Officer, the Deputy Chief Executive Officer in charge of Hotel Operations, the Deputy Chief Executive Officer in charge of Legal, Finance, Procurement, Communications and Strategy, other members of the Executive Committee (see the section on members of the management bodies in this Universal Registration Document) and the Director and Deputy Director of Group Internal Audit. Representatives of the Group's key functions also attend, including General Control, Taxation, Financing, Risk Management, Legal, Compliance, Information Systems 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:

- 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 encourage improvements in internal control levels within the Group;
- 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.

The 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 3.1, as well as in the Board of Directors Bylaws on page 292.

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 appears in section 3.1.2.

Group Internal Audit

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

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

At December 31, 2020, Group Internal Audit had a staff of 55 auditors, 38 of whom work locally in the regions.

Group Finance

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. In connection with their audit of the consolidated financial statements, the Statutory Auditors audit the consolidation packages transmitted by the subsidiaries included in the scope of their audit.

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

Group Internal Control

Against a backdrop of business transformation and external growth, the Accor Group chose to strengthen its internal control system and create a Group Internal Control Department in March 2019.

The new department is separate from Internal Audit and falls under the responsibility of Group Finance.

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

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

The department works closely with Group Risk Management, Legal & Compliance, Finance and Internal Audit.

Internal Control will eventually coordinate the implementation of projects and initiatives decided by the Internal Audit Committee, jointly with business experts.

1.9.3 Organization of Group Internal Audit

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

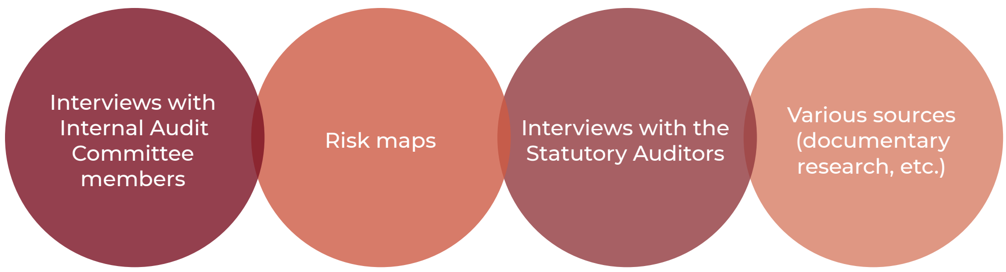
The Internal Audit Charter aims to provide a Group-level cross-functional view of Internal Audit resources and methodologies, as well as the methods used to communicate the results of internal audits. To this end, it defines the framework for Internal Audit activities within the Group, based on the professional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

Internal Audit

Group Internal Audit 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 subsequently 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 to the majority of hotels, hotel head offices and new businesses. These assessments interconnect with the Group's existing internal control standards and processes and are based on analyzing the internal control risks inherent in each business and identifying 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 assignments, 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. As part of its mandate, a review of the annual self-assessment campaign is carried out and leads to the expression of an Internal Audit opinion.
- **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 relate as much to issues bearing on the integration of acquired entities, a function or a process as to one or more pillars of the anti-corruption system.

Operational Audit

These audits are aimed at evaluating the reliability and effectiveness of the operating units' internal control systems as well as ensuring that they comply with Group standards. They notably include regularly checking that the internal control self-assessments have been properly performed by hotels in their scope.

Operational audits are chiefly performed by the operating Internal Audit Departments for the regional hubs. These departments are now hierarchically linked to the Group's Internal Audit Department and report functionally to the Finance Departments of the regional hubs.

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

These departments also provide ongoing assistance to finance and operating departments in managing and monitoring internal control issues within the hotels in their scope.

Information Systems Audit

- **Information systems audits,** which are performed to ensure that best practices are applied in relation to the organization and monitoring of the audited units' information systems.
- **Audits of applications and processes,** which are aimed at ensuring that manual or automated checks in place provide an appropriate level of internal control in view of the operations covered by the applications concerned.
- **Project and digital product management audits,** which are designed to validate the implementation of best project and digital product management practices.
- **Pre-and post-acquisition technological reviews,** aimed at assessing the maturity of the digital environments of new acquisitions and their 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 by the Information Systems Security Department, which reports to Group Information Systems, and in some cases in response to queries raised by Group Internal Audit.

Follow-up audit of actions plans

These audits are intended to ensure that the actions plans prepared by the audited unit 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 actions plans

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

The final report, which includes any actions 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 centralized by Group Internal Audit and 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 actions plans decided on by the parties concerned.

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

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

Group Finance

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

Group Finance is organized into the following departments:

**DEPUTY FINANCE DEPARTMENT
GENERAL CONTROL**

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

**DEPUTY FINANCE DEPARTMENT
FINANCING AND RISKS**

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

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

The accounting and financial information system

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

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

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

The Group has also set up processes to ensure the security of the accounting and financial information system, as well as the integrity of the data involved.

These include regular back-ups and programmed controls that trigger warnings in the event of incorrect data entries.

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

Accounting principles and procedure manuals

- Several accounting principles and procedure manuals are distributed to all of the Finance Departments within the Group, including:
- the reporting procedure;
- a presentation of International Accounting Standards (IAS)/International Financial Reporting Standards (IFRS), providing details on how to apply the standards to the Group's specific circumstances;
- consolidation instructions;
- specific procedures for managing cash flows involving countries subject to international sanctions and for issuing corporate payment cards to employees, as well as fraud awareness manuals.

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

Reporting procedure

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

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

Preparing and controlling the consolidated financial statements

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

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

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

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

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

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

SECTION 2

CORPORATE RESPONSIBILITY

2.1 Statement of non-financial performance and Accor Group vigilance plan

Due to the Covid-19 crisis, 2020 was an exceptional year. Given the critical economic situation experienced by the Accor Group, a very significant number of programs or projects related to the Ethics & CSR process have been suspended or slowed down. In this respect, the deadlines previously set for the end of 2020 have been postponed until the end of 2021, in particular the achievement of the objectives of the Planet 21 program. However, in this exceptional period, Accor has shown responsiveness and commitment to reallocate its resources and prioritize the health and social emergencies resulting from the crisis, while maintaining its sustainability trajectory.

2.1.1 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 report included in paragraph 19 "The Accor business model".

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 information by companies.

The methodology for identifying risks and the governance of Group risk management, including CSR risks, are described in section 1.8 "Risk management" of this Universal Registration Document.

Designation of risk	Description of risk or sub-risks	Policies and measures implemented to control risk and results of risk management
RISKS ASSOCIATED WITH PERSONAL DATA		
Malicious harm to the integrity of digital personal data	For the needs of its hospitality business, Accor uses data (identity and sometimes payment) of its guests, particularly in hotels and in its loyalty program. This data could be subject to malicious use, internally or externally. The Group and its service providers could be victims of attacks on their computer systems (viruses, denial-of-service attacks, etc.), sabotage or intrusion (physical or digital), that could harm the availability, the integrity or the confidentiality of the data. Such events, should they occur, could affect the owners of the stolen or disclosed data. Furthermore, in addition to the interruption of its activities, the Group could be held liable and thus generate a significant financial impact (CNIL [French National Commission for Information Technology and Civil Liberties] fines or other regulatory bodies, compensation for guests or others).	2.2.2.4 [SNFP] – Policies and measures implemented to guarantee availability, protect the integrity and the confidentiality of the personal data and results of such measures and policies
RISKS ASSOCIATED WITH PARTNERS		
Accor is present on the five continents with a portfolio of hotels distributed in more than 110 countries. To finalize the transformation to the "asset-light" model, a great majority of these hotels are operated through management contracts and as franchises. A great majority of the activities and development of Accor therefore are based on its network of third-party owners. The Group offers these owners, *via* its Astore Shop platform, access to more than three listed suppliers. In addition, as part of its new loyalty program "Lifestyle All", the Group is supported by a network of partners to offer unique experiences to its loyal guests.		

Designation of risk	Description of risk or sub-risks	Policies and measures implemented to control risk and results of risk management
Partners non-compliant with ethical and CSR commitments	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 hotels under the Accor brand, or at one of the listed suppliers or partners. In fact, the Group's geographical implantation and its business sector expose it to risks of violation of human rights (discrimination, child labor, forced labor, etc.) or of business ethics (bribery, money laundering, etc.). Such acts could harm the physical and psychological integrity of the Group's guests or employees, its image and its reputation, but also engage its liability for failure to comply with applicable laws and regulations. In addition, as part of its Planet 21 sustainable development program, the Group has made commitments to fight against food waste and consumption of non-renewable resources and reduce its contribution to water stress, the attainment of which depends to a large extent on its partners, in particular the owners of the hotels. In fact, the operation of the 10,000 restaurants and bars of the Group exposes it to a major risk of contributing to food waste. Likewise, the hotel activity involves the consumption of non-renewable resources (gasoline, metals, minerals, etc.) for the construction of hotels, their energy supply or the manufacture of products that constitute the hotel offering. Finally, according to the environmental footprint updated by Accor in 2015, 25% of the Group's hotels are located in areas of high to very high water stress, which exposes the Group to a Risk of participating in increasing local water stress.	2.2.3 [SNFP] – Compliance program 2.3.3.3 [SNFP] – Prevention of risks related to bribery and influence trafficking 2.2.5 [SNFP] – Planet 21 – Acting Here, the roadmap for 2020 2.4.2 [SNFP] – Favoring environmentally responsible products 2.5.2.1 [SNFP] – Policies and measures implemented and results obtained – Planet 21 commitment: ethics and CSR risk management process will be deployed among 100% of our partners by 2020 2.6.2 [SNFP] – Protecting children from abuse 2.7.1.4 [SNFP] – Climate indicators, objectives and commitments 2.7.2 Reducing water consumption in hotels 2.8 [SNFP] – Eliminating food waste and promoting healthy and sustainable food
Partners non-compliant with health and safety standards	The Group is exposed to the risk of non-compliance, in one or more hotels under the Accor brand, with respect to its standards (PCI DSS, etc.) and regulations (fire safety, health, etc.). The Group is also exposed to the consequences of the non-compliance of its listed suppliers with the standards and regulations governing food safety or the safety of individuals. Failure to comply with these standards, resulting in an accident, a fire or food poisoning, could occur in a hotel of the Group, which would imperil the health and safety of its guests and employees and could harm its reputation.	2.2.2.4 [SNFP] – Policies and measures implemented to guarantee availability, protect the integrity and the confidentiality of the personal data and results of such measures and policies 2.2.5 [SNFP] – Policies and measures implemented and results obtained – Planet 21 commitment: ethics and CSR risk management process will be deployed among 100% of our partners by 2020
RISKS ASSOCIATED WITH THE ENVIRONMENT		
Greenhouse gas emissions	Most of the Group's revenue is linked to the operation of buildings, the 5,000 hotels of the Group, and the operation of the 10,000 restaurants and bars present in its hotels. According to the 2018 carbon footprint study conducted by Accor (Scopes 1, 2 and 3, excluding guest transportation), these activities also contribute the most to the Group's carbon impact (energy consumed in the hotels and upstream farming operations or the production of food served in the restaurants). Greenhouse gas emissions have consequences on world climate change, as well as the seriousness and frequency of extreme weather events, and could lead to population movements, and have effects on human health and ecosystems. Although it is a moderate contributor to greenhouse gas emissions (0.01% of world emissions in 2017), Accor is aware of the seriousness of the effects linked to climate change on the environment, biodiversity and the quality of life on earth and classifies this risk among its major risks.	2.7.3 [SNFP] – Policies and measures implemented – Accor Group's climate strategy 2.7.1.4 [SNFP] – Accor climate metrics, targets and commitments

2.1.2 *Accor Group vigilance plan*

In accordance with its international commitments and the law of March 27, 2017 respecting the duty of vigilance, Accor has established a vigilance plan with measures to identify risks and prevent serious abuses of human rights and fundamental freedoms, health and safety as well as the environment.

The French law on vigilance requires measures to be put in place to identify the risks resulting from "the activities of the Company and of the companies it controls as defined in Article L. 233-16 (of the French Commercial Code)". In this respect, the Accor Group takes into account the specific aspects of its organization as expressed in its various operating structures by applying the duty of vigilance to its owned and leased hotels and to its hotels operated under franchise agreements and management agreements.

To fully address all these issues, Accor has set up a working group composed of representatives from the Procurement, Social Innovation, Legal, Sustainable Development and Risk Departments.

2.1.2.1 Risk mapping

Risk mapping, head offices and owned, leased and managed or franchised hotels scope

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 described in section 1.8. 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" chapter. This mapping is a management tool that complements the two pre-existing tools in the Group: the materiality matrix and the environmental footprint.

The CSR materiality matrix is an overview of all the CSR challenges over the entire value chain of the Group and includes the challenges linked to health and workplace safety, human rights and the environment. It is presented in chapter 2.11.1 of this Universal Registration Document.

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 park and the promotion of sustainable food in its restaurants. This study was updated in 2020 with the data available for 2019. The main results are presented in sections 2.7.1.4, 2.7.2 and 2.8.3.3.

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 2.7.1.3.

Risk mapping, suppliers and contractors scope

The Group is committed to identifying the environmental, societal, and social risks that can result from its business relationships with its suppliers, see section 1.8 Risk management. The Procurement Department, together with the Sustainable Development Department, uses supplier mapping to identify Accor's exposure to CSR risks. The procurement categories were classified into three risk levels ("standard", "at risk", "high risk") according to five criteria, including the amount spent with the supplier and the social and environmental risks related to its activity. The risk management approach of each of these suppliers differs according to its level of risk (*e.g.* assessment of compliance with CSR criteria by an independent auditor for risky suppliers or on-site social and/or environmental audit by an independent auditor for high-risk suppliers).

2.1.2.2 Preventing serious abuses

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

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.

In order to raise awareness among all employees on the topics covered by the Ethics and CSR Charter, Accor makes awareness kits available to all hotels, including web series, e-learning and educational videos: To date, the subjects covered by such awareness kits are the fight against child sexual exploitation, the fight against sexual harassment, combating bribery, the general data protection regulations, non-discrimination and responsible purchasing.

Accor promotes and implements its values and commitments through an Ethics and CSR Committee and a global network of Ethics and CSR officers. The governance of ethics and CSR is detailed in section 2.2.2.

Planet 21 – Acting Here program

The Planet 21 – Acting Here program is built around commitments that directly address the social, environmental and societal issues identified by the Group. These commitments are binding upon its hotels. The description of this program can be found in section 2.2.5. This program results in a road map for hotels, containing actions, in particular films for awareness and e-learning, on subjects related to the duty of vigilance. Each of the following policies is described in different sections of the Universal Registration Document:

Subjects linked to the duty of vigilance	Section of this Universal Registration Document
Human rights	2.3.5 Promoting diversity and inclusion 2.3.6 Pursuing our commitment to workplace health, safety and quality of life 2.3.8 Promoting open dialogue 2.6.2 Protecting children from abuse
Workplace health and safety	2.3.6 Pursuing our commitment to workplace health, safety and quality of life
Environment	2.2.5 [SNFP] – Policies and measures implemented and results obtained – Planet 21 commitment: ethics and CSR risk management process will be deployed among 100% of our partners by 2020 2.8 Eliminating food waste and promoting healthy and sustainable food

Sexual harassment policy

Accor is committed to eliminating all forms of harassment from the workplace, including bullying and sexual harassment. An e-learning training module and a presentation video created by the Chief Executive Officer of AccorInvest, the Chief Digital Officer and the CEO of Luxury Brands were prepared to raise awareness on sexual harassment. They will be made available to employees in 2021. The Group plans to strengthen its anti-harassment measures from 2021. See also section 2.3.6.3 on the measures taken by the Accor Group to combat violence against women and gender-based violence.

The whistleblowing hotline, in operation since May 4, 2018, and available in 29 languages for the employees of the head offices, the owned and leased hotels and the new activities, also allows employees to report situations of sexual harassment (see also section 2.1.2.4. "Whistleblowing mechanism"). The whistleblowing hotline was audited in 2020 by the Accor team in charge of internal audit.

Fight against musculoskeletal disorders

Accor has undertaken to fight against musculoskeletal disorders. To prevent these disorders, training is given to all employees worldwide and various measures are put in place. The various measures are described in section 2.3.6.3.

Inclusion & Diversity

The Group has implemented programs to promote diversity and inclusion, details of which are provided in Part 2.3.6 Promoting diversity and encouraging inclusion. It is engaged in fighting all forms of discrimination. For that purpose, several programs have been put in place worldwide:

- HeForShe solidarity movement;
- Diversity & Inclusion champions;
- Women Riise network.

Actions to prevent serious abuses by suppliers

Accor is committed to ensuring that its 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 aim is to raise awareness and secure commitment from the Group's 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.

According to the risk of negative impacts identified during the mapping process, Accor pays particular attention to the procurement categories most at-risk. Procurement 21 Charter is attached to all calls for tender, signed when suppliers are selected, and then attached to contracts. For at-risk categories, the CSR criteria are taken into account throughout the process and a CSR clause is included in the contracts. The whole risk management process concerning suppliers is provided in section 2.5.2.

2.1.2.3 Evaluation and monitoring procedure

All the monitoring indicators are detailed in Part 2.9 "Measuring and evaluating performance".

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 check the application and effectiveness of the measures put in place and adherence to them. Monitoring is carried out *via* the Gaia tool (this tool is presented in section 2.9.3.2 in the paragraph "Gaia, an online tool for global and detailed management") that hotels can use to evaluate their own performance, define their priority goals, create action plans and track their progress. The data, based on statements from the hotels, is then checked by sampling by the person in charge of Planet 21 In Action reporting, at the country and Group level, as well as during audits.

Internal audits

The internal audits, whose organization is described in section 1.9.3, plays an important role in the identification and prevention of risks. Through the audits conducted, Internal Audit ensures compliance, through its due diligence – 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.

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

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

Lastly, Internal Audit monitors the performance and effectiveness of the internal control system put in place within the Group.

Ethical and CSR risk management in supplier relations

Accor has implemented an ethics and CSR risk management process to ensure effectiveness and assess the quality of the measures implemented as part of a continuous improvement cycle. This 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 the Ethics and CSR risk management processes with respect to supplier relations are described in section 2.5.2.2.

2.1.2.4 Whistleblowing mechanism

The Group'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 and correspondents. 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 progressively put in place and accessible at the second half of 2019, for all employees of the head offices, owned and leased hotels, and new activities and AccorInvest hotels. This whistleblowing system is based on an Internet platform accessible 24/7 in 29 languages. The launch of this system for the employees of other managed hotels as well as the franchised hotels has already been completed in some regions and will be extended to the entire Group in 2021.

2.1.2.5 Report of the vigilance plan

Internal audits

In head office audits, the key elements of the Ethics and CSR Charter are systematically reviewed. These audits include verification of the proper distribution of the Ethics and CSR Charter of the Accor Group both in the hotels belonging to their scope and among other stakeholders, verification of the compliance with best practices in purchasing and hotel development as well as initiatives for raising awareness of the ethics and CSR commitments among employees of the head office.

In addition, all hotels (owned, leased and managed) must perform an annual self-evaluation and therefore must complete a self-evaluation questionnaire taking into account compliance and awareness of the commitments of the Ethics and CSR Charter. In 2020, 90% of the hotel directors (owned, leased and managed hotels) declare that they regularly conduct awareness campaigns for managers concerning the Ethics and CSR Charter.

Risk mapping, suppliers and contractors scope

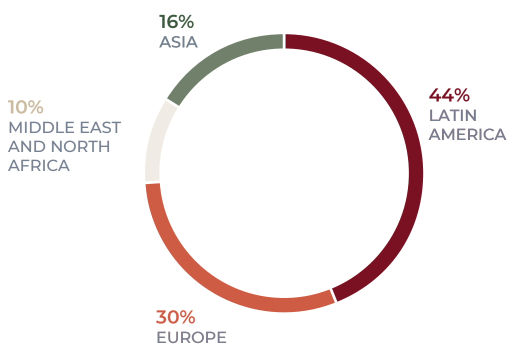
The risk map covers 100% of listed suppliers. Since 2017, three actions apply (according to the level of risk of the category) and were to be put in place among the listed suppliers until 2020. However, as the control plan was significantly slowed down due to the Covid context, the deadline was postponed until the end of 2021.

	2018	2019	2020
Number of listed suppliers [(1)]	3,641	3,599	3,480
Number of suppliers that signed the Procurement 21 Charter	3,354	3,329	3,446
Number of suppliers that responded to the EcoVadis questionnaire	650	920	975
Number of audits on production sites considered the most at risk	162	313	336
Number of suppliers that do not abide by contractual CSR clauses	0	0	0
Delisting	1 in 2018 in France (Chicco – Artsana)	0	0

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

In 2018, a new risk mapping method was developed to improve the control methodology and make it more relevant and consistent with respect to the law on the duty of vigilance. This work involved putting in place a tool for prioritizing audits for the suppliers identified as at-risk, taking into account the geographical location and the risk context linked to the country of the supplier. This new method is described in the "Risk management" chapter.

Whistleblowing hotline



The alerts thus received are processed by contacts corresponding to the following categories: health and safety, human rights, environment and compliance following a procedure to process the alerts anonymously and confidentially.

2.2 Management of the ethics, compliance and CSR approach

2.2.1 Societal commitment, an Accor pillar

Accor is convinced that its ethical, social and environmental commitment is helping to preserve the planet while providing added value to its stakeholders: health, safety, well-being for employees who work for the Group, ethical business relationships with owners or suppliers and subcontractors, sharing of the value created with local communities, etc. The Group attempts to make a positive contribution at the local and the global level so that everyone can benefit from its hospitality. Accor breaks this commitment down into three major areas:

- its commitments as a company with integrity;
- its commitments as a responsible employer;
- its commitments as a player committed to civil society and the planet.

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 the non-financial policies of the Group derive from the Charter.

This Ethics and CSR Charter, initially drafted in 2015, was completely revised in 2019 to take into account new applicable regulations (duty of vigilance, the Sapin law, the law on influence trafficking, 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. It was distributed to Accor employees in 2020.

Policy and tools for dialogue with stakeholders

Implementing the Accor Group's CSR process means maintaining an ongoing dialogue with its stakeholders. That dialogue is a critical process that plays an inherent role in the business of the Group. A Group corporate stakeholder dialogue procedure defines the scope of application and implementation of the process, the responsibilities at every level (global, regional, local), and the resources used to enhance dialogue and keep stakeholders informed. The numerous partnerships that Accor maintains (*e.g.* ECPAT, PurProjet, Energy Observer, Community Conservation Fund Africa, The Camp) also support this dialogue policy.

2.2.2 Governance: ethics, compliance and CSR

From the summer of 2021, the Accor Group CSR Director will sit on the Executive Committee.

2.2.2.1 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.

The Accor Group's Ethics and CSR Charter has been rolled out in all the countries where the Group is active. It is available on the various Group Intranets and from the Accor website https://group.accor.com/fr-FR/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.

The 2019 version of 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 addition, an e-learning module is available in the Académie Accor catalogs and will be updated in 2021. The tracking tool for employees who have completed the e-learning module has been enhanced to improve the monitoring of the dissemination of the Ethics and CSR culture.

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

In matters of compliance, the Audit, Compliance and Risk Committee:

- reviews the organization and implementation of the Company's compliance program and remains up to date on the deployment of any compliance policies;
- reviews ethical issues referred to it by the Board or its Chairman or that it may address or of which it may have knowledge;

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

In terms of governance and CSR, it is the Appointment, 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 Appointment, Compensation and CSR Committee holds at least two meetings per year. In 2020, the Committee held a meeting entirely dedicated to CSR, during which it reviewed the strategy and objectives of the Planet 21 program as well as those of the Group's diversity and inclusion policy. In addition to this specific session, the Committee regularly monitors the implementation of the strategy on CSR topics.

2.2.2.3 Ethics and CSR Committee

The Ethics and CSR Committee was created in 2014 to reinforce the importance of these topics within the Group. Since its creation, this committee has monitored the evolution of Accor's obligations as a responsible company and has supported management in the monitoring of various actions and projects in the areas of business ethics, sustainable development and corporate social responsibility.

This Committee met one time in 2020, to oversee the progress of the Ethics and CSR roadmaps, with many agenda items on topics such as: presentation of corruption and CSR risk mapping, followed by the reporting of the whistleblowing system, deploying the whistleblowing hotline to managed and franchised hotels, presentation of the conflict of interest policy, presentation of Accor's gender equality strategy.

However, unlike in previous years, and since its creation, the Committee was not able to meet due to the health crisis, which did not allow members to physically participate. Ethics issues were nevertheless monitored with the same attention, both by the dedicated teams (human resources, compliance, internal audit, etc.) and by the Committees of the Board of Directors.

As part of the new organization of the Group's activities, and with the new version of its Ethics and CSR Charter released in June 2020, the composition, role and scope of activity of this committee were reviewed with a view to making it more agile and closer to organizations and activities. Its missions are now as follows:

- reviewing the Group's Ethics and CSR Charter and the rules and procedures in place (including those governing relations with third parties);
- discussing any issue relating to ethical business conduct;
- making recommendations to the Executive Committee on the implementation of the Group's commitments in terms of ethics, CSR and compliance;
- monitor the implementation and performance of the Group's ethics, CSR and compliance process;
- taking note of cases reported *via* the whistleblowing system;
- analyze any shortcomings and recommend specific additional controls if needed;
- receiving and commenting each year on the presentation of the Group's risk mapping in terms of ethics and compliance and corporate social responsibility;
- reviewing and monitoring the ratings obtained by the Group from non-financial rating agencies.

The Committee in its new composition will meet for the first time in the first half of 2021. Its composition is in progress at the time of publication of this Universal Registration Document.

The deployment of the CSR approach in the hotels

Accor's CSR commitments cover all its establishments, both managed and franchised. Accor's minimum CSR requirements are systematically integrated in the standards of each brands it holds.

For franchised hotels, when the CSR program is included in the franchise or management contract, the hotel is required to deploy it. In any case, Accor recommends that the owner implements it and provides the appropriate tools and solutions.

In the case of majority holdings, the CSR program is automatically integrated into any entities acquired. In the case of hotel subsidiaries, the Planet 21 program is deployed within 24 months. It can take longer when the entity is engaged in activities less related to the hospitality industry. The CSR program is also made available to minority holdings, which are free to implement it or not.

Finally, as a listed company headquartered in France, Accor has a legal obligation to disclose information of a social, societal and environmental nature about its consolidated financial scope. Since the second half of 2018, Accor has refocused its activities on the management and franchising of hotels through the disposal of 70% of AccorInvest and the scope of former "Orbis" hotels. At present, Accor directly operates not more than 4% of hotels, but it continues insofar as possible to gather information from all hotels under the Accor brand. Depending on the themes, a greater or lesser proportion of managed and franchised hotels is included in the reported data. The coverage rates for each indicator are systematically specified.

AccorInvest has therefore become a key stakeholder of the Group: it is the owner of the largest number of managed hotels under the Accor Group: 839 hotels (128,000 rooms) of which 358 hotels are wholly owned by AccorInvest and 481 are operated through fixed and variable lease contracts. AccorInvest is linked to Accor through a management agreement and vows to respect Accor's CSR program, Planet 21 – Acting Here.

2.2.2.4 [SNFP] – Policies and measures implemented to guarantee availability, protect the integrity and the confidentiality of the personal data and results of such measures and policies

The risk of malicious attack on the integrity of personal digital data is described in section 2.1.1 of the summary table of the risks identified as part of the statement of non-financial performance.

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 the protection of personal data, in particular the European regulation called the General Data Protection Regulation (GDPR). For the Accor Group, it is a matter of ensuring that Accor SA, its business units, and new activities are brought into compliance, and, also, of assisting the Accor-brand hotels with their own compliance. Measures have been implemented at each level in response to the specific challenges of coming into 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 corporate level, the Head of Information Systems Security (CISO) reports to the Group IS Director, 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. Around 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 carried out on all the Group's data processing systems, with particular attention paid to guests' personal data. About 150 security tests are carried out each year 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.

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).

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 ten key principles:

1. **Legality:** the Accor Group uses personal data only if this is lawful. 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, 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. **Retention periods:** the Accor Group only keeps personal data for limited periods of time. Data retention periods are defined for each type of data in the Guest Data Protection Charter according to the principle of minimizing retention periods. In addition, the Group plans to use a tool for referencing legal retention periods or those recommended by regulatory authorities throughout the world for all types of data starting in the first half of 2021;
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 2020:

- during the redesign of the intranet dedicated to "Compliance", a page was dedicated to information on personal data protection;
- optimization of the mapping of data processing methods to make regular updates easier, proactive updating of said mapping and improving the tool for identifying data processing methods. This tool is used to document each process, evaluate the associated risks and establish an action plan for risk management and remediation;
- maintaining a central data protection team: Data Protection Officer (DPO), Deputy DPO, Data Protection Manager and IT Compliance Officer;
- deployment of a GDPR e-learning module following translation into eight new languages after French and English: German, Chinese, Spanish, Italian, Dutch, Polish, Brazilian Portuguese and Russian. This e-learning module is intended for all Accor employees: head office, subsidiaries and hotels;
- monitoring of data protection documentation (accountability): procedures for managing data access, the life cycle of data in systems, incident response plans, etc.;
- maintaining the "GDPR checklist to ensure data confidentiality by design and by default and animation of the network of relays in the different departments of head office, the Privacy Champions. These are the ambassadors of the "GDPR checklist" and therefore constitute a first level of assistance for employees who launch a project involving the collection or the use of personal data. Forty-four "Privacy Champions" were trained in 2019 and thus acquired a culture of data protection;
- deployment of a computer solution enabling Accor to automate the extraction of guest data when requested by guests, to access their personal data, in order to be able to comply with the legal time of one month for responding to this type of request;
- maintenance of the network of Regional Data Protection Coordinators (RDPC) in each business unit;
- awareness training in the owned and leased hotels by the central teams and assistance provided in creating their program for their GDPR compliance;
- clauses governing the use of personal data in franchise and management contracts reviewed, in order to describe the different cases when personal data is used by the parties and their respective responsibilities;
- creation, in 2020, of a toolbox for hotels for developing and deploying their own compliance programs;
- study of the impact of non-European regulations on the Group's activities.

In 2020, 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 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-evaluation questionnaire. More than 70,000 employees in the hotels completed this PCI DSS e-learning module in 2019.

The PCI GDPR management committee

After the construction phase of the GDPR compliance processes, the Accor Group entered the maintenance phase of these processes in 2020. To support this change, the Data Governance Committee has become the PCI GDPR Steering Committee. If it always brings together all business lines within the Group concerned by the use of data, whether personal data within the meaning of the regulations or not, this Committee is then a body for monitoring and informing the teams. Its purpose is to ensure that the processes and procedures developed and deployed in the previous phase are kept up to date. It remains the primary body tasked with identifying and analyzing regulatory and ethical issues surrounding data use encountered by the Group, be it the protection of personal data or compliance with the rules of competition or ethical principles defined by the Accor Group for itself.

2.2.3 [SNFP] – Compliance program

The risk of partners that fail to comply with the Accor Group's ethical and CSR commitments is described in section 2.1.1 of the summary table of the risks identified in the statement of non-financial performance.

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 mechanism to report and address any violation of the program;
- applicable 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 aim is to establish a uniform compliance culture across all functions and regions.

2.2.3.1 Overseeing 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 26 experienced legal experts based in each region where the Group operates, all of whom received special training in early 2017 and receive regular training and updates. In 2020, this network adapted to the Group's new organization with the implementation of five Region Compliance Officers in charge of deploying the compliance program in their region (or "hub" [(1)]) and coordinating the work of Compliance Officers.

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. He or she can be contacted at any time by anyone within the Group, especially if an employee should want to report a concern or whistle-blow about 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 and Risk Committee.

2.2.3.2 Roll-out of the Compliance program

In 2020, Accor strengthened its internal procedures and rules, and continued to raise awareness and provide information and training to employees about the Compliance program, especially for the prevention of bribery. The purpose of these training sessions, which are held in a classroom setting, is both to train employees in these subjects by ensuring that everyone understands the essentials, and to make participants aware of changes in the legal, social, and media environment in which the Group conducts its activities. The strengthening of strict rules worldwide, zero tolerance towards those types of offenses, and the speed of transmission of information *via* social networks in particular are mentioned repeatedly in these sessions. In 2020, training was provided to around a hundred people. at the Issy-les-Moulineaux head office and in the hubs during the first few months of the year, but was then halted by the health crisis. Although training did not go as planned in 2020, the Accor Group was able to draw up a precise list of the people targeted by these training courses on combating bribery and compliance with competition law. Since 2017, about one thousand employees (members of general management, staff from the head offices and hotel managers) attended one of the training sessions held by the Compliance Officers.

In July 2019, the Group created and deployed a mandatory remote training module (e-learning) on the prevention and combating bribery, for all the Group's employees and hotels under its brand who have an individual email address. This training, available 24/7 in 19 languages, is based on the policy for prevention of bribery, the gifts policy, and the Group's Ethics and CSR Charter; the procedures of the Group's internal whistleblowing hotline are also mentioned.

The anti-bribery policy, updated in 2019, through clear principles and concrete examples taken from the Group's business activities, provides an understanding of what bribery is and of the means to recognize and resist various forms of bribery.

In 2020, Accor strengthened its compliance system with the formalization and dissemination of new policies:

- sponsorship policy;
- patronage policy;
- conflict of interest policy;

These documents are distributed to Group employees on the compliance intranet. This intranet was completely redesigned in 2020 to become the reference portal within the Group. Everyone can also find a link to the whistleblowing system and a social network to discuss compliance issues.

Since 2018, Accor has had a third-party due diligence process (Know Your Counterparty (KYC)) to identify, prior to any new commitments with a partner, whether factors exist that may call into question the integrity of the counterparty. It applies to partners, suppliers, other third parties with which Accor enters into business relationships and to partners of the Group's loyalty program (this process is described in detail in section 2.5.2 [SNFP] – Policies, measures implemented and results. – Planet 21 commitment: our ethical and CSR risk management process will be deployed to 100% of our partners by 2020).

Since 2019, the internal whistleblowing system has been open to Group employees and to all employees of AccorInvest hotels worldwide. This system will be launched for the employees of other managed hotels and franchised hotels during the year 2021.

If there is a question about a specific situation, for example, how to behave regarding an unsolicited proposition, employees may contact their direct managers or the Talent & Culture or Legal Departments in their country or the Compliance Officer.

(1) *The new organization of the Accor group is structured around eight geographical hubs aimed at strengthening proximity with guests and owners. These hubs are in direct contact with the central functions and cover the Group's key markets, strategic regions and those with the highest growth potential. These eight hubs are: Northern Europe, Southern Europe, the Pacific, China, South East Asia, Africa & Middle East, North America, Central America & the Caribbean and South America.*

2.2.3.3 [SNFP] – Prevention of risks related to bribery and influence trafficking

The risk of partners that fail to comply with the Accor Group's ethical and CSR commitments is described in section 2.1.1 of the summary table of the risks identified in the statement of non-financial performance.

Bribery risk map

The methodology for mapping bribery risks is presented in Part 1.8.3 "Risk factors".

System for prevention of bribery risk

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 risks are prevented within both its procurement and sales procedures. For this, clear principles and prohibitions are set out in the Ethics & CSR Charter, as well as in the corruption prevention policy, every two updates to strengthen compliance with anti-corruption laws (including certain definitions).

Since 2015, the Group has adopted a gift policy whose main principle is that an employee should not receive nor give gifts as part of a business relationship. This gift policy, updated in the year 2019, mentions exceptions to this principle to account for common business practices and specifies the behaviors to adopt according to situations encountered.

Since the Sapin II law took effect, the Group adopted a specific system for preventing and detecting bribery and influence trafficking.

This system relies on the commitment of the Group's management bodies for its implementation and is based on the eight pillars specified in Article 17 of the Sapin II law:

- the Code of Conduct represented by the Group's Ethics and CSR Charter that, through various examples drawn from the Group's activities, defines and illustrates the behaviors that could constitute acts of bribery and influence trafficking, and provides the conduct to adopt in such cases;
- a mapping of bribery risks (see 1.8 "Risk management");
- the internal whistleblowing hotline put in place by the Group as part of its Compliance program;
- a system of training on risks of bribery and influence trafficking, based both on a general e-learning module for all the Group's employees and on a classroom-type training module for the personnel more specifically exposed to these risks;
- its counterparty valuation procedures (see 2.5.2.2);
- internal and external procedures of accounting controls, including the use of tools for automatic detection of abnormalities and fraud in the accounting or financial recording or flows;
- internal control procedures, including the internal audit system, which contributes to the prevention and identification of risks of corruption through controls on certain processes or instruments considered to be potentially more exposed; two audits of the GDPR system and the alert system were carried out; and
- a system of disciplinary sanctions specified by the rules of procedure to which the Ethics and CSR Charter is annexed.

This risk prevention and detection system was defined in 2016. In 2017, following the entry into force of the 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 for the permanent reinforcement of existing processes and/or the implementation of additional controls.

2.2.4 *Other compliance policies*

2.2.4.1 The Accor Group fiscal policy

The Accor Group fiscal policy is based on four concepts:

- tax compliance;
- tax risk management;
- operational support;
- tax transparency.

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.

Furthermore, Accor constantly monitors changes in regulations.

For more complex issues, it consults external advisors and liaises with the tax authorities.

Tax risk management

The Fiscal Department is managed by the Chief Tax Officer, who reports to the Chief Financial Officer. The latter, a member of the Executive Committee, reports to the Chairman and Chief Executive Officer.

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 activity 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 disclosure and for managing the Group's risk exposure. It has oversight to ensure that the fiscal risks are fully understood. It is therefore periodically informed of the Group's fiscal risks.

Accor also publishes information concerning ongoing disputes with certain national tax authorities, on page 386.

In 2019, the Accor Group complied with the new rules for consolidation related to IFRIC 23.

Operational support

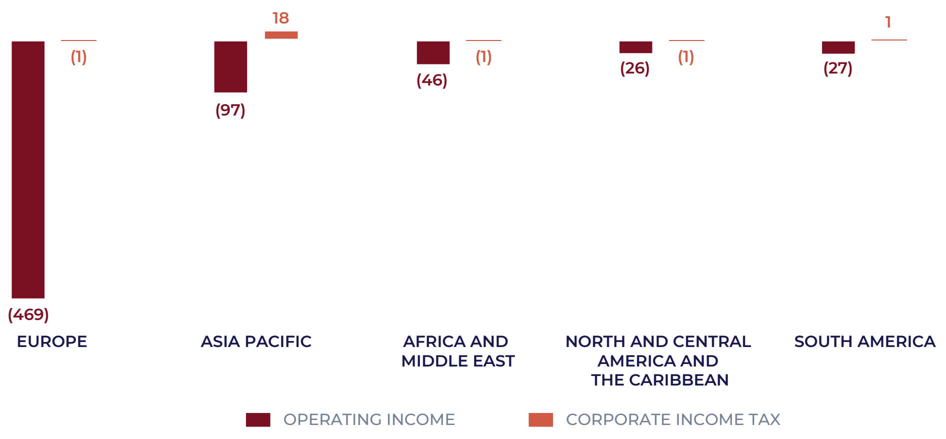
The Accor Group fiscal policy reflects the Group's business and development. For example, the Fiscal Department is organized around a central team which works closely with the operational teams. In this supporting role, the Fiscal Department ensures that the most relevant tax options are implemented in accordance with the various regulations.

The Group is also involved directly, or through industry associations, in dialogue with the tax and legislative authorities in order to create a favorable business environment.

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.

Details of Accor's corporate income tax by geographical area *(in millions of euros)*



The graph before presents the operating profit and corporate income tax according to IFRS 5, excluding deferred taxes and including the value-added contribution for businesses (CVAE).

Lastly, Accor publishes the overall amount of its tax on page 379 of the Universal Registration Document (after IFRS 5).

2.2.4.2 Responsible lobbying policy

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 aim of this contribution is to influence the public decision-makers. In 2020, a few subjects to which Accor made a contribution include: the implementation of emergency housing systems for vulnerable groups (women victims of violence, homeless women) and front-line healthcare workers in the face of the Covid-19 epidemic, negotiations with the government and organizations representing emergency aid for the commercial tourist accommodation and commercial catering sector severely impacted by the epidemic, and the defense of regulation of the digital sector through the European Digital Services Act, training, promotion of tourism post-Covid-19, involvement in the new governance of the tourism sector (Tourism Sector Committee), defense of a more inclusive and ecological tourism sector (elimination of single-use plastic), several regulatory or tax-related issues related to establishments and their operations (integration of new forms of housing in the hotel classification).

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.

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.

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, under 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	2018 amounts	2019 amounts	2020 amounts
France	Union des Métiers et des Industries de l'Hôtellerie – Groupement National des Chaînes Hôtelières (UMIH-GNC)*	€250,000	€276,000	€351,316
	Alliance 46.2 (network of companies from the tourism sector united to promote France as an attractive destination)	€30,000	€30,000	€20,000
	AFEP-MEDEF PARIS**	€30,000	€69,996	€70,000
Europe	European Hotel Forum	€110,000	€120,000	€120,000
World	World Travel and Tourism Council (WTTC)	€48,000	€36,972	€40,000

* *Contribution covered by Group hotels.*

** *Portion of AFEP membership fees corresponding to actions for representation of interests and portion applied to MEDEF Paris.*

2.2.5 [SNFP] – Planet 21 – Acting Here, the roadmap for 2021

Impact of the Covid-19 pandemic on the Accor group's CSR process

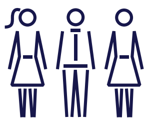
From March 2020, a large majority of Accor Group hotels were closed worldwide due to the health measures put in place by national authorities to protect populations from the Covid-19 pandemic. The activities of the Accor Group and its hotels have been slowed down and many projects have been postponed or slowed down. **In this exceptional context and given the impossibility of preserving the mobilization of teams at all levels of the organization, the Accor Group has decided to postpone the end of the Planet 21 program, initially set for the end of 2020, until the end of 2021.**

Despite the circumstances, and thanks to the mobilization of its teams, Accor has nevertheless maintained its commitments and actions on major issues with: the finalization of the submission of the climate strategy to SBTi (Science-Based Targets Initiative – see section 2.7.1.2), the maintenance of the elimination of single-use plastics in the guest experience by the end of 2022 – despite the tendency to increase the number of single-use products for health reasons, and the introduction of an ALL Heartist solidarity program for employees most affected by the crisis.

2.2.5.1 Key indicators of progress on the Planet 21 roadmap

At the end of 2020, despite a particularly difficult environment, the Group's performance continued to improve on several of its commitments. The Group has been innovative in interacting with its guests by creating the ALLSAFE label in the first weeks of the pandemic, and in developing alternative and responsible models with the creation of the ALL Heartist fund. 93% of hotels have implemented the ten mandatory Planet 21 actions and 82% of hotels are committed to a civic or solidarity initiative (a figure that probably underestimates the mobilization of hotels to help their surrounding communities face the Covid-19 crisis). The hotels committed to managing their waste and combating waste have made progress in their results, but the year 2020 was not conducive to the extension of these best practices within the network. The Covid-19 crisis had dramatic effects on energy and water consumption and on greenhouse gas emissions. With the economic recovery, the Group anticipates an increase in these impacts again. In 2020, it established its carbon trajectory, in line with the objectives of the Paris Agreement and verified by the SBTi.

The results on certain indicators suffered from the closure of many of the Group's hotels for much of the year. This is why the deadline for achieving the targets has been extended to the end of 2021.

Topics	2020 targets [1]	2018 results	2019 results	2020 results	Trend	Comments
 Act as an inclusive company for our people	The employee engagement index increases every year [2]	77%	77%	ND		In 2020, due to the Covid-19 epidemic, the survey could not be conducted among employees.
	Each country implements a health/well-being at work program	76%	83%	74%		Based on the 70 countries that answered the questionnaire, 74% reported that they had implemented and deployed a health and well-being program corresponding to the criteria defined by the Group.
	35% of hotel General Managers are women by 2020	30%	29%	29%		The lack of growth in 2020 is due to the lack of promotions in hotels, most likely due to the Covid-19 crisis. Within the overall Accor scope, *i.e.* including franchised hotels, the rate is the same as 2019, 34%.
	Employee awareness of the Group's high level of CSR commitment is growing [3]	83%	82%	ND		In 2020, due to the Covid-19 epidemic, the survey could not be conducted among employees.
 Engage our guests in a sustainable experience	Every year, a major innovation to interact with our guests around sustainable development [4]	Accomplished	Accomplished	Accomplished		The Accor Group's capacity for innovation was expressed in the context of the Covid-19 crisis with the introduction in a few weeks of the ALLSAFE label, a guarantee of safety for guests in times of health crisis. The ALLSAFE label standards have been validated by Bureau Veritas (see section 2.4.1.1).
	100% of our hotels implement the 10 mandatory actions of Planet 21 In Action	77%	93%	93%		The health and economic circumstances of 2020 did not make it possible to significantly increase the number of hotels having reached the bronze level (+59 "at least bronze"). However, the hotels that had achieved the Bronze level in 2019 continued to grow with 389 hotels reaching the Silver level, 249 the Gold level and 114 the Platinum level.
	The 10 key hospitality products categories are ecofriendly	6/10	7/10	7/10		The deployment of ecological solutions continues for most products which have not already reached a deployment rate of 99% (complimentary products, bedding, single-use products, paper). For two product families, Accor's efforts were halted due to a lack of commitment from suppliers. One product family is still slightly behind schedule: welcome gifts for guests (threshold of achievement of the target set at 60% of hotels).

Topics	2020 targets [(1)]	2018 results	2019 results	2020 results	Trend	Comments
Co-innovate with our partners to open up new horizons	Every year, a major innovation to develop alternative and responsible models [(4)]	Accomplished	Accomplished	Accomplished		This year, Accor broke new ground by choosing to redirect 25% of planned dividends to the ALL Heartist fund, intended to help employees and partners most affected by the Covid crisis (see section 3.6.1). An innovating way of redistributing the value created by the Group.
	Our "ethics and CSR risks management" process is deployed among 100% of our partners – Suppliers section [(5)]	61%	69%	76%		In 2020, due to the health crisis, the roll-out of the ethical and CSR risk management process was slowed down compared to the initial target of reaching the 100% level set in 2016. Indeed, the audit program could not be carried out in a sustained manner as planned by the Group and the deadline for carrying out self-assessments was deferred for one year for all suppliers. Despite the context, more than three quarters of suppliers are covered by the risk management process (+7 points *vs* 2019) and for 21% of suppliers the process is partially completed.
	Owner section	ND	ND	ND		In early 2021, Accor plans to automate and expand these audits by acquiring an online reporting application for conducting and managing third-party assessments. An internal audit assignment related to the KYC process is included in the 2021 audit plan.
Work hand-in-hand with local communities for a positive impact	100% hotels engaged in a citizen or solidarity project	82%	82%	82%		The reporting set up with the hotels did not allow us to capture all the spontaneous mobilizations that have emerged in the face of Covid-19. The apparent stagnation reflects a permanent mobilization of hotels with their communities, which is reinforced during a crisis.
	100% of our hotels implement our program against child sexual exploitation	95%	98%	98%		Each year the WATCH program, clearly identified by the hotels, provides a reminder to the teams that they must maintain their vigilance in the fight against the sexual exploitation of children. The 2% of hotels not committed to protecting children represent 88 Group hotels, particularly in France (49) and the United Kingdom (28). The reasons for their non-validation are the lack of communication with guests and/or employee training. In 2021, the focus will be on these shortcomings in order to improve the Group's overall performance.
	10 million trees planted with our "Plant for the Planet program" by 2021 [(4)]	6.3 million	7 million	7.2 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, the year 2020 was characterized by a significant decrease in the funding available for the agro-forestry projects supported by the Group. Despite this, it should be noted that 261 hotels took part, making it possible to finance the planting of approximately 302,000 trees.

Topics	2020 targets [1]	2018 results	2019 results	2020 results	Trend	Comments
Move towards carbon-neutral buildings	-2.8% of energy consumption per room in 2019 [6]	-	-2.1%	-28%		The Covid-19 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 with the gradual return of economic activity in the various geographical areas. Accor is continuing its efforts to minimize the rebound and to be able to consider 2019 as the "peak" of its environmental footprint.
	-2% of water consumption per overnight stay in 2019 [6]	-	-2.4%	-42%		
Let's eliminate food waste and favor healthy and sustainable food	65% of waste from hotel operations is recovered	49% (data on 634 hotels)	56% (data on 695 hotels)	57% (data on 777 hotels)		The program and waste management tools continue to be applied in the hotels, at a pace below the roadmap set, however. The level of data feedback remains limited. It should be noted that, despite the crisis, the number of hotels committed to reliable reporting is increasing.
	-30% of food waste	-31% (data on 282 hotels)	-21% (data on 485 hotels)	-19% (data on 482 hotels)		Due to the closure of a large number of hotels over a large part of the year, 2020 is not comparable to previous years in terms of combating waste. The Group's consolidated results do not reflect the de facto reduction in food waste resulting from the implementation of sanitary measures: buffets prohibited. At the end of 2020, 1,882 hotels under the Accor brand had implemented the "Introducing a program to combat food waste" project (*i.e.* 5% of hotels compared to 37% in 2019). More and more hotels are precisely tracking the volumes of wasted food: 482 at the end of 2020, compared to 282 at the end of 2018. 30% of them reached the objective of a 30% reduction. 56 hotels used the Winnow connected smart scale and reduced food waste by 56% in 2020.

Topics	2020 targets [(1)]	2018 results	2019 results	2020 results	Trend	Comments
Let's eliminate food waste and favor healthy and sustainable food	100% of our restaurants follow our Charter on healthy and sustainable food	11%	9%	12%	Delay in achieving the target	The slight increase in the rate of deployment of the Healthy and Sustainable Food Charter in hotels between 2019 and 2020 is due to an ever-growing concern about these issues (short supply chains, organic agriculture, seasonal vegetables, etc.). The catering and purchasing teams remain fully engaged, as shown by the following result: 76% of hotels have deployed at least half of the Charter commitments. The difficulty in deploying the Charter on 100% of the hotels is due in particular to its high level of requirement on all the criteria.
	1,000 urban vegetable gardens in our hotels	1,056	1,227	1,220	Objective achieved	A certain number of hotels that have set up a vegetable garden left the network in 2020, explaining the slight decrease observed. The establishment of vegetable gardens continues to see strong enthusiasm among the teams in the hotels. In a brand such as Mercure, more than a third of the hotels in the network now have a vegetable garden.

This reporting is based on declarations from the hotels, which could involve a certain level of uncertainty despite audits carried out, in particular for the most complicated commitments (eco-labeled cleaning products, eco-responsible complimentary products); finally, the percentage of Bronze hotels is calculated by comparing the number of Bronze hotels to 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:

Objective achieved.

In progress.

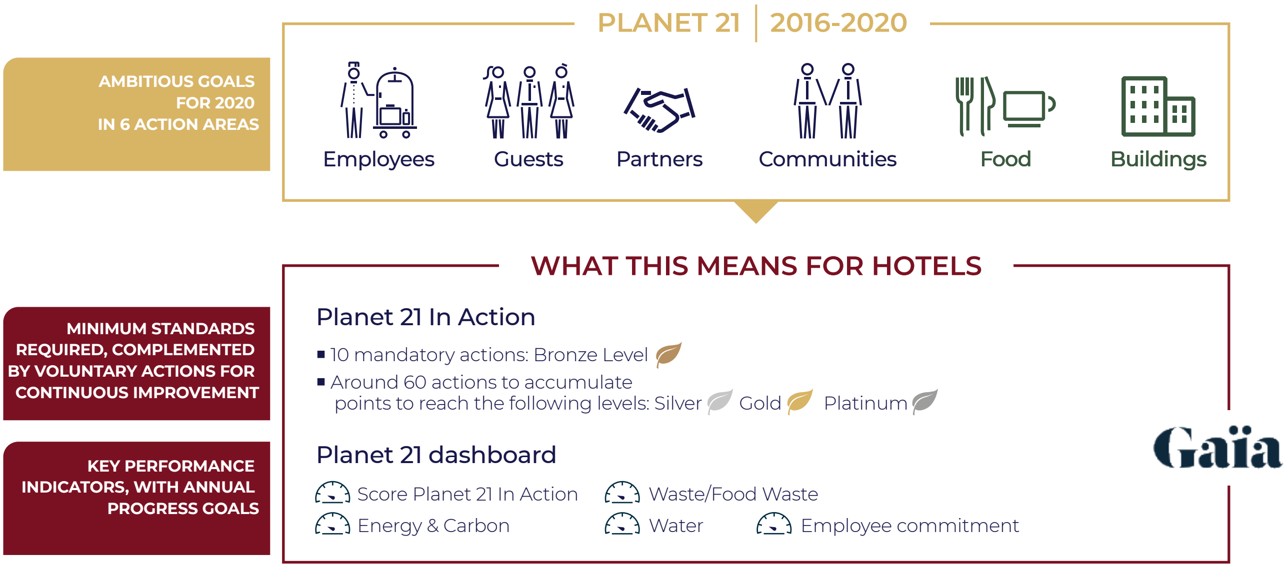
Delay in achieving the target.

Objective not achieved.

2.2.5.2 Planet 21 In Action, the hotel roadmap

The Group's hotels are the main agents in our ambition to create positive hospitality. For years a vast majority of them have been engaged in a process of continuous improvement around sustainable development.

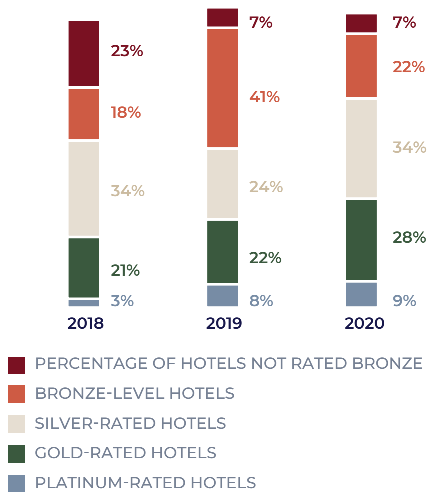
The Accor sustainable development performance management system



To achieve the Silver, Gold and Platinum levels, Planet 21 In Action is proposing approximately 70 initiatives with points assigned to them, among which hotels may freely choose, in addition to ten compulsory initiatives to obtain the 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 the Bronze level), and makes the commitment of each hotel visible: the level of performance of the hotel is indicated on the reservation website all.accor.com (from the Bronze level).

As part of the deployment of the Accor Group's sustainable development performance management system, achievement of the Bronze level is subject to audits by an independent verifier (see section 2.10 for details of verification procedures).

Planet 21 In Action levels achieved by hotels [(1)]



(1) *This reporting is based on declarations of the hotels, which can lead to a certain level of uncertainty in spite of the controls carried out, in particular for the more complex commitments (environmentally-labeled cleaning products, environmentally responsible complimentary products). The percentage of Bronze hotels is calculated by comparing the number of Bronze hotels to the hotels that responded to the Gaia report and not to all the hotels.*

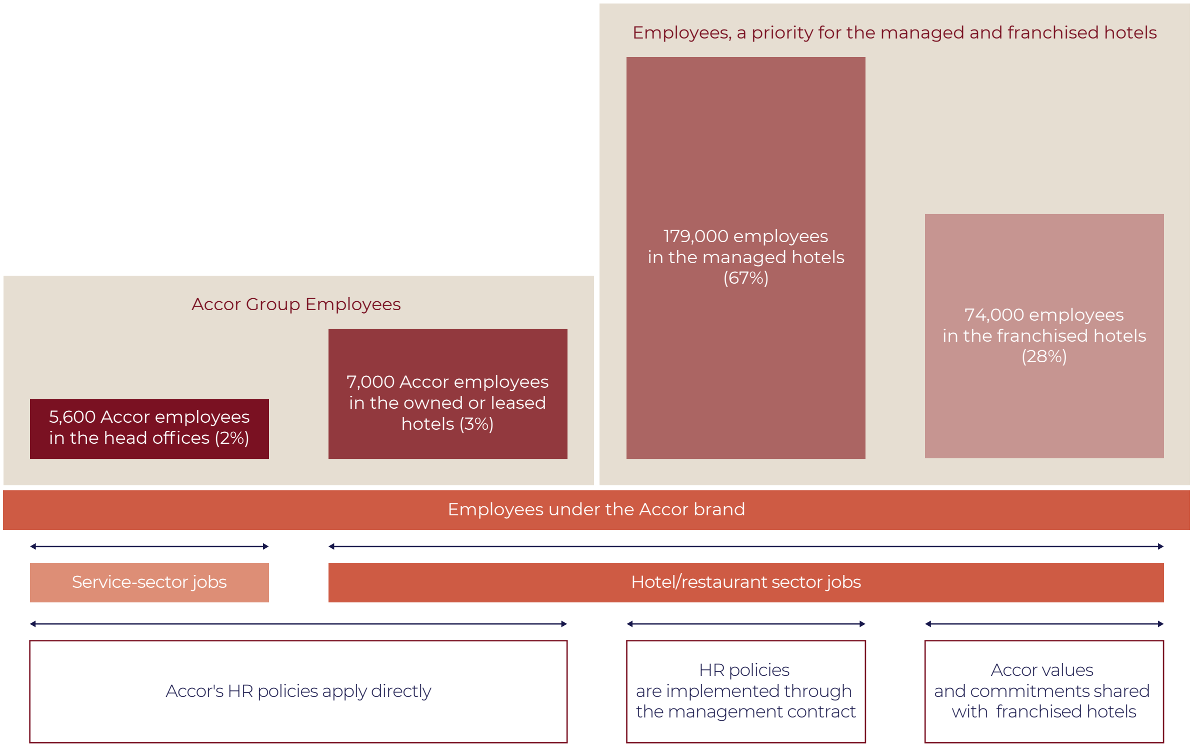
2.3 Be responsible and inclusive with our employees

Bolstered by its ability to create and sustain local jobs, Accor is renewing its commitment to being a place of inclusiveness, with respect for diversity that is focused on developing everyone's talent. Through its new employee promise, which was launched in 2020 and will continue in 2021, 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".

2.3.1 Accor Group's social model and human capital

2.3.1.1 Accor Group's social model

Accor business creates and maintains many jobs in 100 countries. As of the end of December 2020, there were around 266,000 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:

- 12,600 people employed directly by the Accor Group. Of these employees, 5,600 work at Group and country head offices (tertiary sector jobs), the others 7,000 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;
- 179,000 people employed by the owners of managed hotels. A management contract makes it possible to deploy the Group's human resources policies in managed hotels;
- 74,000 people employed by the owners of the 2,616 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 ethical 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 contracts,

- during franchisee meetings, subjects related to the Group's commitments in terms of ethics and CSR are regularly discussed,
- the frequent exchanges 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 vast majority of these people work in the hotel and restaurant industries.

In addition, Accor's activities rely on tier 1 suppliers and subcontractors (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 workers who support in-house teams during peak periods, as well as subcontractor employees in such areas as laundry services, housekeeping, landscaping, and call centers. It is estimated at about 380,000 people. The management of labor-related and other sub-contracting risks and the procedures implemented by Accor to ensure that its commitments are shared with its suppliers and subcontractors are described in section 2.5.2.

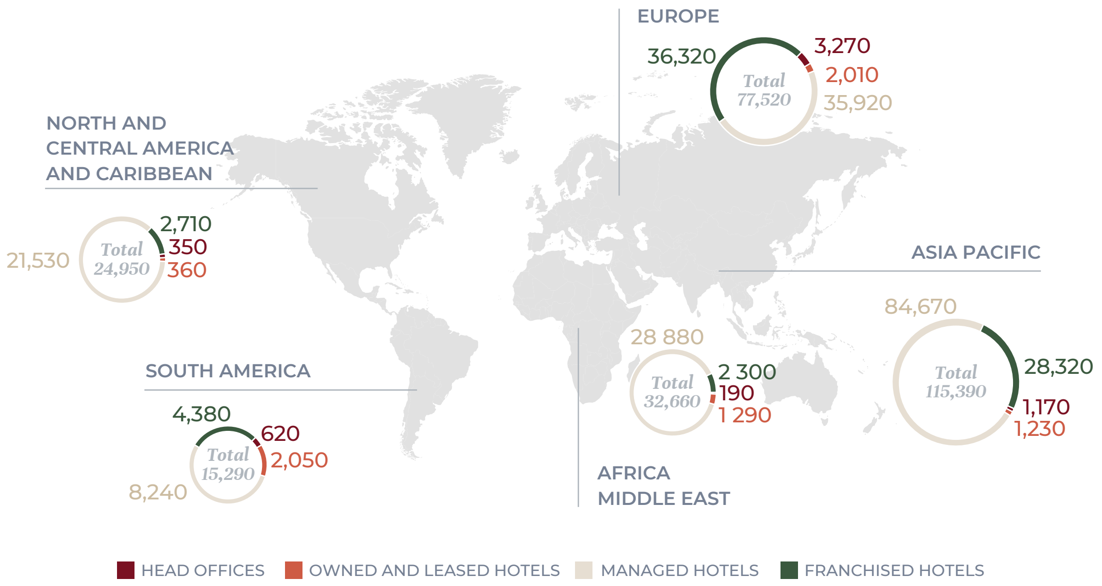
Human resources policies	Paragraph	Scope of reporting
Employer Promise & Recruitment	2.3.2 Deliver an attractive employer promise	Direct application as an employer for head offices and owned and leased hotels Recommendation or contractual clause as a hotel operator for managed and franchised hotels
Engagement Survey	2.3.2.3 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	2.3.2.4 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	2.3.3. Supporting employees throughout their career paths	Direct application as an employer (head offices and owned and leased hotels) Recommendation or contractual clause as a hotel operator for managed hotels
Skills development (Accor Academy)	2.3.4 Learning solutions, key to skills development	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	2.3.5 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	2.3.6 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	2.3.7 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	2.3.8 Promoting open dialogue	Direct application as an employer for head offices and owned and leased hotels

2.3.1.2 Accor's human capital

Employees by region

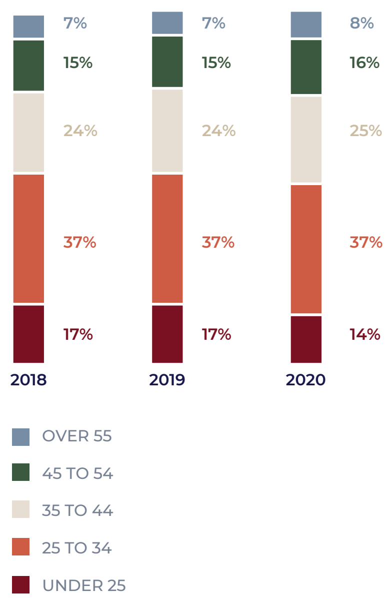
The number of employees working for Accor brands worldwide is estimated at around 266,000 compared with 300,000 in 2019. This decrease is explained by multiple departures and a drastic decrease of recruitments related to the Covid-19 crisis throughout the year, despite the integration of Mama Shelter's workforce in 2020.

The workforce is spread over five continents, in 100 countries, and according to three management methods: the subsidiary (approximately 12,600 employees, *i.e.* 5% of the workforce under the banner), management (around 179,000 employees, 67%) and franchises (an estimated 74,000 employees, 28%).



Age pyramid

Accor has a young workforce, with 51% of employees under 35.



Gender diversity

Women accounted for 43% of employees and 34% of hotel General Managers in owned, leased, managed and franchised hotels.

For more information on Accor's programs to promote diversity and gender equality, see section 2.3.5.

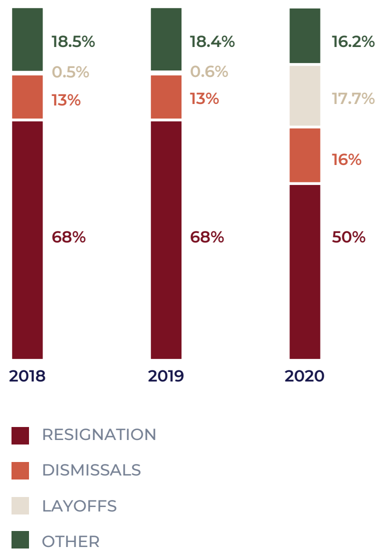
Hirings and separations

In 2020, in its scope excluding franchised hotels, 39,094 people were hired by Accor and 85,367 left the Group. The total turnover rate is 38%.* This increase is mainly due to the Covid-19 crisis and the closure of many hotels for a significant period of the year.

	2018	2019	2020
Total turnover rate*	36%	34%	38%

* *Calculated from the total number of people who left (except those on non-permanent contracts) as a percentage of the total workforce.*

Separations by reason, worldwide



The "Other" category includes separations due to the termination of a non-permanent contract, retirement, visa expiration, etc. The sharp increase in the share of dismissals is directly linked to the Covid-19 crisis and the closure of many hotels during a major period of the year.

Voluntary separations

The Group has a resignation rate of 22% in 2020. 43,047 employees resigned; they accounted for 50% of all Group separations.

	2018	2019	2020
Resignation rate	29%	27%	22%

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: as a result, employees are less present in the hotels, and there are fewer workplace accidents. In accordance with the measures taken to deal with the Covid-19 crisis, childcare at home, assistance to vulnerable relatives and unpaid solidarity days are counted in absences for medical reasons.

Average number of days absent per employee by cause	2018	2019	2020
Medical leave	4.3	4.0	4.5
Workplace accidents	0.4	0.5	0.3
Unauthorized leave	0.6	0.5	0.4

2.3.2 Deliver an attractive employer promise

For several years now, Accor has been transforming itself 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. Faced with these challenges, the Accor Group places the experience of guests and employees at the heart of all its actions and the guest is now the judge of performance. For this to happen, the Group relies on:

- **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.

2.3.2.1 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. Come as 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.

Due to the Covid-19 pandemic, the employer promise was only partially implemented in 2020 and was not fully launched; it is scheduled for 2021.

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.

2.3.2.2 Attracting top talent

The recruitment process within the Accor Group is largely based on the new “Be Limitless” employer value proposition. With this in mind, the Accor Careers recruitment site is based on a digital ecosystem that meets a dual 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: less than five minutes. In each geographic area, the contents 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 Leadership Capability Framework of the Accor benchmark. 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.

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 targeted at 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 2020, these activities were reduced and the Group’s participation in events was mainly done remotely.

2.3.2.3 Planet 21 commitment: the employee engagement index increases every year

Accor’s engagement survey provides a general overview of employee engagement and measures progress year on year. In 2020, due to the coronavirus crisis, the engagement survey could not be launched.

A “pulse” survey was conducted in June, then in November among employees of the Corporate head offices (Accor SA) to better understand the experiences of employees throughout the Covid-19 situation. The objective of this survey was also to give them the opportunity to express their opinion on the new working methods that emerged during the crisis (teleworking in particular). This survey was conducted entirely online, on a voluntary and confidential basis. This survey enabled the Group to identify its strengths (technical equipment made available for work, adequate response by the Group to the crisis, quality of information communicated) and points of attention (the degree of optimism regarding the future, workload related to partial activity).

2.3.2.4 Planet 21 commitment: employee awareness of the Group's high level of commitment to CSR is increasing

Accor is conscious of the fact 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 high level of CSR commitment between now and 2021.[1]

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 the management;
- the skills development policy.

In 2020, as the engagement survey was not conducted (see previous paragraph), this index could not be calculated.

	2018	2019	2020
The Group's CSR index	82%	82%	ND

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

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.

The Acting Here application uses gamification techniques to encourage a maximum number of employees to get involved, at work as well as at home. Accor has defined "The Essentiels": 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.) In the second version of the application, made available to employees in early 2020, 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.

This mobile application is also used for sharing individual or Group good practices among employees and among hotels. Some of the good practices posted on Acting Here are then relayed on other social media in order to enhance their visibility and inspire employees of the Group. In 2020, due to the crisis linked to the Covid-19 pandemic, only two thematic campaigns were able to take place: a campaign on water, and a campaign on plastics – which accompanied the announcement by the Accor Group of its commitment to eliminate single-use plastics from the guest experience by 2022. Other campaigns initially planned for 2020 will be postponed to 2021: climate change, inclusion & diversity, food, solidarity.

2.3.3 *Employees throughout their career paths*

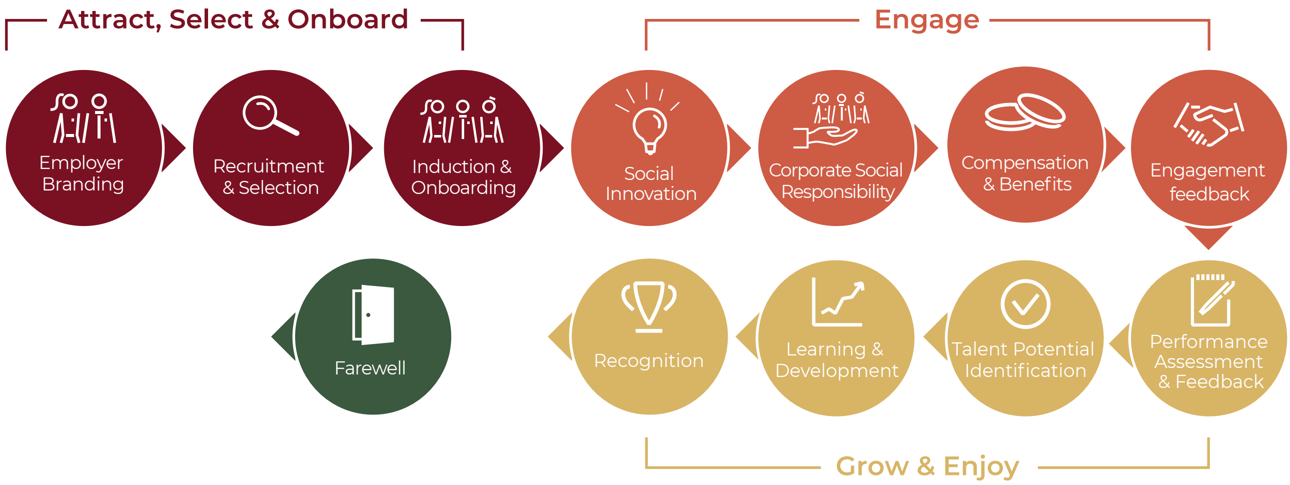
Accor takes very good care of the 266,000 talented people who work under its banner. Talent management is a major driver for attracting and retaining talent, with a simple but ambitious objective: that everyone should feel free and responsible in their position in order to be able, collectively and individually, to offer the best guest experience. Accor is committed to supporting its employees throughout their careers within the Group.

(1) This commitment, initially planned for the end of 2020, was postponed until the end of 2021 due to the Covid-19 crisis.

2.3.3.1 Talent Journey: a systemic approach to employee career paths

Mirroring the "Guest Experience", which guides all the Group's reflections and transformation, the Talent Journey draws a parallel between the career path of an employee within the Group and the experience of a guest in one of its hotels. This approach emphasizes good management practices and their importance at each stage of the employee's career path by connecting them with the hotelier's core trade.

Some examples: 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 the future relationship.



The Talent Journey is fundamental to all the actions carried out by the Group to support its employees. It applies to head offices, owned and leased hotels and managed hotels (representing 72% of the Group's total workforce).

2.3.3.2 Talent and performance management

Within the Talent Journey, Talent management covers the following stages: performance evaluation and feedback, identification of potential, career management and departure. Talent management is provided by Accor for employees at head offices, owned and leased hotels and managed hotels (representing 72% of the Group's total workforce).

Capitalizing on the development of the Talent & Culture (T&C) digital platform, called INES (see section 2.3.4.2), Accor has developed a cyclical, continuous and dynamic talent and performance management process. Each talent, regardless of his or her level in the Leadership model, benefits from a performance interview with his or her manager. As of the third level of leadership, the overall performance assessed is the combination of half of the target achievement and half of the development of the attitudes, conduct and leadership skills expected at that level. The performance interview is an opportunity to take stock of the past year and to set the targets for the coming year, on which the variable remuneration is contingent. It also gives employees an opportunity to express their career goals so that an appropriate development plan can be prepared. Since 2020, employees can choose to conduct this performance interview on a continuous, monthly, quarterly, half-yearly or annual basis. They can also request "peer-to-peer" feedback at any time to support their skills development. Initially planned for 2020, the deployment of INES and its availability to all Group employees were hampered in certain geographical areas by the health crisis, and were postponed until 2021.

2.3.3.3 Preparing the next generation of manager

The Talent Review process led by Accor is an imperative of the Talent management policy to support the deployment of the Group and its talent. The Talent Review process is applicable for employees at Accor head offices and for managerial roles starting from head of department for owned, leased and managed hotels (representing 72% of the Group's total workforce).

This process is based on the evaluation of performance (skills, conduct, achievements) and the identification of potential (aspirations, capacity, personal commitment), determined for each talent during their performance and development interview. The Group is pursuing its objective of integrating employees from the third level of leadership upwards into this initiative.

The mapping that is thereby established provides an overview of the talent that exist within the Group. It is used to establish development plans for each talent and to identify skills to be recruited or developed. It is also used to prepare succession plans to give the Group visibility over the pool of leaders and future leaders and to support mobility.

2.3.4 *Learning solutions, key to skills development*

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 puts the continuous development of talent at the center of its priorities, with the aim of making learning a "way of life" at Accor. The aim is to give everyone the means to develop their autonomy, to enter a culture of lifelong learning and to develop their skills swiftly in response to a changing environment.

2.3.4.1 Accor Academy overhaul

In accordance with the work carried out in 2019, the global reorganization of the Accor Academy began in 2020 and will continue in 2021. In 2019, the 18 existing academies became five regional Accor Academy offering a standardized solution, as well as world-class certified content and facilitators. The new Accor Academy focuses on more multimedia and digital-oriented formats, and on community and peer-to-peer learning approaches. This transition to more digital formats has been accelerated by the health crisis: the entire training offer has been updated to adapt to distance learning. Finally, a key objective of the Accor Academy is to provide access to training content to as many people as possible, in particular through the T&C digital platform "INES", currently being rolled out (see section 2.3.4.2).

The Accor Academy training program is open to all Accor employees, regardless of job family, educational background, position or seniority. As a result, all employees of the head offices, owned and leased, managed and franchised hotels have access to the courses, which may be tailored to the specific needs of each hotel's management structure.

Training is provided by Group employees as part of new talent onboarding, or on themes specific to each brand. These sessions are designed to have a direct impact on service quality and spirit and attendance is mandatory. Accor managers delivered 67% of all training hours in 2020.

Training	2018	2019	2020
Training hours *(in millions)*	4,3	5.9	2.6

2.3.4.2 Professionalizing the industry and anchoring the 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 tracks aim to professionalize the positions involved and develop skill sets, as well as to enhance employees' capabilities and inform them about potential career paths. These job tracks are equipped with a digital environment dedicated to skills development in a specific field of expertise. This digital environment is a reference to the track's skills and includes courses, programs and content in line with the job track in question.

These campuses exist for revenue management (since 2017), sales (since 2017) and marketing distribution (since 2019).

In 2020, in order to take advantage of the reorganization of working hours during the health crisis, numerous general purpose training courses were made available to employees online: languages, office automation, etc.

As part of the "ALLSAFE" label (see paragraph 2.4.1.1), a comprehensive training course on health and safety was designed and rolled out in record time by the Academy to all Accor employees.

Finally, a specific module on resilience and crisis management "Leading the new normal" was developed for managers as part of the "Leadership Program", deployed at the Group's head office (France).

The INES (integrated engagement services) platform for employee engagement

The T&C digital platform, called INES, was launched in January 2020. It reinforces the employee experience. By managing their profile, each employee has access to a digital identity and useful resources at different stages of their career within the Group, including career management and training. It is also a recruitment and talent management tool. The roll-out of the INES platform, which was slowed down in 2020, was only partially implemented and will continue in 2021. She is offered as an offer that hotel owners can subscribe to.

INES was designed so that Accor's "Be Limitless" employer promise can come to life for everyone: employees, hotel owners, and ultimately, guests.

Specifically, it offers 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, succession plans;
- learning, which hosts Accor's entire training offer available from around the world in all functions and for all employees, and is largely available *via* their smartphone.

2.3.5 *Promoting diversity and inclusion*

Promoting diversity & inclusion is one of the Group's key drivers of performance and innovation, as well as 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 opportunity across the organization. A structured framework created for our diversity and inclusion approach in 2008 is driving a variety of programs to support and demonstrate these commitments. These apply to head office, owned, leased and managed hotel employees (representing 72% of the Group's total workforce) and are communicated to the employees of service providers and subcontractors present in the 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.

2.3.5.1 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 around 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:

- 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;
- give every employee 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;
- 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;
- disseminate Accor's commitments to promote diversity by informing employees and all Group partners of the policy and measures implemented;
- act as diversity ambassadors with guests and Group partners (suppliers, hotel owners, investors, etc.) with the goal of fostering a shared ethical commitment;
- integrate diversity in the service offerings by adapting to the diversity of guests;
- 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;
- 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 skills development policy;
- recognition by the management.

In 2020, the annual engagement survey could not be conducted due to the Covid-19 crisis.

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 has two main levers to promote diversity and fight against stereotypes: training employees and highlighting the best practices already being applied in the Group. To this effect, Accor has gradually developed a wide range of general and issue-specific resources that reassert its commitments, provide access to related reference documents, improve understanding and mastery of the issues, and offer guidelines or examples for putting the commitments into practice: They include the corporate Diversity & Inclusion Intranet, the Diversity Glossary, the Recruitment Charter, the Disability Guide, the ILO Business & Disability Charter, and the guide for recruiters and managers "Recruitment_without_discrimination". In 2020, Accor developed an e-learning module on non-discrimination for all Accor employees. Available in six languages, it will be available in 2021.

2.3.5.2 Promoting gender diversity and equality

Planet 21 commitment: 35% of hotel General Managers are women by 2021 [1]

Accor's objectives for gender diversity and equality are:

- equal representation of genders in management and equal pay, with 35% of female hotel General Managers by the end of 2021 and 30% of women on the Executive Committee by the end of 2022 and 40% in 2025 (new target set in 2021) (the previous target of 20% was achieved in 2016);
- 40% of women on the Executive Committees of the hubs in 2022 and 45% in 2025 (new target set in 2021);
- raising the awareness of male employees and fostering their support for gender diversity;
- changes in attitudes in line with changes in the hotel industry, in particular, to combat gender stereotyping;
- reach 35% of men in the Group's gender-balanced network by the end of 2017 (target achieved).

These objectives apply to the entire Group, including franchised hotels and new acquisitions, they 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 celebrations [2], strong link with local "ecosystems" in all hubs on gender equality issues;
- strengthen the management of high-potential female talent through the development of talent programs in the regions and countries to promote more female hotel managers, and by monitoring the number of women in the Talent programs, the development of an Accor coaching program enabling women with potential to access management committee and executive committee positions and a succession plan ensuring the presence of women according to the objectives;
- manage the appointment of talented individuals with the following rule: 50% women among the finalists with a view to appointing members of the executive committees and management committees;
- make the members of the Group Executive Committee responsible for achieving their objectives;
- regularly monitor the indicators associated with the objectives.

Equal representation of genders in management and equal pay

Initially set for the end of 2018, the target of 35% female [3] hotel General Managers has been postponed until the end of 2021. In 2020, the share of female hotel General Managers was 34%.[3] The obstacles in each country were closely analyzed and action plans were defined in keeping with the needs of female employees. Since 2017, in-house programs have thus been set up in several countries where the Group is present to help high-potential female supervisors reach the level of hotel General Managers and the Group participates in numerous external leadership programs.

This gender equality commitment by the Accor Group was made a reality with the 2015 signing of the Women's Empowerment Principles, championed by the UN.

For the period 2016-2020 the Group was also selected as Impact Champion by the HeForShe solidarity movement. In this context, Accor undertakes to reduce the gender pay gap. Over the period, an annual review was carried out and an action plan implemented to ensure that the difference remained non-meaningful [4]. The 2016-2020 program has come to an end, in line with its commitments, Accor has been selected by UN Women Worldwide to join one of the six action coalitions of the new "Generation Equality" program in 2021. Accor is officially the leader of the "Gender-based Violence" coalition.

(1) This commitment, initially planned for the end of 2018 and then to 2020, was postponed until the end of 2021 due to the Covid-19 crisis.
(2) Celebrations such as: International Women's Day, International Day of Persons with Disabilities or other internal Group (Diversity Day or Week) or national celebrations.
(3) Scope of reporting: managed and franchised hotels.
(4) Less than 5%.

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 at work and to create a community made up of companies and managers committed to this cause. At the end of 2020, the collective had more than 114 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. Initially deployed in France, this initiative is intended to be extended to Europe in 2021. This initiative is set to be rolled out to Europe in 2021.

For leadership training programs, increased attention is paid to female participation.

In 2020, 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.

Raising the awareness of male employees and fostering their support for gender diversity

The Group had set a target of 35% male members in the gender diversity network by 2017. RiiSE (the Group's diversity network) is an international network present in more than 100 countries. At the end of 2020, this network had almost 26,000 members worldwide, of which 49% were men.

Percentage of women payroll and non-payroll employees (1)

	2018	2019	2020
Total women	44%	43%	43%
Managers	42%	42%	41%
of which hotel General Managers	*30%*	*29%*	*29%*

Integration of people with disabilities

Accor is a pioneering member of the ILO (International Labor Organization) 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 including people with disabilities in the workplace. In October 2015, Accor signed the Charter of the ILO "Global Business and Disability Network", thereby committing to promoting the employment of people with disabilities in its businesses worldwide.

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 this area. In 2020, the #DisabilityStories campaign took place in two phases:

- raising awareness among employees with comics created for Accor by a French designer that describe five different situations that employees could face daily;
- a #DisabilityChallenge: employees are invited to write one to four comic book speeches to tell a story about disability.

This campaign, launched on the occasion of the European Week for the Employment of People with Disabilities (SEEPH 2020) and the International Day of Disability, also included a round table on the theme "Covid-19 and disability". It ended with the election of three challenge winners.

In 2020, the hotels owned, leased or managed by Accor employed 1,728 people with disabilities recognized by local legislation, representing 1% of the total workforce. However, given the difficulty in obtaining accurate figures in some countries, the real number of disabled employees is probably higher. Accor considers that the real number of disabled employees has been underestimated.

Accor is continuing its commitment to equal opportunities by stepping up its efforts to include people with disabilities even more during this period of health crisis. This commitment is part of a process of openness, promotion of professional equality and prevention of discrimination, wherever the Group operates. The 6th Group agreement, for the integration and continued employment of people with disabilities agreed for the years 2021 to 2023 sets out the principles for managing the continued employment of people with disabilities. At the end of 2020, Accor reached the quota of 5% of employees with disabilities in France.

2.3.5.3 Promoting cultural diversity and combating discrimination

Each country in which the Group operates implements an action plan based on local discrimination issues. In Australia, for example, 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 for the development of guest experiences. Since 2017, more than 450 people from aboriginal communities are part of the Accor brand.

In France, Accor participates in the PaQte program for the professional integration of young people from priority areas of the city. In 2020, Accor welcomed 560 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. The ambition is to recruit 160 refugees in 2021.

(1) Scope : owned, leased and managed hotels

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 lead to the recruitment of new employees among the refugees.

2.3.5.4 Accor strengthens its commitment to the LGBTQ+ cause

Within the Accor Group, Brazil initiated the momentum with an official commitment to the LGBTQ+ cause in 2017 and the signing of the ten 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. Several good practices should be noted such as: the distribution of an LGBTQI+ welcome guide and an LGBTQI+ recruitment guide, the celebration of the International Day against LGBTQI+ Phobia (May 17). In 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.

2.3.6 *Pursuing 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 work-life quality are a major focus of the Group's concerns.

The improvement of working conditions is implemented at the local level for Accor employees and in consultation with the partners who own the hotels, for employees of which they are employers:

- preventing accidents, repetitive strain injuries and other workplace health and safety issues, by identifying risks and deploying ad hoc 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.

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.

2.3.6.1 Creation of the "ALL Heartist" fund, to help employees and partners most affected by the Covid crisis

On April 2, 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.

This fund is intended to provide financial assistance to individuals severely impacted by the Covid-19 crisis. Four categories were established:

- "heartists" in financial distress;
- "heartists" who have incurred medical expenses following the epidemic and do not benefit from insurance or social security cover;
- 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.

The focus is on financial support for the first two categories described above.

This fund, which was set up in a few weeks, 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,
  - at the global level: requests exceeding certain criteria and thresholds defined in the fund's governance are examined at Group level,
  - a 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, 2020, a total of €18 million had already been funded for 55,000 applications. This fund is intended to continue in 2021, to continue to support eligible employees and partners who may need it. Beyond the four categories mentioned above, additional prospects for the use of the fund are also being studied.

(1) The Forum aims to encourage companies to implement LGBTQ+ policies. 72 companies are part of it.

2.3.6.2 Prevention of risks related to the Covid-19 pandemic

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. The Risk and Insurance Department, in coordination with the Group Crisis Unit, has set up a Business Continuity Plan (BCP) with four alert levels and specific instructions applicable at each level:

- as of February 28, 2020, level 1 having been triggered, the IT teams undertook the necessary work and checks to make teleworking possible, if necessary, for all employees, without exception;
- on March 13, 2020, when level 2 was triggered, employees were informed of the widespread use of teleworking and asked to limit their travel as much as possible and organize meetings remotely, by conference call or video conference, according to the tools made available to each employee by Accor.

In view of the widespread use of teleworking within Accor, a guide on teleworking has been made available to all employees, with the aim of helping 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 work environment, and new working methods. 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 employees and guests alike, under the leadership of an ALLSAFE Officer appointed and trained in each hotel.

In addition to this system, managers and T&C advisors were given support and a psychological support hotline was set up during the lockdown period, seven days a week from 9 am to 8 pm, in complete confidentiality and anonymously.

2.3.6.3 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 & CSR Charter, Accor has made a commitment to:

- identify and assess the short- and long-term risks associated with the activity, 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 illness and the prevention of HIV/AIDS);
- anticipate and take into account the human impact of changes in working conditions;
- consider psychosocial risks and adopt appropriate management methods.

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

Preventing work-related risks

These assessments can cover potential risks to the Group:

- short-term, handling sharp objects in kitchens or technical facilities, polishing food service glasses, infrastructure-related accidents (falls, blows, etc.), handling chemicals in the laundry, welding accidents in technical facilities;
- 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. Since 2016, this information has also been accessible on cell phones *via* a dedicated app, “Acting Here” (see section 2.3.2.4). This application also made it possible to broadcast several videos in 2018 and 2019 to raise employee awareness of occupational health and safety and the use of chemicals.

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, etc. These measures are, for example, being put into practice in France where various materials are gradually being introduced: motorized trolleys to refill minibars, trolleys with removable bases for breakfast trays, dishwashers with automatic safety housings, standing seats for receptionists, anti-fatigue mats in reception areas, and even Levly® hydraulic bed-lifting systems.

Moreover, among respondents to the qualitative reporting, 54,173 employees underwent special training in ergonomics.

Number of employees having attended special courses in ergonomics	2018	2019	2020
Europe	6,548	10,723	12,032
Africa Middle East	5,289	8,003	7,330
Asia Pacific	38,043	37,825	32,539
North and Central America and Caribbean	2,576	200	1,398
South America	670	650	874
TOTAL	**53,126**	**57,401**	**54,173**

Accor does not have any quantitative indicators concerning occupational illness. One of the main difficulties for a major international group such as Accor lies in the definition of an occupational illness. This concept, as understood under French law, is not applicable to all countries where the Group operates.

Workplace accidents

	2018	2019	2020
Number of days of absence due to workplace accidents	86,168	103,163	66,995
Number of workplace accidents with lost time	4,577	5,596	2,351

Lost-time injury rate and severity rate of workplace accidents

	2018	2019	2020
Lost-time injury rate*	3.2	1.26	0.22
Incident severity rate for workplace accidents*	0.05	0.10	0

* *Following the sale of hotels to AccorInvest, the consolidation of hours worked data over the scope of the hotels could not be carried out. Since 2018, the frequency and severity rates include only headquarters. In 2020, the frequency and severity rates cover 67% of head office establishments, i.e. 64% of the workforce, as the data for other establishments was not considered reliable.*

In 2020, Accor deplored the death of an employee due to a workplace accident in China, and the deaths of seven employees due to commuting accidents to or from work in Brazil (1), China (1), Egypt (1), Fiji (1), India (1) and Thailand (2).

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.

Combating violence against women

An increase in domestic violence was noted during the lockdown period, which affected a large majority of countries around the world. In Europe, for example, 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 declared 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.

It is in this context that the Accor Group has undertaken to prepare an international agreement covering three themes: gender-based violence, sexual violence in the workplace and domestic violence. This agreement is designed to be "binding" with regard to persons directly employed by Accor (8,000 Group employees) and "binding" for employees under the Accor brand (approximately 350,000 people).

In this agreement, Accor undertakes to:

- have zero tolerance for domestic violence, sexual harassment and sexism;
- prevent and combat such behaviors and practices, including violence and harassment based on gender or sexual orientation;
- protect vulnerable groups among employees under the Accor banner;
- take action when a guest infringes the rights of employees in these areas.

The entry into force of this agreement is scheduled for 2021.

An e-learning program to raise awareness of sexist behavior has been launched for Accor hotels and head offices.

2.3.6.4 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. The objectives pursued are:

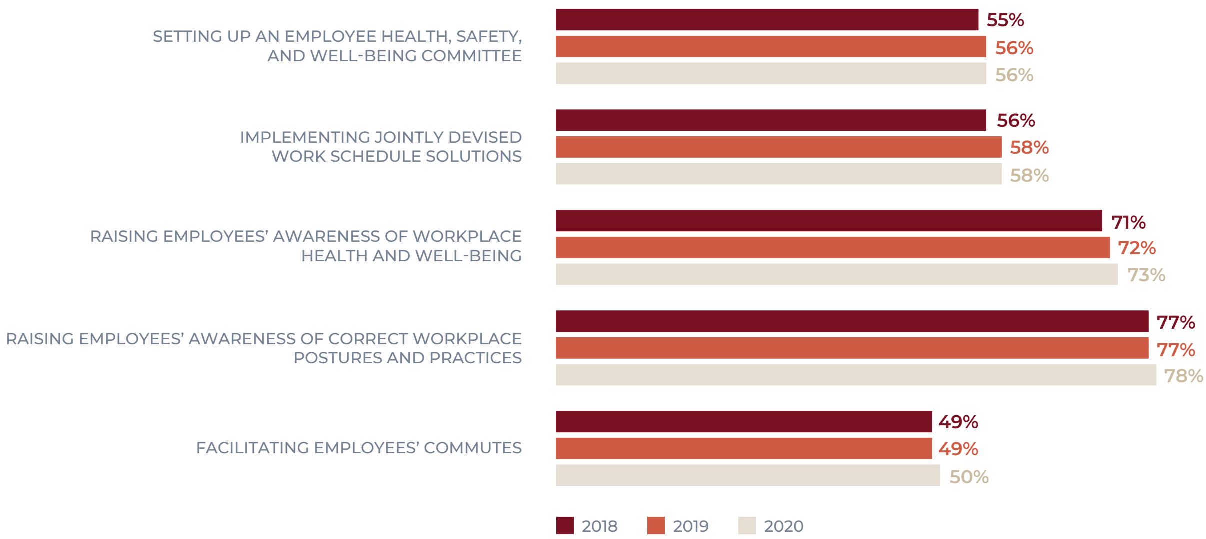
- to raise greater awareness of the challenges of workplace health and well-being and to make management more sensitive to these issues;
- to make best practices more systematic so that they can be incorporated into countries' Talent & Culture policies;
- to structure and manage the approach to workplace health and well-being to benefit the greatest number of employees;
- to identify policy drivers at the most appropriate level: hotels.

This commitment applies to employees at Accor head offices, owned, leased and managed hotels (representing 72% of the Group's total workforce). In 2020, 52 countries had implemented a workplace health and well-being program.

Hotel mobilization at the end of 2020

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 road map.

The following chart shows the progress made in the deployment of a few of the actions implemented.



This reporting is based on declarations of the hotels, which can lead to a certain level of uncertainty in spite of the controls carried out, in particular for the more complex commitments (environmentally-labeled cleaning products, environmentally responsible complimentary products).

2.3.7 Recognizing and valuing employees

2.3.7.1 Compensation policies

Accor has defined a global compensation policy for the employees of its head offices and owned, leased and managed hotels (representing 72% 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 global and local job maps prepared for each job track and a common job evaluation method.

(1) This commitment, initially planned for the end of 2020, was postponed until the end of 2021 due to the Covid-19 crisis.

In order to ensure the proper application of its compensation policy, the Group organizes internal training sessions for 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. In 2020, due to the Covid crisis, the general market survey was carried out in a limited number of countries and the hotel market survey was not conducted. 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 analyzes. These data are 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 348.

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.

2.3.7.2 Discretionary profit-sharing and employee savings in France (Accor only)

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 2020 in France, nearly €5.5 million in discretionary profit-shares earned in 2019 was paid to 3,280 Accor employees, representing an average net amount of €1,681 per person.

In France, employees benefit from profit-sharing as part of a Group agreement including 15 companies for the 2019 fiscal year. The amount of profit-sharing paid in 2019 to employees in 2020 was €1.2 million and benefited 3,530 employees, *i.e.* an average amount of €353 per person.

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.

Since January 1, 2015, in addition to the conventional plan, the Group has a new savings plan called "Épargne Avenir", which offers an exceptional matching contribution for any employee payment into the "Accor Investissement" fund consisting solely of Accor shares. Its aim is to involve employees in the Group's development.

In 2020, 2,451 employees invested in a Corporate Savings Plan (PEEG) for savings purposes and 1,771 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 2020, 1,582 invested in the PEEG and the PERCO.

2.3.8 *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.

2.3.8.1 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 in extraordinary session to discuss the measures envisaged by the Group. In 2020, the European Committee met very regularly 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 2020, qualitative reporting concerned 70 countries, or 87% of the hotels covered by quantitative reporting. On that basis, 73% of countries have an employee representative organization that meets on a regular basis.

Percentage of owned, leased and managed hotels covered by a formal collective agreement concerning working conditions

2018	2019	2020
ND	38%	10%

The sharp drop in coverage in 2020 is explained by difficulties in collecting data due to hotel closures related to the COVID-19 crisis. Only 70 countries reported their data and only for hotels that remained open.

(1) IUF: International Union of Foodworkers, and workers in agriculture, hotels/restaurants, tobacco, and related sectors.

Collective agreements signed in 2020 by theme

Country	Number of agreements signed	Compensation	Diversity & Gender	Healthcare coverage	Skills development	Health & Safety	Working conditions and working hours	Social Dialogue	Digital tools & processes	Other themes
Germany	5								X	X
Belgium	1	X								
Brazil	1	X								X
Cambodia	1	X				X	X			
Cameroon	1	X					X			
Canada	4									X
China	1	X	X	X	X		X			
Ivory Coast	1	X					X			
Egypt	1									X
Spain	1									X
Fiji	1									X
France	9	X	X				X	X		
Ghana	1									X
Hungary	6						X			
Indonesia	1	X	X	X	X	X	X	X	X	
Japan	1						X			
Mexico	18	X			X	X	X			X
New Zealand	1	X				X	X			X
Netherlands	13					X	X			X
Philippines	4	X				X	X			X
Poland	1						X			
French Polynesia	4						X			
Democratic Republic of Congo	1	X				X				X
Czech Republic	1									X
Senegal	1	X								X
Serbia	1					X				
Switzerland	1									X
Turkey	1					X				
Vietnam	2	X	X		X		X			
TOTAL	**86**									

2.3.8.2 Social dialogue in support of the company's transformations

While its main competitors have carried out this transformation since the nineties, Accor has only recently redefined its business model by selling most of the real estate it owned, *via* the consolidation into AccorInvest of almost all of its owned and leased hotels, then the disposal of 70% of AccorInvest to international investors. This, combined with the dynamic development of its network, has enabled Accor to start benefiting from virtuous size effects, enabling it to be more innovative for its guests and efficient for its partners.

However, in view of the 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 the Asset Light both in terms of contracts and the operational and organizational plan. The continued transformation of its model remains a priority in a strong 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 – in particular with Online Travel Agents;
- diversify into related sectors to offer a complete guest experience.

2.4 Involving our guests in a long-term relationship

Accor wants to give its guests a hotel experience that gets more responsible with each visit and encourage them to collaborate in that effort, because more than any other business, the hotel business 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.

The Group is therefore committed to meeting minimum environmental standards in all its hotels and employing ecofriendly design for all products that are available in its rooms. This closeness with the customers also opens the door to deeper relationships with them as engaged citizens. Studies show that guests are sensitive to these issues and ready to work with the Group.

2.4.1 Leveraging the positive impact of Planet 21 – Acting Here

Everywhere throughout the world, consumers expect brands to commit to their well-being, the preservation of the environment and the improvement of the quality of life.[1] These expectations are consolidating and growing from year to year, suggesting that brands should commit themselves and engage with their regular guests in 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. This is not only to set itself apart but also to encourage a preference for its brands and to obtain the guests' adherence to common values:

- **communicate** and publicize 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 content 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. Accor encourages action by removing the barriers, both large and small, that sometimes come between intention and action: All levers are used to transform intentions into tangible actions. Accor is making a bet that helping people learn and encouraging them to take action are ways of creating guest loyalty;
- **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 very meaningful experience.

2.4.1.1 Planet 21 commitment: every year, one major innovation to interact with our guests around sustainable development

In 2020, due to the crisis linked to the Covid-19 pandemic, this commitment of the Planet 21 program was not able to progress as planned. However, the progress made before the crisis has been maintained and the brands have continued to work to identify the causes they want to get involved in.

(1) *"Meaningful Brands" survey – Havas Paris – 2019. "75% of respondents expect a brand to contribute positively to well-being and quality of life". Carried out amongst 350,000 citizens in 31 markets, 22 industries and 1,800 brands.*

Creation of the ALLSAFE label, a guarantee of safety for guests in times of health crisis

In response to the Covid-19 pandemic, the ALLSAFE label was created by Accor to reassure guests by adopting cleaning and hygiene standards verified by third-party organizations. These standards were developed 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.

Certain measures require that ALLSAFE certified hotels limit the number of seats and ensure physical distancing in restaurants, bars and common areas, carry out a temperature control of guests when required by local standards, install carpets. disinfection at the entrance of hotels, or offer, where possible, contactless payment solutions and check-in and check-out outside reception.

Accor has also decided to provide all its guests with a free telemedical assistance service. Thanks to the international partnership signed with AXA, one of the world leaders in insurance, Accor guests in urgent need of medical care now have access to teleconsultations. Customers also have access to AXA's vast field network, made up of tens of thousands of healthcare professionals, which will enable hotels to guide their customers to the most appropriate medical assistance in the Accor Group's 110 destinations.

The implementation of this label was supported by the wide distribution of a training kit designed with the Accor Academy, available online in the form of videos and podcasts, made available to everyone without exception, adapted to regional specificities and easily adaptable according to local changes in the pandemic and government decisions. This kit offers three certification courses adapted to different roles in hotels. It has been uploaded in English and French from May 2020, then translated into more than 22 languages between May and June. At the end of December, more than 87,000 employees had validated ALLSAFE certification.

Make Accor Live Limitless a pioneering loyalty program through its committed and engaging character

In 2019 and in 2020 Accor relied on the overhaul of its loyalty program, now Accor Live Limitless (ALL) to transform it into a pioneering loyalty program thanks to its committed and engaging nature. A sustainable development dimension was included in each of the four pillars of ALL, in order to do much more than just a loyalty program: "ALL for good", a program which inspires everyone to experience their journey and daily life in a more positive and sustainable manner. The aim is to build a community of members committed to a better future. 2019 had laid the foundations of this new device and tested several innovative offers with guests and members of the loyalty program. The actual launch of "ALL for Good", initially planned for 2020, will really occur in 2021, and take-up will continue in accordance with additional IT developments. Currently, the existing products and services are the following:

- **Burn for good:** support good causes and have a positive impact on communities and the planet. Guests can transform their ALL points to serve two great causes, the transition to a more responsible and sustainable agriculture – driven by Plant for the Planet – and the fight against economic and social exclusion of people in great poverty – led by the Accor Solidarity endowment fund. A "Burn for good" campaign, "Burn end of the Year", was conducted at the end of 2020, to invite guests to finance the planting of trees;
- **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 Tristan Lecomte's farm in Thailand [PurProjet], day with a committed winemaker, family survival course with the Bear Grylls Academy, etc.) or Live Sustainable Dream Stays in exceptional sites in South Africa. All these projects, suspended in 2020, will resume and be enriched in 2021.

Also, ALL facilitates responsible consumption choices when traveling and in daily life, by offering meaningful services and experiences. For example, the E-shop collection from ALL offers several ranges of cosmetic, fashion and accessory products, chosen according to responsible criteria. The Green Dream Stays from Fairmont hotels also offer an experience on a theme related to the preservation of the environment: spend a day on an organic farm, stay in a biodiversity preservation zone or an archeological site, etc.

The partnership with Energy Preserver, for high-quality guest interactions

Energy Observer
Throughout its journeys around the world, Energy Observer takes advantage of its stopovers to offer unique experiences to guests. To give them total immersion in the adventure, several activities are organized when health conditions permit: visits to the ship, meetings with the crew, voyages on board and many other privileges.

2.4.1.2 Raising the visibility of hotel initiatives

It is a well-established fact that the Group's hotels are committed to sustainable development. Nevertheless, guests are often unaware of this fact. Therefore, since 2016, Accor has increased the visibility of the Planet 21 – Acting Here program in its hotels (steps 1 and 2 above), which it sees as the foundation for its communication and interactions with guests. In 2020, Accor maintained its efforts in this area as much as possible: materials to raise awareness of the Plant for the Planet program, designed to reduce their environmental footprint, have been distributed in some hotels. In addition to towels, some hotels highlight the reuse of sheets as a lever for savings allocated to tree planting.

2.4.1.3 Enhance the guest experience by defining CSR causes specific to each brand

In 2019, Accor had established a methodology to support its brands in defining their social, societal and/or environmental commitments. With the ambition to cover the more than 40 brands in its portfolio, Accor would like each one to identify, in coherence with its positioning and values, the cause or causes that they will support from 2021. In line with the vision of the Group for augmented hospitality, the causes adopted and the procedures for commitment must be based on initiatives that the hotels are already applying internally or for the benefit of their neighboring communities and promote action and interactivity with guests.

This methodology of support to the brands includes five stages:

1. include the mandatory Planet 21 In Action obligations in the brand standards and have 100% of hotels reach at least Bronze level;
2. choose the cause or causes supported by the brand in line with its DNA and from among the range of commitments defined by Accor;
3. define the brand ambition: commit or act as a leader at the service of one's cause;
4. define the means of proving the reality of the commitment to guests;
5. ensure that the communication of the brands is coherent, to embody the commitment.

One by one, the brands are supported by the central teams dedicated to sustainable development. This project is a major means of including the Group's CSR commitments in the operations and, ultimately, in the guest experience. Building on long-standing commitments, many brands in the Group's three business segments have been able to make progress in identifying the causes they want to support and in the choice of actions they wish to highlight as proof of their commitment.

2.4.1.4 [SNFP] – Planet 21 commitment: 100% of our hotels implement the 10 mandatory actions of Planet 21 In Action

The risk of partners that fail to comply with the Accor Group's ethical and CSR commitments is described in section 2.1.1 of the summary table of the risks identified in the statement of non-financial performance.

So as to guarantee the inclusion of minimum sustainable development requirements in the whole of its network, and therefore reduce the risk of partners that do not comply with Accor's standards, the Group has defined ten actions that all hotels are obligated to put in place by 2021 [(1)] which determine the achievement of Bronze level in Planet 21 In Action.

Results for the "Bronze" actions

Also, at the end of 2020, 93% of hotels had implemented the ten mandatory Planet 21 In Action [(2)]. This good performance reflects the strong mobilization 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 (82% in 2020);
- improve the implementation of actions: "Offer customers the option to reuse their sheets and towels by default" (95% in 2020) and "Offer ecofriendly hospitality products" (94% in 2020);
- make two new actions mandatory to reach the Bronze level, included in the Planet 21 In Action in 2020: "Eliminate all individual toiletry bottles" and "Eliminate disposable plastic cups".

(1) *This commitment, initially planned for the end of 2020, was postponed until the end of 2021 due to the Covid-19 crisis.*
(2) *As "eco-responsible complimentary 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.*

Reference shares Planet 21 In Action	2020	
	Owned and leased hotels & managed	Owned, leased, managed and franchised hotels
Propose that guests reuse their sheets and towels by default	100%	95%
Offer complimentary, ecofriendly products (soaps, shower gels, shampoos)	89%	94%
Use eco-labeled cleaning products	100%	99%
Eliminate plastic straws, stirrers, and plastic cotton swabs	100%	99%
Deploy the child protection program WATCH	100%	98%
Ban endangered species of fish	100%	100%
Comply with the water flow standard for all showerheads, faucets and toilets	100%	99%
Ensure that all wastewater is treated	100%	99%
Use energy-efficient bulbs	100%	100%
Sort your hazardous waste and at least two types of waste from among the following: paper, glass, cardboard or plastic	100%	**99%**

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.

Scope of reporting

Scope of reporting	2020	
	Owned and leased hotels & managed	Owned, leased, managed and franchised hotels
Total number of Accor hotels in the scope of consolidation	2,036	4,593
Number of hotels applying Planet 21	1,969	3,762
• In Action response rate	97%	82%

2.4.2 [SNFP] – *Favoring environmentally responsible products*

2.4.2.1 2020, Accor formalized its worldwide commitment to eradicate single-use plastics

Faced with the increasing environmental concerns related to plastic, Accor has carried out an assessment of its use of single-use plastics. Each year, millions of single-use plastic items are used in the rooms, restaurants and meeting rooms of the Group's hotels. These products are highly visible to guests in the hotels: individual complimentary products such as shampoo, shower gel and other hygiene products, 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 of its impact on the planet and in order to have a means of changing the behavior of its guests, in January 2020 Accor announced its commitment to remove all single-use plastic items from the guest experience in its hotels by the end of 2022. This new commitment by the Accor Group supported by the Chairman and Chief Executive Officer includes, in addition to the removal of all plastic straws, stirrers and cotton swabs already well advanced at the end of the year 2019 (99% of hotels):

- the elimination of individual toiletry bottles and plastic cups by the end of 2021; [1]
- the elimination of all other single-use plastic items in the bedrooms, meeting rooms, restaurants and all relaxation areas (spas, fitness rooms, etc.), by the end of 2022.

(1) This commitment, initially planned for the end of 2020, was postponed until the end of 2021 due to the Covid-19 crisis.

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 laundry. or extra pillows, plastic water bottles, all plastic packaging (food, hospitality products, etc.), plastic take-out crockery and cutlery, plastic gifts and hospitality products (toiletries, slippers, pencils, etc.), plastic key cards, etc.

Accor joined the Global Initiative to Combat Plastic in Tourism, 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 alternatives to alternatives. reusable, for example.

With these commitments, Accor intends to define a new standard in the hotel business. As of 2019, many initiatives existed in the Group, at hotel or brand level, to eradicate single-use plastics and by the end of 2020 Accor already recorded the following results:

- 99% of Accor hotels have eliminated plastic straws, stirrers and plastic cotton swabs;
- 62% have already introduced alternatives to plastic water bottles.

In 2020, Accor integrated into Planet 21 In Action the following two new actions:

- "Eliminate all individual toiletry bottles", 16% of hotels approved the action in 2020;
- "Eliminate disposable plastic cups", an action approved by 26% of hotels in 2020.

Thanks to the worldwide collaboration of the Procurement, CSR and Brands teams, alternative solutions for single-use plastic products have been identified. The environmental impacts were studied by the CSR teams and external experts. The practical feasibility and guest support for these alternative solutions were tested and validated with the brands. Finally, for certain products, such as water bottles, an operational process has been proposed for the implementation of changes by the hotel teams.

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 has established close collaboration with the United Nations teams in order to contribute and take ownership of 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 (see section 2.4.1.1). These comply with WHO and United Nations guidelines.

2.4.2.2 Planet 21 commitment [1]: the 10 key product families in our hospitality offer are ecofriendly

The risk of partners that fail to comply with the Accor Group's ethical and CSR commitments is described in section 2.1.1 of the summary table of the risks identified in the statement of non-financial performance.

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 the interior air.

Accor had promised that, by 2021, all new products (developed internally or referenced from external suppliers) associated with ten key product families would systematically meet eco-responsible criteria, and they 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 that are offered to hotels *via* the head offices. 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, Oekotex standard 100 for textiles, etc.), gaining certification from the appropriate ecolabel is one of the criteria sought by the Group's purchasing teams. The other criteria identified are, for example: 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 will be implemented through the Planet 21 In Action plan, in which deployment rates are monitored. Deployment is considered significantly achieved once a threshold of 60% of hotels that have implemented the action has been reached (30% for products with multi-year lifespans such as bedding, sheets and towels, paints and flooring). The overall deployment rate is calculated on the average deployment of the ten actions.

These criteria will evolve over time to include any rise in the expectations and requirements of guests and regulations.

(1) *This commitment, initially planned for the end of 2020, was postponed until the end of 2021 due to the Covid-19 crisis.*

Results at the end of 2020

Key product family	Defined ecofriendly criteria	Level of deployment in hotels 2019	2020	
1. Soaps, shampoos and shower gels	Ecolabels or no controversial substances	90%	94%	✓
2. Maintenance products	Extremely concentrated (reduction of plastic waste) and eco-labeled (reduced environmental impact) products	99%	99%	✓
3. Bed linen	Sustainable labels, eco-design	Deployment stopped due to lack of commitment from partner launderers		✗
4. Hand towels	Sustainable labels, eco-design	Deployment stopped due to lack of commitment from partner launderers		✗
5. Bedding: duvets/pillows/box springs and mattresses	Recycled materials, OEKOTEX Standard 100 label, cruelty-free, VOC test, ergonomic	43%	44%	✓
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%	✓
7. Printing paper	Durable fiber with FSC/PEFC label and/or ecolabel and/or recycled	69%	71%	✓
8. Paints	Ecolabels	39%	39%	✓
9. Flooring	GÜT label for carpets; FSC or PEFC label for parquet flooring			⇧
10. Welcome gifts for guests: pens/ children's gifts	Recycled or certified sustainable materials. Products supporting solidarity or environmental projects	41%	42%	⇧
TOTAL	**7/10**			

Legend:

✓ *Objective achieved.*

⇧ *In progress.*

✗ *Objective not achieved.*

This reporting is based on declarations by hotels, which may cause various uncertainties in spite of checks carried out.

In 2020, the Group continued to improve its process of eco-design in matters of interior design, working with interior design teams from various geographical zones and teams responsible for the brands' standards. Awareness-raising webinars on eco-design were held. The teams continued the integration of mandatory environmental criteria, inspired by those defined for the key product families, in the brand guidelines. They concern choices of materials, ecolabels, design rules according to usage criteria and the consideration of the end of product life. The sustainable development actions and strategy of suppliers are also considered in the referencing procedure. In 2021, Accor plans to launch an "eco-design scorecard" for the "furniture" and "lighting" families, which will make it possible to choose products with the best eco-design characteristics.

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.

Greet, a brand for those who care about the planet and are in search of authentic moments

Launched in 2019, the greet brand is aimed at guests who care about the environment, while appreciating accessibility and convenience. A committed brand that promotes a philosophy of sincerity, sharing and conviviality, greet invites its guests and visitors to socialize and share authentic moments with their family and friends. Promising a comfortable, economical and environmentally-friendly stay, greet complements Accor's portfolio of budget brands by offering a non-standardized hospitality experience guided by a well-being mission that focuses on people, the planet and positive hospitality. After a successful debut in Beaune in France in 2019, the brand has the ambition to grow, with a development plan of 300 hotels by 2030. In 2020, two greet hotels opened in Marseille and one in Lyon.

2.5 [SNFP] – Involving our partners in a long-term relationship

The risk of partners that fail to comply with the Accor Group's ethical and CSR commitments is described in section 2.1.1 of the summary table of the risks identified in the statement of non-financial performance.

Accor wishes 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. Accor is therefore implementing clear processes with its partners in order to best manage CSR risk and seize the many opportunities to develop its offering of products and services with a positive impact.

2.5.1 Planet 21 commitment: every year, one major innovation to develop alternative and responsible models

Through this commitment, Accor pursues a double objective:

- increase the positive environmental and social impacts along the whole value chain;
- turn CSR into a means of catalyzing innovation to enrich hospitality and digital offer with unprecedented services, all based on sustainability.

The Group therefore draws on collective intelligence and collaborative economics to attain this goal and wishes to combine its experience with the experience of its existing or new partners (start-ups, suppliers, hospitality professionals, social integration companies, 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.

2.5.1.1 Innovating to promote solidarity, the "ALL Heartist" fund and all the support mechanisms for suppliers and hotels in the crisis

By choosing to allocate 2% of the dividends planned for 2019 to the "ALL Heartist" fund, Accor has been innovative in the way it redistributes the value created for the benefit of those most in need during the crisis. The purpose of the fund and its operation are described in section 2.3.6.1.

The Accor Group also mobilized with its hotel partners to help them cope with the crisis, with financial, administrative & operational and marketing & sales support.

To support its partners financially, Accor has agreed, following the first wave of lockdown, to postpone payment of fees previously due. An advance payment on purchases was exceptionally anticipated in April (*vs* June and September in normal years). The Group has also entered into close discussions with certain suppliers to reduce prices to the benefit of hoteliers. Discounts and commercial gestures were offered on certain merchant services, particularly those not used during closed periods (*e.g.* technological services). Lastly, training available to "Heartists" *via* the INES platform (partially rolled out in 2020) was delivered free of charge in 2020.

The hotel owners were also supported in the operational implementation of the ALLSAFE label (Section 2.4.1.1) and in the understanding and the administrative and operational implementation of government assistance measures: loans guaranteed by the government, postponement of payment of contributions, administrative closure, introduction of short-time working, etc. Support methods adapted to franchised and managed hotels have also been developed for reopening.

Lastly, the Group gave all its hotel partners the benefit of its commercial impact when the hotels reopened: multi-channel communication, pricing flexibility, cancellation flexibility, etc.

Accor has always monitored the financial health of its suppliers on a monthly basis. Since March 2020, this monitoring has been weekly in order to anticipate any failures as soon as possible. Since the beginning of the health and economic crisis, and at the date of publication of this Universal Registration Document, only one supplier has been in a safeguard procedure. Accor has chosen to continue its collaboration with this supplier in order to support it in this difficult context.

2.5.1.2 Accor's open innovation work provides fertile ground for meaningful innovations for its hotels, guests and partners

Over recent years, Accor 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 conquer the world with agility, anticipate its economic, environmental and social changes, and accelerate its transformation to co-create value for and with its customers, partners, employees, as well as society as a whole, for the good of the planet.

At Accor, open innovation is reflected in:

- the stimulation of internal innovation, notably through intrapreneurship and mentoring programs;
- the creation of in-house brands and concepts: greet, JO & JOE, Le Loft, Flying Nest, etc.;
- the acquisition of new brands in order to penetrate new business sectors and markets;
- the development of the Group's Business Accelerator activities;
- building strong relationships with partners around the world.

Within this open innovation process, CSR topics are acknowledged as full-fledged innovation opportunities within the Group. These are also likely to strengthen the Group's value proposition while helping to bolster the positive impacts of its activities. This dimension is built into its open innovation work and all the teams ensure that those in charge of CSR projects within the Group are included at each stage of the process. Accordingly, "green" companies or non-profit and community-oriented companies can be supported as part of the Group's open innovation process. For illustration purposes, the presence of CSR within the open innovation process is visible at several levels:

- as part of the partnership with Vivatech, challenges are organized by Accor to identify young start-ups with potential for its activities. A CSR category is systematically created;
- as part of the partnership with "thecamp", several projects led by Accor relate to environmental or societal issues;
- "promising" start-ups from the non-profit or community-oriented sector are integrated into the same assessment process as those from the "traditional" economy, which aims to assess potential and value creation for Accor to achieve acceleration, a partnership or even an equity investment. Several CSR start-ups have undergone this assessment, including Too Good To Go (see below).

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: human-centered projects with young risk-takers who are thinking differently, working together and inventing sustainable models. The Camp's focus areas are sustainable mobility and the city of the future. The Group's employees mentor start-ups from an early stage of their development, take part in think tanks and receive training on campus.

2.5.2 [SNFP] – Policies and measures implemented and results obtained – Planet 21 commitment: ethics and CSR risk management process will be deployed among 100% of our partners by 2021

Accor's performance and activity are closely connected to those of its partners, namely, its suppliers or hotel owners under management or franchise contracts. For the Group, exercising its responsibilities implies extending its social, societal and environmental commitments to its partners, ensuring that they comply with ethics and CSR rules and drawing its entire value chain upwards.

Accor wants 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.

Therefore, the deployment of its ethical and CSR risk management process among its partners is one of Accor Group's commitments in its Planet 21 – Acting Here program. These requirements by Accor have been reinforced by the adoption in France of law no. 2017-399 respecting the duty of vigilance.

2.5.2.1 In its relations with suppliers and service providers

The Accor Procurement process

The Accor Group's purchases were around €5.2 billion in 2019, including approximately €2.6 billion in purchases from nominated suppliers [1].

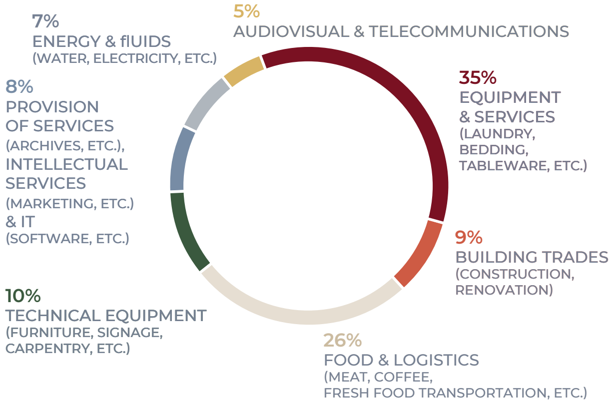
Based in France, the Corporate Procurement Department manages international contracts and coordinates the network of 20 national Procurement Offices and the Group Office, which employs around 200 buyers on five continents.

Contracts are signed at the international or national level, depending on the features of each category. "Standardizable" products and services that meet several countries' needs are managed globally, while those specific to a particular country are managed by the national Procurement Office.

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. They are overseen directly by Accor teams, who manage and optimize the contracts and the sourced products or services and control the supply chain by taking care to offer solutions that best fit the needs expressed. Purchases from nominated suppliers are estimated to be 50% of the Group's total purchases.

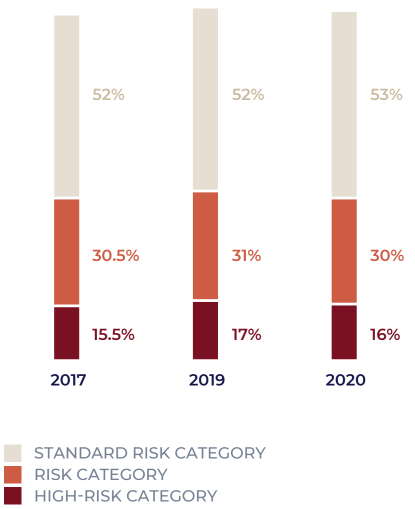
Purchases are classified as "non-listed" if they are sourced directly by the hotels and head offices from suppliers that have not signed a contract with an Accor Procurement Department.

Purchases from nominated suppliers by product family *(in %)*



Because 2020 figures were not available, by the time this Universal Registration Document was disclosed, the above breakdown is based on 2019 performance. In 2020, given the economic and health situation, this distribution will probably change. The data affects only the countries in which there is a Procurement Department.

Breakdown of purchase volumes per category of level of risk



(1) *€5.2 billion: Total estimate of the nominated and non-nominated procurement volume for countries where there is a Procurement Department (including owned and leased hotels, franchised hotels and managed hotels), extrapolated from the nominated purchase revenue.*

Risk management process for suppliers managed by the Procurement Department

For each of the three risk categories, a control and monitoring plan has been drawn up to define the points to be integrate at each stage of the purchasing process: call for tenders, selection of suppliers, contracting, evaluation, audit, action plan, even delisting.

The table below describes the process of risk management related to suppliers managed by Procurement implemented for the period 2017-2021.

STAGES	STANDARD RISK CATEGORIES	RISK CATEGORIES	HIGH-RISK CATEGORIES
TENDER	Financial valuation (solvency and risk of dependency)		
	• Procurement 21 Charter is appended • KYC* questionnaire	• CSR criteria are integrated into the specifications in accordance with the tender • Procurement 21 Charter is appended • A CSR clause is included in the call for tender • KYC* questionnaire	
SELECTION	• The supplier signs Procurement 21 Charter	• The supplier signs Procurement 21 Charter • Evaluation of CSR criteria (within the six months following the signature) • Mandatory CSR criteria for at least 10% of the final score	
CONTRACTS		• A CSR clause is included in the contract	
		• Procurement 21 Charter is attached to the contract	
		• Weekly monitoring of financial health and verification of the dependency rate on the publication of company balance sheets	
		• Default Action Plan	
EVALUATIONS OVER THE LIFE OF THE CONTRACT		• Evaluation on CSR criteria (validity period set by Accor: three years)	
		• Action plans:	
AUDITS			• On-site external social and/or environmental audits
ACTION PLAN AND FOLLOW-UP		• Follow-up on action plan after evaluation and audits	• Follow-up on action plan after with evaluation with suppliers
			• Re-audit in case of major non-compliance
APPROVAL PROCESS	• Removal from approved list in the event of significant non-compliance, if not accompanied by action plan		

The process described in this table was disseminated to all Procurement Offices within the Group beginning in 2016 and is still being gradually rolled out.

The Procurement 21 Charter is the Ethics and CSR Charter for suppliers. It summarizes the Group's commitments and those expected from nominated suppliers as well as those of subcontractors. In its Procurement Charter, Accor undertakes to comply with its sourcing practices. In particular, this applies to its choice of "sustainable" materials and products (timber from sustainably managed forests).

The "Know Your Counterparty" (KYC) questionnaire has been in use since 2018 for tenders of over €750,000 annually. The answers provided by suppliers are verified by the Group's and regions' Compliance Officers (see following paragraph for more details on the KYC process).

The CSR assessments: the use of the CSR rating platform developed by EcoVadis makes it possible to assess CSR performance *via* a specific questionnaire completed by the supplier. Suppliers are scored on their social responsibility, environmental and ethical performance and on how much control they have over their own supply chain. The partner's CSR analysts perform a documentary control. Depending on their scores, suppliers may be asked to create action plans. At the end of 2020, 60% of suppliers had been assessed. Due to the crisis and the downsizing in many companies, many self-assessments could not be done. In order to take into account the situation of its suppliers and subcontractors, Accor has postponed this self-assessment, which remains mandatory.

Audits program: the national Procurement Departments are responsible for implementing an audit plan for high-risk suppliers for the 2017-2021 period. The three yearly external audits are commissioned by the procurement departments or by the supplier, which must then have an external audit based on a recognized standard such as SA 8000, SMETA, BSCI or WRAP. The cost of the initial audit is paid by Accor. The supplier must pay for any re-audits that are performed due to significant events of non-compliance. The buyer is responsible for monitoring the audits and the corrective action plan. A part of its variable compensation may be subject to compliance with the sustainable purchase process, in conjunction with the Planet 21 – Acting Here objective. Since 2019, the central procurement teams have tools enabling their national procurement offices to perform weekly monitoring of the risk management related to suppliers. They ensure that audits are performed, audit reports are received and sent to the buyer, that a corrective action plan is sent to the supplier and that it is implemented. At the end of 2020, out of about 577 suppliers with high risk, 60% of the audits were performed (345 suppliers audited in 2020). As the health situation did not allow the audit program to be carried out as planned, the deadline has been postponed to the end of 2021 instead of the end of 2020.

Group performance

For its Suppliers component, monitoring of the Planet 21 – Acting Here commitment: "our ethical and CSR risk management process will be deployed to 100% of our partners by 2020" is carried out using four indicators, which measure the rate of deployment of each stage of the process according to the number of supplier entities concerned:

Indicators	Scope of reporting	2018	2019	2020
Percentage of suppliers who have signed Procurement 21 Charter	All suppliers	92%	93%	96%
Percentage of suppliers that have conducted a self-assessment	"At-risk" and "high-risk" suppliers	37%	54%	60%
Percentage of suppliers that have undergone an external audit	"High-risk" suppliers	26%	51%	60%
Percentage of action plans followed	"At-risk" and "high-risk" suppliers	50%	100% 2019 reports	100%

An aggregate indicator of all these results:

Indicators	Scope of reporting	2018	2019	2019
Share of suppliers among which the Ethical and CSR risk management process is deployed*	All suppliers	61%	69%	76%

* *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.*

Responsible procurement process

The procurement teams support Accor's various CSR commitments. Thus, the purchasing teams work in building Accor's range of eco-responsible products (see 2.4.2 Favoring ecofriendly products) and in preparing a food offer that complies with the commitments of the Healthy and Sustainable Food Charter (see 2.8 Banning food waste and promoting sustainable food). They are also actively involved in:

- the eradication of single-use plastic from the guest experience (see 2.4.2.1.) so that the target is reached by mid-2021, or as soon as hotels can resume normal activity;
- the Group's climate strategy, for example by offering renewable energy to hotels.

The purchasing teams are trained to take environmental and social issues into account in their activities. The Accor Group's purchasing policy specifies the integration of these aspects in purchasing actions, which is reflected in the needs charter for use by specifiers and purchasers and in the evaluation grid for responses to requests. calls for tenders in the form of three CSR criteria. An e-learning module on responsible purchasing has been developed and will be rolled out in 2021.

The geographical proximity of suppliers is one of the criteria observed in terms of responsible purchasing. However, for certain categories of purchases, there is a dilemma between the desire to massify purchases and resort to local purchases. Whenever possible, Accor turns to suppliers able to offer national coverage through various local offers. For other categories, some local references are only distributed over limited geographical coverage.

Accor strives to limit the risk of its suppliers' economic dependence at different stages of its relationship with them: prior to any referencing, an analysis verifies the solvency and risk of dependency of the supplier or subcontractor. At the time of contracting, a threshold of maximum revenue is set with the Accor Group (22%). Compliance with this threshold is verified at the time of publication of the companies' financial statements. If a situation of dependency is detected, Accor alerts the supplier and invites them to develop their business with other customers before signing contracts again.

By default, both for the hotels and the Group, and in all countries, supplier payment terms comply with local regulations. Such as the LME law for France, *i.e.* 60 days net of invoice or 45 days end of month. These payment terms may be shortened if provided for in the contracts.

Accor is also a member of the collective for a more inclusive economy in France. This voluntary and spontaneous initiative brings together 35 companies wishing to contribute to 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: 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 the companies interviewed.

2.5.2.2 In relations with hotel owners

Accor has over 4,978 hotels operated under the Accor brand by third-party owners pursuant to franchise or management contracts. The actions and decisions by these owners (who are the Group's privileged and long-term partners) may represent a risk for the Group if the rules regarding compliance, corruption, ethics, conflicts of interest or the respect of standards in general are not followed. For hotels operated under the Group's brands, any infraction committed by a franchisee or the owner of an Accor hotel would obviously affect the Group's image and reputation.

In this regard, franchise and management contracts signed since 2016 may include a clause stating that owners of a hotel franchised or managed under the Accor brand commit to complying with the values and principles stipulated in the Accor Group's Ethics and CSR Charter.

In addition, the "Know Your Counterparty" (KYC) process implemented effective August 1, 2018 has the specific objective of identifying, prior to any new commitments with a partner, particularly owners of managed or franchised hotels, whether factors exist that may call into question the integrity of the counterparty. This process particularly focuses on the potential existence of legal proceedings or convictions for acts of corruption or the infringement of international economic sanctions. This KYC process is based on questionnaires completed on the one hand by the counterparty (owners of managed or franchised hotels, intermediaries, suppliers exceeding a certain volume of annual revenue, a joint venture partner, or counterparty in an M&A transaction in which the Group is participating, other partners), and on the other by the individual within the Group who is in contact with said counterparty. Based on these two questionnaires, as well as the consultation of an information database to which the Group subscribes, the Compliance Officer assesses whether the counterparty is likely to place the Group at risk. If the existence of a risk comes to light, additional resources are deployed to mitigate this risk where possible (additional investigation, specific contractual commitments or clauses, etc.) In certain cases, this process has led the Group to terminate a contract. In early 2021, Accor plans to automate and expand these audits by acquiring an online reporting application for conducting and managing third-party assessments. An internal audit assignment related to the KYC process is included in the 2021 audit plan.

"Know your counterparty" process

<table>
<tr><th>Situations triggering the KYC process</th><th>Before the signature of a new contract</th><th>Contract renewal (procurement, franchise or management contracts)</th><th>Change in contracting partner during the term of the contract</th></tr>
<tr><td>STEP 1:
Collection of information</td><td colspan="3">• External completion of the questionnaire by the co-contractor
• Internal completion of the questionnaire by the person in charge of the deal at Accor</td></tr>
<tr><td>STEP 2:
Analyzing the information</td><td colspan="3">• Analysis of questionnaires by the Compliance Officer
• Additional analysis with the person in charge of the deal at Accor</td></tr>
<tr><td>STEP 3:
Contracts</td><td colspan="3">• Possible in the absence of an alert
• Conditional in the event of an alert
· on the inclusion of specific contractual clauses
· and/or recommendations from the Compliance Officer following an internal or external investigation
· and based on a final decision by the regional Director of Operations, the Ethics Committee and the Chief Compliance Officer</td></tr>
<tr><td>STEP 4:
Life of the contract</td><td colspan="3">• Recurring analysis of information concerning the third party.</td></tr>
</table>

2.6 Working hand-in-hand with local communities for a positive impact

Anchored 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 who do not' have not benefited, promotion of local culture and local economy, fight against poverty, protection of children against abuse, initiatives to protect natural ecosystems, solidarity actions, etc.

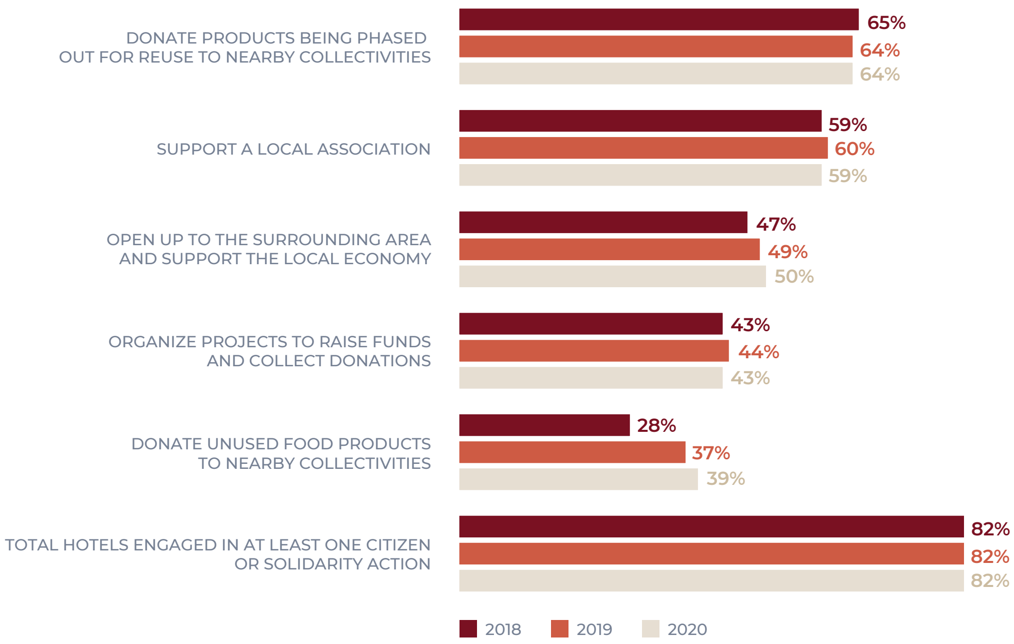
2.6.1 Getting people involved in "beyond the hotel walls"

Worldwide, the Group wants its business to benefit host territories and communities. Accor contributes greatly to the socio-economic development of the countries where it operates. Thus, 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.

To go further, Accor wishes to recognize and promote the local mobilization capacity of its employees better. To this end, 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 Solidarity endowment fund, all Accor employees or employees under the Accor brand have the opportunity to propose support projects to local associations.

2.6.1.1 Planet 21 commitment: 100% of our hotels are engaged in a citizen or solidarity project [2]

So that 100% of our hotels get involved, the Planet 21 In Action roadmap encourages them to implement various citizen or solidarity actions. The mobilization measured at the end of 2020 showed that a total of 82% of hotels were involved in a citizen or solidarity project.



In March 2020, the Accor Group created the CEDA telephone platform – Coronavirus Emergency Desk Accor – so centralize needs and propose, in conjunction with the owners of the hotel group and the authorities concerned, accommodation solutions throughout the country. This platform makes it possible to quickly address expressed needs and emergency situations by opening hotel rooms for vulnerable populations, healthcare staff and hospital staff. u associations. More than 700 hotels took part by offering the various assistance systems developed.

(1) Sources: Study, "Worldwide socio-economic impact of the Accor Group" – 2016.
(2) This commitment, initially planned for the end of 2020, was postponed until the end of 2021 due to the Covid-19 crisis.

2.6.1.2 A commitment supported by the Group's endowment fund: Accor Solidarity

Fighting economic and social exclusion

The corporate responsibility of the Group, its hotels, and its employees is expressed through the Accor Solidarity endowment fund. 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 wants to reinforce and complement today.

The fund is continuing its commitment in favor of training and professional integration by financing numerous projects and may also increase its support for certain associations to duplicate programs that have proven their worth or finance large-scale initiatives. Also, over the coming years, the Accor Solidarity teams will look for the best ways to support access to sustainable employment for people that have completed training or integration. Accor Solidarity wants to act to improve the effectiveness of the job market access mechanisms designed for people that have completed their integration sessions.

For more than 10 years, Accor Solidarity has been increasing its upstream response to emergency situations and providing 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 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.

The Accor Solidarity fund responded to Lebanon's emergency appeal during the explosion in the port of Beirut in August 2020 by providing its support to the NGO Save the Children.

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.

The funds raised are used to develop diagnostic tests, epidemiological research, viral modeling, knowledge of the virus and its pathogenesis, research for antibodies with therapeutic potential, and the R&D of candidate vaccines.

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 given to these volunteers to get involved with the local association of their choice. Each year, nearly 500 actions are listed in favor of the most disadvantaged (collection of equipment, association visits, organization of snacks, etc.). In 2020, despite the health crisis, the teams were still very active, helping nearly 15,000 people around the world.

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 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 Solidarity strategic guidelines, votes on projects whose budgets are greater than or equal to €20,000 and oversees their implementation. The Board of Directors is composed of nine members: six representatives of Accor and four qualified external representatives (detailed composition can be found at: solidarity-AccorHotels.com).

The Advisory Committee is responsible for advising the Board of Directors on the fund's financial policy and the management of its cash position by measuring changes in financial risk, as well as any possible equity investment.

The Selection Committee votes on projects funded at less than €20,000 and oversees their operational implementation. It is composed of employees of the Group who are often operational contacts based in different countries (South Asia, Europe, Africa, etc.).

The permanent team works with local correspondents. These correspondents, who come from the region concerned by the project or have worked there for several years, act as relays between Accor Solidarity and local employees. They are vital to the success of these projects, not only because of the expertise they bring, but also their knowledge of the area, background and local stakeholders.

Lastly, at the core of the mission of Accor Solidarity: 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 the countries where Accor operates. All the projects are led by non-governmental organizations (NGOs) or by local not-for-profit associations for the benefit of our hotels' host communities. Finally, the 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, share their expertise with trainees, and they are generally on hand to assist. The programs may include hotel visits, careers conferences, presentations about the Group, and internships at hotels.

Donation collections

In 2020, the Group's annual donation was maintained at €1 million. At the same time, increasing numbers of stakeholders have joined the fund in collecting donations. To mobilize employees and customers, Accor Solidarity has diversified and digitalized its collection methods. Without modifying its areas of intervention or its operation, which has proven its effectiveness for more than ten years.

A few projects supported by Accor Solidarity in 2020 are described below. They are emblematic of one of the major concerns of Accor Solidarity, which wanted to support the necessary and vital adaptation of associations in the face of the health crisis.

*IECD (*Institut Européen de Coopération et de Développement*), Thailand, Myanmar & Vietnam*

The *Institut Européen de Coopération et de Développement* (IECD) is a French non-profit international solidarity association founded in 1988. Its mission is to provide resources to all persons so that they can train themselves to find their place in society. The IECD has been working in Southeast Asia since 2002, more precisely in the region of Mae Sot in Thailand since 2008, and it established itself in Myanmar in 2016 and in Vietnam in 2018.

Accor Solidarity has supported training for hospitality/restaurant/baking industries careers since 2013, training more than 300 disadvantaged young people. Like many NGOs providing face-to-face training, IECD had to close its training centers for a while and then adapt by looking for new teaching methods, such as distance learning. In this context, Accor Solidarity's support has changed to: support for those who need it, the study of the needs of the hotel and catering sector, the adjustment of the training offer, the development and/or adaptation of content, etc.

Du Pain & des Roses (France)

This French association, created in 2017, organizes artisanal, creative and professional workshops around the profession and activity of florist, for women who are unemployed or victims of violence, so that they can regain their self-confidence and trust in them and in their talent. In July 2020, the association took over the management of a point of sale in the heart of Paris (France), allowing them to set up a point of sale and a place of learning. In line with its support since 2018 and in the midst of the health crisis, Accor Solidarity supported the installation of this "flower stand".

Gastromotiva (Brazil)

This association created in 2006 in the difficult neighborhoods of Rio de Janeiro in Brazil is one of the spearheads of the social food movements in the world advocating professional integration through the restaurant and hotel sector. The "Pour une Gastronomie Sociale" project, supported by Accor Solidarity, provides training in cooking and entrepreneurship to 170 people in serious difficulty. Faced with the pandemic, the Gastromotiva teams reacted very quickly by stopping training and redirecting all resources to the food bank activity. They have maintained long-term relationships with students from the current graduate class and developed "Solidarity Kitchens": students and alumni of the association prepare meals for disadvantaged people in their neighborhood.

2.6.2 [SNFP] – Protecting children from abuse

The sexual exploitation of children crosses geographic, social and cultural borders. According to UNICEF, this problem affects around 2 million girls and boys under 18 worldwide. Because these practices can take place in Group establishments – located in over 100 countries – it is Accor's moral and legal duty, as the world's leading hotel operator, to commit to protecting children from abuse.

The risk of partners that fail to comply with the Accor Group's ethical and CSR commitments is described in section 2.1.1 of the summary table of the risks identified in the statement of non-financial performance.

2.6.2.1 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".

(1) *This commitment, initially planned for the end of 2020, was postponed until the end of 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 80 organizations working in 75 countries.*

Since 2001, Accor, concerned to respect human rights, 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. Accor therefore became the first hotel group to conclude a partnership of this kind 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).

In 2020, the Group, notably recognized for its WATCH approach, along with Thailand, was still amongst the Top Members of The Code – “Code of Conduct for the Protection of Children from Sexual Exploitation in Travel and Tourism” drawn up by ECPAT and the World Tourism Organization. The following Accor head offices are also members in 2020: Belgium, Canada, the United States, India, Luxembourg, Mexico, the Netherlands, Romania, Russia, Vietnam.

Accor ranks third in the Travel & Leisure sector in the ranking published by the Global Child Forum and the Boston Consulting Group in their report “The State of Children’s Rights and Business 2019” published in November 2019.

2.6.2.2 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

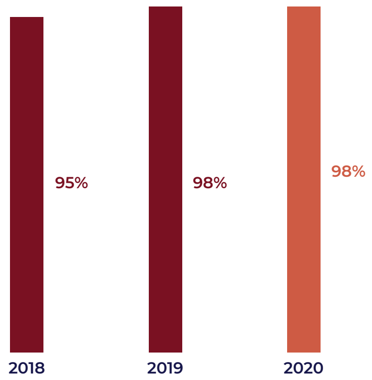
Created by Accor, the WATCH program helps country organizations and hotels put procedures in place to detect cases of SECTT and take the appropriate response. It is based on a set of training and educational resources geared toward hotels. It targets different groups including General Managers, team leaders and employees, and it incorporates films, a training module for hotel teams and guideline sheets, available in nine languages.

On November 20, 2020, to mark World Children’s Day, Accor reiterated its campaign to raise awareness in hotels in order to remind of the Group’s commitments and train new arrivals. On this occasion, Accor made itself the relay for the reporting platform put in place by ECPAT, enabling professionals to report at-risk situations in their establishments.

Hotel mobilization at the end of 2020

“Roll out the WATCH child protection program” is one of the ten mandatory actions on the Planet 21 In Action roadmap. Hotels engage in this activity, notably 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 is stable. Since 2017, monitoring of this action has been made stricter with the requirement that hotels supplement employee training with a message shared with guests to inform them of this commitment. This reporting is based on a declaration of the hotels, which can lead to a certain level of uncertainty in spite of the controls carried out, in particular for the more complex commitments. The 2% of hotels not committed to protecting children represent 88 Group hotels, particularly in France (49) and the United Kingdom (28). The reasons for their non-validation are the lack of communication with guests or employee training. In 2021, the focus will be on these shortcomings in order to improve the Group’s overall performance.

2.6.3 *Plant for the Planet, a program in support of agro-forestry*

2.6.3.1 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 for which 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 with the aim of speeding up the transition of agricultural practices to move towards agro-ecology; this ambition includes many innovations in terms of agricultural techniques, cooperation mechanisms and funding sources dedicated to tree planting.

(1) This commitment, initially planned for the end of 2020, was postponed until the end of 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).

Agro-forestry consists of planting trees in agricultural plots to improve preservation and productivity and diversify the income of farmers. The role of trees is widely recognized for their ability to encourage biodiversity, fix groundwater reserves and absorb some pollution.

Thus, the benefits from the projects supported under the Plant for the Planet program can be threefold:

- **the environment:** 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 shrink Accor's environmental footprint;
- **society:** higher and more diversified income for those participating in projects, employment support, improvements in crop quality, creation of a new, local social dynamic;
- **social,** especially the active participation of customers and the awareness-raising work done by Group employees, which are both key to the success of the program, enabling it in turn to provide a sense of cohesion.

Currently, the project supports more than 27 plantation projects in 26 countries throughout the world. Exceptionally in 2020, due to the health crisis, support for the Plant for the Planet was not mandatory for hotels. To take account of the sometimes difficult financial situation, the contribution and the amount were left to the discretion of the hotels and the number of trees financed in 2020 reached approximately 302,000. Accor has also chosen to reallocate part of the 2019 Plant for the Planet redistribution fund (a fund that is fed annually and was initially intended to support the Colombian NGO "Coffee for Peace" in 2019) to the plantation projects that are most at risk in the face of reduced funding in the following countries: Brazil, Canada, Colombia, Spain, Indonesia, Philippines, Poland, Portugal, United Kingdom and Senegal. As a result, the average price per tree in the solidarity fund has increased and the number of trees financed in 2019 has been reduced to around 626,000. In 2020, the Plant for the Planet redistribution fund was also directed towards these high-risk projects.

2.6.3.2 Innovation in support of the diversification of funding sources and promotion of 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, the customer can contribute to the financing of trees or earn ALL loyalty points.

The mobilization of the Group at the end of 2020

In 2020, the planting of 302,244 trees was financed as part of the Plant for the Planet by 261 participating hotels. Plant for the Planet has helped fund over 7.2 million trees since it was started in 2009.

2.7 Moving to net-zero buildings

2.7.1 Committed to net-zero carbon emissions for Accor brand hotels by 2050

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 who seek hospitality to live, work and play. As an industry leader, Accor follows the latest science and aims to reduce its environmental footprint to preserve the planet and its resources for future generations. Accor has committed to limit global warming to +1.5°C and set a target to reach net-zero carbon emissions by 2050.

Since 2006, Accor has answered to the CDP Climate Change questionnaire. In 2020 CDP recognised Accor as a Leader by awarding the Group an A- rating.

Accor is committed to implementing the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). This process will continue during 2021. In order to bring greater transparency to our efforts to manage our climate change risk and reduce our climate impact. Accor's 2020 reporting follows the structure defined by the TCFD guidelines:

- Governance;
- Strategy;
- Risk Management;
- Metrics and Targets.

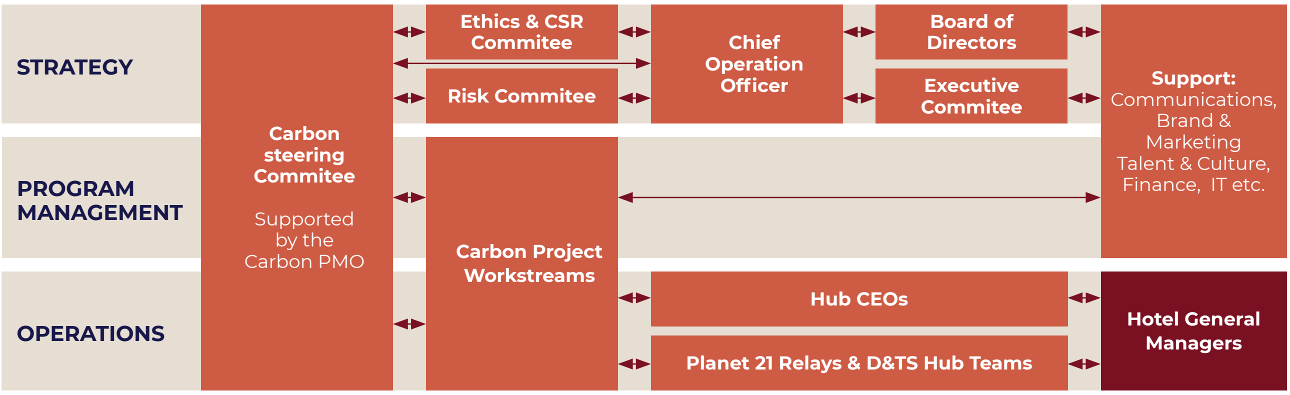
2.7.1.1 Climate Governance

Management of climate topics takes place under a governance and organisation structure designed to support actions that systematically address climate issues across business functions.

In 2020 the Carbon Steering Committee was established by Accor CEO Sébastien Bazin, and Deputy CEO Chris Cahill was appointed as Chair. The SteerCo is tasked with championing the strategic development and operationalisation of projects to enhance Accor's climate management approach. The Carbon SteerCo is animated by the Carbon Project Management Office (CPMO), which is responsible for mobilising project workstreams with stakeholders to implement the carbon strategy. The Ethics and CSR Committee also provides strategic oversight. The Group Risk Committee integrates the identification, assessment and management of climate risk topics within their committee operations supported by the Risk Department. Refer to section 1.8.2 for a description of Accor's risk governance approach.

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 Climate Risk Governance



The Design and Technical Services Department is responsible for the collection and aggregation of CO_2eq emissions data across the Group. Results are shared across the organisation annually, to provide tracking and increase knowledge of material topics.

2.7.1.2 Accor Group's strategy – Policies and measures implemented [SNFP]

Since the launch of the 2016-2020 Planet 21 program, the Group has been committed to the transition to zero carbon. Since 2016 the Group has undertaken a significant transformation including the divestment of owned and leased hotel assets in favour of an "asset light" model which deeply influences the means of action available to the Group for its carbon trajectory.

It is up to Accor to define this collective trajectory, to align with the Paris Agreement, and act on the levers at its disposal, namely brand standards, technical hotel standards, ensuring that policies and processes are consistent with decarbonization objectives; and lastly, to propose operational solutions to hotel owners to reduce the carbon footprint of their hotels. Investment decisions (on equipment, insulation, green energy production and purchasing, etc.) however ultimately lie solely with hotel owners.

In December 2019, Accor commenced the latest stage of its climate journey with a formal commitment to set a science-based target. Since then, the Group has calculated and defined the necessary carbon reduction pathway based on the latest climate science.

Accor's carbon strategy is built on four pillars:

- unlock new innovations with a **low-carbon mindset** with hotel owners, partners, suppliers and guests to realise the net-zero transition;
- 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 net-zero offerings and expanding investment in carbon removals to balance residual emissions.

Accor has completed initial analysis to assess climate related opportunities in line with the TCFD recommendations.

Types of identified climate opportunities

Identifier	Primary climate-related opportunity driver	Primary potential financial impact	Company-specific description	Time horizon Magnitude of impact
Changing consumer behaviour	Development and/or expansion of low emission goods and services	Increased revenues resulting from increased demand for products and services	Building strong environmental and climate brand differentiation for guests, general consumer and corporate clients is an opportunity for the Group. Accor is already a leader in hotel environmental performance which provides a strong foundation for new initiatives. Guests' expectations are shifting, especially business travel guests, whose companies are themselves setting responsible purchasing targets that consider the climate impact of hotels. These expectations have a direct impact on Accor's business.	Short-term Low
Reputation with investors	Access to new assets and locations needing insurance coverage	Other: increased market valuation thanks to investor confidence	Investors increasingly demand strong ESG performance before investing in a company. They need to ensure the company will be able to face all of the emerging risks, especially regarding climate. Consequently, Accor must be transparent regarding both financial and non-financial information. As an example, following Accor's signature of the French Business Climate Pledge, questions related to Accor's climate strategy were raised by different investors during the annual shareholder meeting. Accor is currently working on enhancing its climate management and reporting practices in line with the TCFD recommendations to meet emerging investor expectations.	Short term Low-Medium
Energy Performance Contracting Program	Move to more efficient buildings	Reduced indirect (operating) costs	Accor provides hotels with energy and carbon measurement and benchmarking tools to track performance and identify areas for improvement. Accor works closely with hotel owners as part of their annual budgeting process to implement energy performance upgrade projects. To achieve the large-scale implementation of projects globally, Accor is establishing partnerships with energy efficiency specialists who can provide finance solutions to implement the new energy efficiency projects in hotels. The finance solution enables traditionally CapEx costs to be financed with operational savings over 3-10 years to unlock investment.	Short term Low

2.7.1.3 Risk Management – Risks related to greenhouse gas emissions [SNFP]

The Group continues to refine and enhance its approach to the identification of climate risks and assessment of their impact on business strategy.

The time horizon definition for the appearance of the initial significant effects on Accor's business is:

- short-term: under 5 years;
- medium-term: 5 to 10 years;
- long-term: over 10 years.

A risk is defined as an uncertainty (internal or external) that could impact, in the short, medium, or long term, the Group's ability to achieve its objectives. The assessment of risks consists in positioning each risk on a matrix according to two criteria: probability of occurrence and intensity of impact

There are different types of substantive impacts that can be assessed depending on the perimeter of the risk mapping: financial, third party, environmental and reputation impacts. Each of these impacts is assessed on a three or four tier-scale and the combination of these impacts and of the likelihood of the risk determines the severity of the risk.

Substantive financial impact

Financial impact is an estimation of the potential financial consequences on Accor's Ebitda. It is evaluated in millions of euro over a three tier scale. The assessment of the financial impact includes but is not limited to; management/service fees, incentive fees, trademark fees and reputation damage. The indicator used is loss of Ebitda in euro.

To identify substantive financial impacts linked to climate risks, a risk map based on a country level climate risks index ratings was cross analysed against Accor revenue by country. The analysis enabled the identification of high and low rated climate exposed revenue.

Substantive strategic impact

The **third-party impact** is the impact on Accor third parties (guests, employees, local communities) physical, financial and/or emotional integrity.

The **environmental impact** measures the extent of the negative effect of the risk on the planet resources and/or biodiversity.

Finally, the **reputation impact** measures the extent of media (including social media) coverage of the potential risk.

Types of assessed climate risks

Risk Type	Description, impacts and main risk management action in place
Current & emerging policy and regulation	Both current and emerging regulations have been identified by the Group as a short-term risk with medium financial impact for the Group. As an example, hotels could face a new GHG emissions criteria per square meter. Accor's broad geographical distribution helps to limit the potential impact of these risks on the Group's results. The Group could also face a new regulation on carbon intensive materials that could influence the CAPEX planning of hotels partners (*i.e.*, hotel owners and franchisees) for renovation. Another example would be an increase in transportation costs and an associated decrease in occupancy rate which could slow new hotel openings and investments in hotel renovation and affect management and distribution income.
Technology	Given the Group's asset-light business model, technological risk has not been evaluated as a substantive climate-related risk during the FY 2020 process.
Market	Market risk has been reviewed as part of the climate-related risk process and addressed as part of changes in consumer preferences and behaviour. This risk is rated as low impact over a short-term time horizon. An example of market risk for Accor is the prospect of changing guest preferences and behaviours which may include a preference for hotels with greater climate/carbon performance above the current Accor network. This could translate into reduced demand, and lower occupancy rates and average prices per room. This risk is being managed *via* Accor's carbon strategy which addresses hotel climate/carbon performance and provides the basis for engagement and communication with guests.
Reputation	Accor sees corporate and brand reputation as a key value and revenue driver. Reputation risk has been reviewed as part of the climate-related risk process and is assessed *via* two risk topics: • Changes in consumer preferences and behaviour risk. This risk is rated as low impact over a short-term time horizon. • Stricter carbon criteria for access to the financial market risk. This risk is rated as low impact over a medium-term time horizon. In the event of poor environmental performance by Accor, the Group could face difficulties obtaining financing or a decline in its share price. Accor's commitment to set ambitious science-based targets meets stakeholder expectations. The business continues to monitor the latest climate science, corporate climate management trends (annual response to CDP Climate Change) to ensure alignment with and implementation of best practice.
Acute physical	The increased frequency and intensity of extreme weather events and natural disasters (droughts, hurricanes, flood zone etc.) pose a short-term risk that affects guests and employee safety however the financial impact is assessed to be low as an asset-light hotel management and franchise company. Accor has a project underway to enhance its assessment of hotels located within a 100-year flood zone and associated exposure parameters. Accor works with hotel owners to interoperate and implement physical measures and operational processes to manage these risks. In addition, the Safety & Security Department tracks the safety and security situation in all host countries daily to share with hotel teams and hotel owners.
Chronic physical	Chronic physical risk has been reviewed and managed *via* three risk topics: • Epidemics and pandemics risk. This risk has been rated as high impact over a short-term time horizon. It refers to development and evolution of new illnesses (adaptation and mutations) and increase in speed or extent of contagion that may be escalated by climate change. • Water stress, scarcity of potable water risk. This risk has been rated as low impact over a medium-term time horizon. It refers to the reduction in water supply and shortages owing either to decisions by local authorities or to desertification. • Rising water levels, ocean warming and acidification risk. This risk has been rated as low impact over a medium-term time horizon. It refers to coastal erosion, reduction of tourist areas (coral reefs, etc.) and habitable areas. As an example, the attractiveness of destinations may be impacted by isolated or recurring events associated with these risks leading to a lower occupancy rate for hotels in affected regions. Accor works with hotel owners to interpret and implement physical measures and operational processes to manage these risks. In addition, the Safety & Security Department tracks the safety and security situation in all host countries daily to share with hotel teams and hotel owners.

2.7.1.4 Accor climate metrics, targets and commitments

Following the calculation of Accor's 2019 footprint, a project was launched to calculate carbon reduction targets.

2030 Carbon Reduction Targets

Accor commits to reduce absolute scope 1 and 2 greenhouse gas emissions by 46% by 2030 from a 2019 baseline. The company also commits to reduce all relevant scope 3 emissions categories (Purchased goods & services, Energy and Franchises) by 28% by 2030 from a 2019 base-year.

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 targets covering greenhouse gas emissions from Accor operations (scopes 1 and 2) are consistent with reductions required to keep warming to 1.5°C and are aligned with the SBTi methodology.

Accor's targets have been reviewed and validated by the SBTi.

Net-zero by 2050 commitment

In 2020 Accor joined the Business Ambition For 1.5°C program and committed to set a long-term target to reach net zero value chain emissions by 2050.

BUSINESS AMBITION FOR 1.5°C

Energy saving record

Hotel operations demand significant energy consumption and generate greenhouse gas emissions. Accor has a duty to promote and support hotel owners with the implementation of energy efficiency measures of hotels operated under its brands. Reductions achieved since 2006 are described below:

Period	Energy savings achieved *(kWh per Av Room)*
2006-2010	-5.5%
2011-2015	-5.3%
2016-2019	-6.4%

Carbon footprint methodology, results and 2030 targets baseline

For several years, Accor has used its carbon footprint analysis to identify material issues and develop overall strategy and associated policies. Accor's reporting aligns with the GHG Protocol and SBTi methodologies.

As part of the ongoing work to measure and track its carbon trajectory (see below), Accor updated its carbon footprint in 2020 based on 2019 calendar year data.

This new study includes all 5,041 Accor hotels (subsidiary, managed, franchise), corporate operations and the newly acquired entities. In line with best practice, emissions for hotels with unvalidated data were normalised using validated network data and hotel activity metrics. The 2019 footprint was used to calculate and set Accor's Science-based Targets.

This new study covers all of the 5,041 Accor 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 measurements of hotel activity.

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 the 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 direct activity:
  - upstream activities: purchase of goods and services, capital goods, indirect fuel and energy consumption, waste generated, business travel and commuting,
  - downstream activities: franchise hotels (scope 1 and 2), property, plant and equipment.

Emissions associated with guest transport are not considered in the calculation of scope 3.

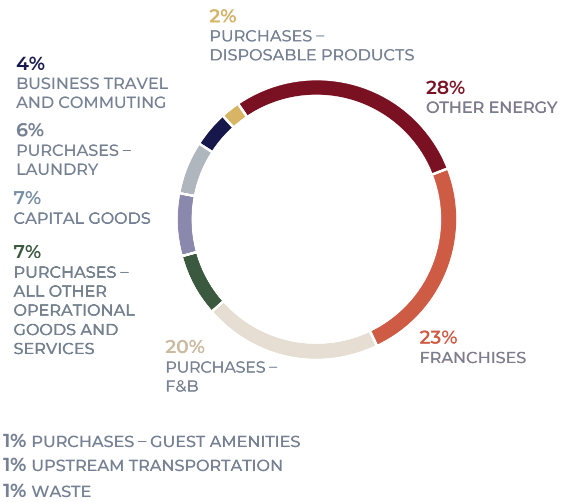
2019 Baseline – Carbon footprint

	Emissions (in '000 tCO_2eq)	%
Direct emissions (scope 1)	468	6.5%
Indirect emissions (scope 2)	3,003	41.5%
Total Scope 1 + 2	**3,471**	**48.0%**
Other indirect emissions (scope 3)	**3,761**	**52.0%**
Purchases	1,345	18.6%
Emissions related to energy consumption (not included in scopes 1 and 2)	1,058	14.6%
Franchises	852	11.8%
Capital goods	276	3.8%
Business travel and commuting	150	2.1%
Waste	56	0.8%
Upstream transportation	25	0.3%
TOTAL SCOPE 1+2+3	**7,232**	**100%**

Direct emissions (Scope 1) related to the Accor Group's activities represent only 6% of total emissions, while Scope 2 represents 42% of emissions. Scope 3 accounts for 52% of total emissions from Accor's activities. Within Scope 3, the most significant items relate to purchases of products and services and the operation of franchised hotels.

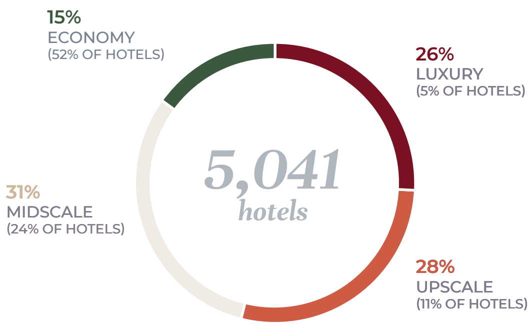
These results, aggregated to the Group scope, hide very different realities between hotel ranges and countries, notably due to the variation in national energy mixes.

2019 Baseline – Scope 3 emissions sub-category breakdown



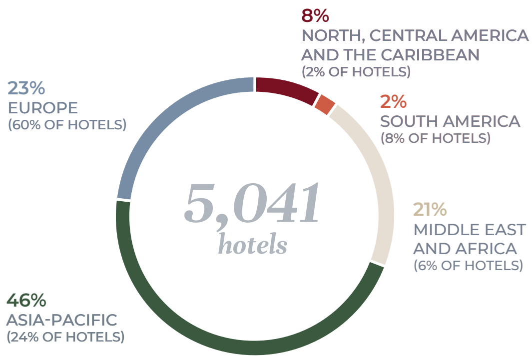
Purchases of products and services (food and beverages, laundry, capital goods and other) account for 40% of Scope 3 emissions. Targeting low carbon purchased goods and services provide a key opportunity area for the Group to reduce emissions.

2019 Baseline – Breakdown of greenhouse gas emissions by hotel category (scope 1, 2 and franchise)



The addition of a greater number of luxury hotel brands to the Accor portfolio has shifted the overall split. The size of these hotels and the presence of numerous services (swimming pool, spa, meeting rooms, restaurants, gardens) increase energy consumption compared to economy or midscale hotels.

2019 Baseline – Breakdown of greenhouse gas emissions by continent (scope 1, 2 and franchise)



The location of carbon emissions reflects several realities in the Group's economic environment: specifically, Asia, the Middle East and North America, which are characterized by the strong development of the luxury sector and a significant share of leisure-focused hotels, and lastly, an energy mix with a high carbon emission factor.

By contrast, France, which in 2019 accounted for 33% of subsidiary, managed and franchise hotels, contributed only 3% to the total footprint. This is due to the high concentration of economic and midscale hotels, and its mainly decarbonized electrical energy (strong share of nuclear energy) represents a low percentage of the Group's carbon emissions.

Scope of reporting

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 it can.

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.

*Scope of reporting**

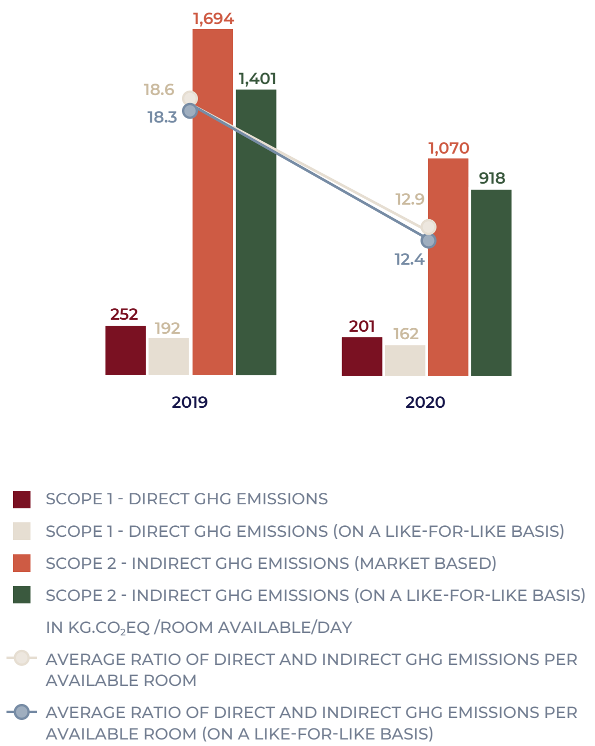
	2019	2020
Number of hotels in the baseline Group	2,053	2,013
Number of hotels validated	1,531	1,287
Validation rate	75%	72%
NUMBER OF HOTELS AT A COMPARABLE SCOPE TO 2020		**1,455 HOTELS**

* *The definitions of scopes of reporting are listed in the methodological appendix § 2.9.3.4.*

2020 Carbon footprint reporting

In 2020 the emissions of the Group were calculated based on energy data collected from the hotel network. Of the 2,013 hotels within the reporting scope, data for 1,455 hotels was validated and included. 2020 Scope 3 emissions were not available at the time of publication but will be calculated during the year 2021 and reported in the 2021 URD.

Greenhouse gas emissions (kt.CO2eq)

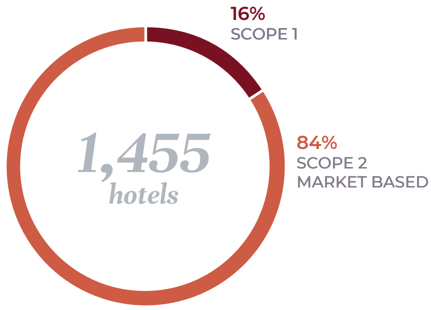


Greenhouse gas (GHG) emission performance is measured in kilograms of CO_2 equivalent (kg CO_2eq) per available room.

In 2020, over the reporting scope of 1,455 validated hotels, total GHG emissions were reported as 1,271 kteq CO_2, split as 84% for scope 2 (indirect emissions related to electricity and urban networks) and 16% for scope 1 (direct emissions related to fuel).

The Group has made progress in energy consumption scores at comparable scope: the ratio decreased from 18.3 kg CO_2eq/available room to 12.4 kg CO_2eq/available room. This evolution is mainly due to the impact of the Covid-19 and ongoing evolution of country emission factors that reflect the energy transition underway globally.

2020 Breakdown of emissions by scope



The significant weight of electricity (84% of scope 1 and 2 emissions) is due to two factors: consumption in hotels and the weight of carbon emission factors that depends on countries' energy mix. In hotels, most of the electricity consumed is used for ventilation, air conditioning, part of the heating, lighting, and powering all appliances. This substantial portion of consumption is then subject to the emissions intensity of electricity generation for each country. Energy emission factors vary considerably from one country to another and depend on each country's energy mix and contracts with hotel energy suppliers.

2020 Energy performance monitoring and reporting

Monitoring of hotel performance is based on:

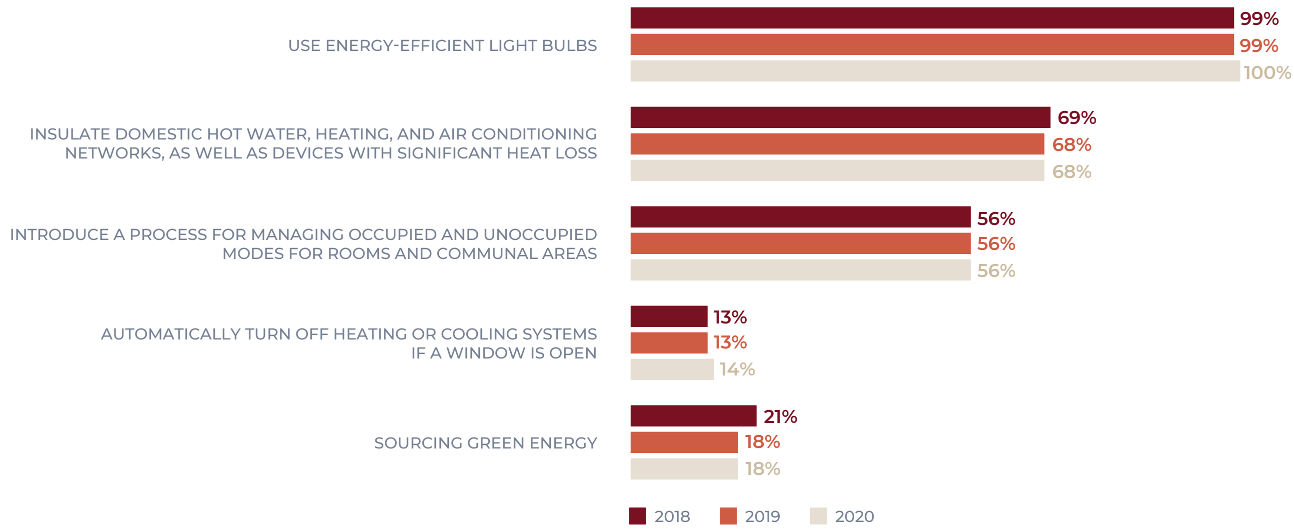
- energy consumption reporting using the Gaïa tool;
- knowledge of the hotels (number of rooms, number of restaurant-bar sales outlets, technical equipment, etc.) and of their consumption (monitored since 2005);
- a thorough analysis of the ratios, accounting for weather effects and occupancy rate for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

Total energy use

Energy consumption in GWh	2019	2020
Total energy consumption	4,607	3,138
Total like-for-like energy consumption	3,720	2,671
In kWh/room available/day		
Average energy ratio to comparable scope	33	24

Of the 1,455 hotels for which comparable data were validated in 2019, energy consumption decreased by 28%, reflecting the impact of the Covid-19 on occupancy rates and hotel closures globally. The ratio of energy/available room also decreased by 27%. The most significant energy/available room ratio decrease was recorded in South America (41% reduction). A more moderate decrease in energy consumption (10% reduction) in North America, is explained by the number of available rooms increasing between 2019 and 2020 (+101%).

Hotel mobilization at the end of 2020



2.7.2 *Reducing water consumption in hotels*

The hotel network is the Group's biggest driver of water use. Accor has a duty to promote and support the implementation of water efficiency measures of hotels operated under its brands. Accor continues to build on a long history of achievement.

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

2.7.2.1 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.

2019 Water footprint scopes 1, 2 and 3

	Water Consumption *(in thousands of m^3)*	%
Direct water consumption (scope 1)	1,624	2%
Indirect water consumption (scope 2)	29,509	30
Total Scope 1 + 2	**31,132**	**32%**
Other water consumption (scope 3)	**66,603**	**68%**
Purchases	45,185	46%
Capital goods	10,498	11%
Franchises	9,772	10%
Business travel and commuting	741	1%
Waste	161	0.2%
Upstream transportation	245	0.3%
TOTAL SCOPE 1 +2 +3	**97,736**	**100%**

The Group's water footprint is concentrated in Scope 3 (68%), notably due 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.

2.7.2.2 2020 water performance monitoring and reporting

Monitoring hotel water performance is based on:

- water 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.

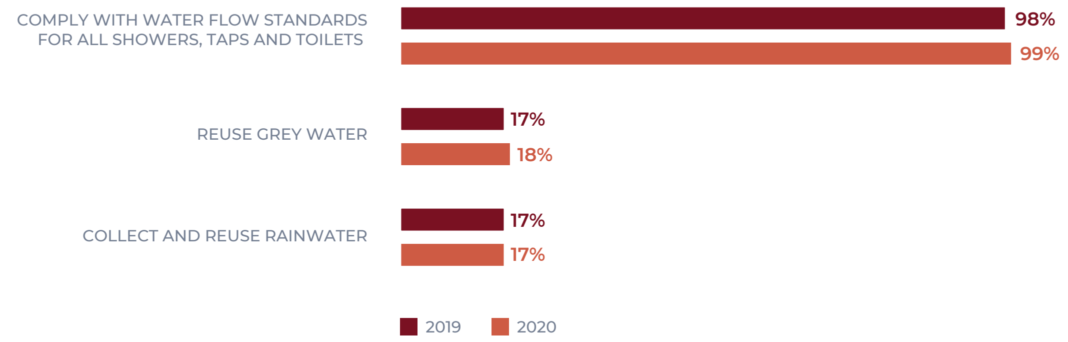
Water consumption

Water consumption in millions of m^3	2019	2020
Total water consumption	34.7	18.9
Total water consumption on a like-for-like basis	27.2	15.9
In litres/customer		
Average water ratio on a like-for-like basis	230	310

Total water consumption decreased by -42% following the impact of the Covid-19 crisis, hotel closures and lower occupancy rates.

Accor tracks hotel water performance by measuring water consumption ratio in liters per guest (liters per room night). During 2020 the water ratio increased by +34%, reflecting the -49% reduction in guest across the global network. The variance between the two reductions is explained by water consumption associated with maintaining base building systems. A sharp ratio increase was recorded in North America (+80%). The addition of luxury hotels to the network during 2020 was the most significant driver of the change.

Hotel mobilization at the end of 2020



2.7.3 *Take advantage of 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 refurbishment.

The waste generated in the Group's hotels comes from 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 during operations carried out in hotels, and waste from customers with the aim of increasing the proportion of sorted and recycled waste;
- refurbishing and construction waste, where recycling is increasingly used by the Group.

2.7.3.1 Planet 21 commitment: 65% of waste from hotel operations is recovered (2)

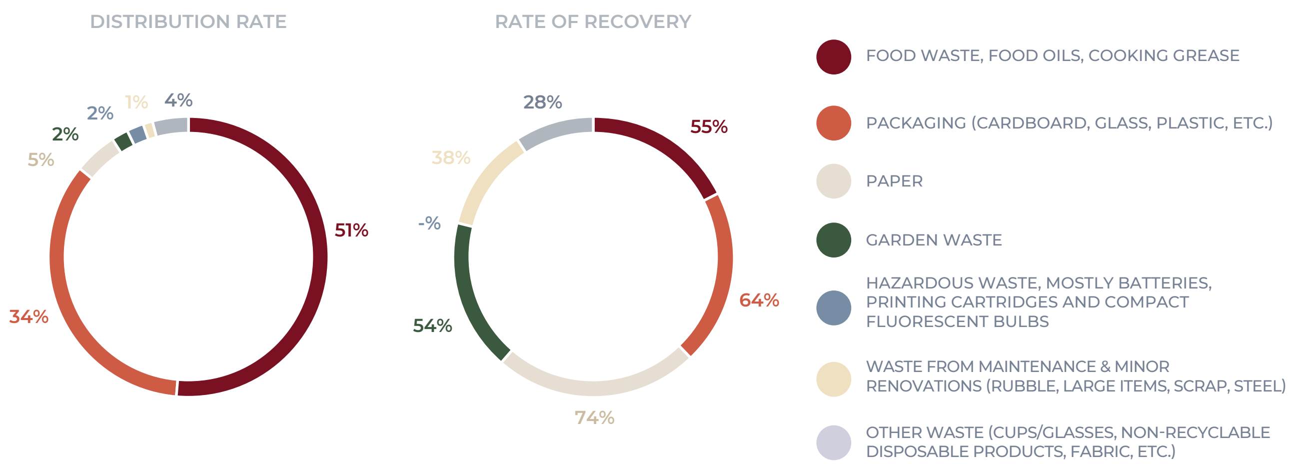
Analysis of Accor's waste

Waste management challenges can be appreciated from an estimation of outgoing flows of hotel operating waste (*i.e.* excluding waste from renovation and construction work). Operating waste accounts for around 200,000 metric tons/year for around 4,600 Group hotels. An average of around 45 tons of waste per hotel per year, reflecting various realities depending on the segment: "very economic" with around 25 tons/hotel/year, "very economic" with around 30 tons/hotel/year, "mid-range" with around 55 tons/hotel/year, and "luxury and high-end" with 75 tons/hotel/year.

These figures are based on information collected from hotels that recorded all the required data in the Accor waste management tool (684 hotels in 60 countries), and data from waste management providers (United Kingdom and Australia, covering 93 hotels).

The analysis of the detailed data from the Accor waste management tool offers insight on 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 produces waste. The second biggest

(1) *Figure comes from the environmental footprint done in 2011; not updated in the second study.*
(2) *This commitment, initially planned for the end of 2020, was postponed until the end of 2021 due to the Covid-19 crisis.*

source of waste is packaging: card, paper, plastics (relatively limited). It is good to note that hotels produce small amounts of hazardous waste.

Accor's waste policy

To attain its objective of recovering 65% of waste by 2020, in 2016, Accor defined its waste policy, in a document intended for hotels to recall the challenges and set three priorities:

- priority 1: have 100% of hazardous waste treated in appropriate facilities;
- priority 2: reduce the quantity and 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, recycling (excluding incineration, including with energy recovery).

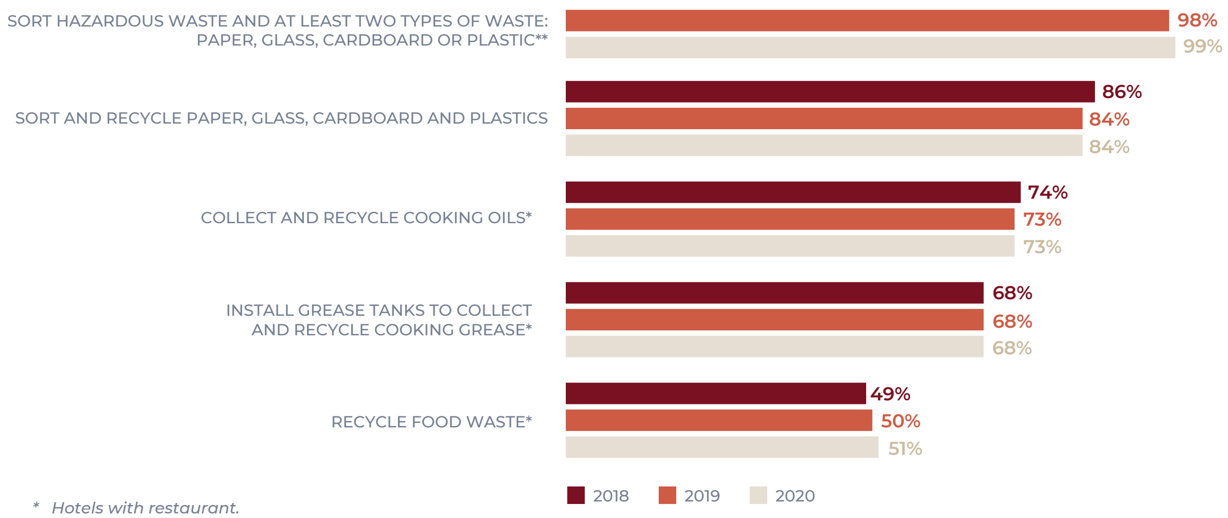
Actions implemented by Accor to reduce waste

In 2020, Accor continued to disseminate and support its "waste management tool" with branches in the countries. Since 2019, it has been incorporated into the Gaia management tool to increase its functions even more and facilitate dissemination to the largest number of hotels. Accor has a powerful tool that allows hotels to manage their waste and make progress in their recovery: 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 case the data are not available at the hotel level, recommendation of data that are extrapolated by default from the Accor database), restatement in dashboards that make it possible to track the hotel's environmental and economic performance. At the end of 2020, 482 hotels were using this tool and providing detailed data.

In addition, in 2020, in order to limit waste at source, Accor distributed its guide to eliminating single-use plastics in the guest experience to its hotels and continued to disseminate its recommendations and best practices to limit food waste.

Hotel mobilization at the end of 2020

At the end of 2020, Accor reached a total waste recovery rate of 57%. The program and waste management tools continue to be applied in the hotels, at a pace below the roadmap set, further slowed down by the health crisis. Feedback remains insufficient. To solve the problem, the Group is working on a new version of its data-tracking tool, which will be available during 2021. At the same time, Accor continues to seek solutions to reduce the amount of waste, to improve recycling rates and encourage a circular economy policy, specifically as related to calls for tender.



** Hotels with restaurant.*
*** Mandatory action in Planet 21 In Action.*

This data is reported by the hotels. This can lead to a certain level of uncertainty despite the controls carried out, in particular for the most complex commitments (eco-labeled cleaning products, eco-friendly hospitality products).

2.7.3.2 Management of waste from renovation and construction

This category includes waste related to the construction or renovation of hotels (obsolete equipment, replaced furniture, used uniforms and towels, etc.). Accor's waste management 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.);
- pilot operations are used to test certain solutions (furniture donations, etc.);
- the use of circular economy both upstream (choice of products made from recycled material) and downstream (such as recycling of uniforms);
- actions or innovations favorable to the circular economy from the conception of products, in particular by the Design team and the Technical Department.

2.8 [SNFP] – Eliminating food waste and promoting healthy and sustainable food

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". The Group therefore wishes to offer healthy food to combat public health problems; to support the change in the agricultural model to achieve higher-quality food production that is closer to the places of consumption, more environmentally friendly and responsible; and to drastically reduce food waste.

The risk of partners that fail to comply with the Accor Group's ethical and CSR commitments is described in section 2.1.1 of the summary table of the risks identified in the statement of non-financial performance.

2.8.1 Planet 21 commitment: -30% less food waste [(1)]

For Accor, this challenge has ethical, environmental and economic dimensions.

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 target of reducing food waste by 30% 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.

The actions implemented and tools used as part of this strategy are described in detail below.

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 is designed to be very simple to weigh discarded products. It is used to measure the cost which that represents;
- external **waste reduction solutions** are offered to hotels, such as the Winnow technology, which enables automatic recognition of food waste. All products not consumed are recorded and weighed by category (expired stock, leftover buffets, cooking errors, peelings, return of plate), then more specifically by ingredient or recipe (bread, dairy products, fish, meat, etc.). This solution enables hotels to measure in detail the weight of waste, its value as well as its environmental and financial impact. The kitchen teams equipped with this solution can then implement an action plan to reduce the most wasteful foodstuffs. Winnow now offers a range of solutions ranging from connected scales (Winnow Waste Monitor) for small-sized kitchens, using artificial intelligence technology (Winnow Vision) for kitchens producing higher volumes. To date, 62 hotels use Winnow, two of which use Winnow Vision.

  Resell or donate unused food. Within the Group, initiatives are under way to ensure that unused foodstuffs can be donated to food banks, or associations, or sold at affordable prices to local people. Thus, 1,461 hotels donated or resold food products. The Too Good To Go start-up, which puts citizens in touch with restaurants or merchants offering their unconsumed products cheaply, has already been introduced in 11 European countries. At end-2020, more than 700 Accor hotels had the use of this application, which identifies more than 31 million users, and the number of not wasted meals in Accor restaurants was 493,000 since the application was launched in 2016, of which 116,000 in 2020. It is estimated that until now this partnership has avoided the equivalent of 1,200 metric tons of CO_2 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 precisely, during weighing campaigns lasting several days, each discarded food product is weighed and assessed (based on the average purchase cost). The total waste value will be calculated relatively to the restaurant revenue, in order to account for variations in business. The 30% reduction in food waste by 2020 is based on this ratio.

Hotel mobilization at the end of 2020

At end-2020, 1,882 hotels under the Accor banner implemented the "Introducing a program to combat food waste" project. 482 hotels with data allowing a precise management of food waste reduction were able to reduce food waste by 19% in 2020; 30% of those hotels reached the target of -30%. 56 hotels with Winnow connected scales reduced food waste by 56% in 2019.

(1) *This commitment, initially planned for the end of 2020, was postponed until the end of 2021 due to the Covid-19 crisis.*
(2) *Source: FAO (Food and Agriculture Organization of the United Nations).*

2.8.2 *Offer food that is healthy and sustainable for the planet*

Its job as a restaurateur gives the Group the responsibilities it has made its ambition to move from intensive production, which consumes a lot of chemicals that are harmful to the environment and sometimes to farmers, towards a more qualitative production, more respectful of people and the planet; while meeting the expectations of consumers looking for authenticity, better quality, healthier, fresher products, from organic farming or agroecology, accessible in short circuits, etc.

This goal to actively take part in the agroecological transition took shape in 2018 with membership in the Pour une Agriculture Du Vivant en France (for an agriculture of living things in France) movement.

2.8.2.1 Planet 21 commitment: 100% of our restaurants follow our Healthy and Sustainable Food Charter [1]

With its Healthy and Sustainable Food Charter, Accor sets out the Group's ambition and commitments around three areas: the fight against food waste, the protection of its customers' health, and the supply of sustainable products.

This Charter was conceived in a collaborative spirit, bringing together different teams in the Group and incorporating a critical review of the project by an outside firm. It was also designed to change regularly in order to account for the Group's commitments and the stakeholders' expectations. This Charter provides a framework for the restaurants under the Accor brand. It includes nine very ambitious commitments detailed below. It can be consulted at the link: https://group.accor.com/fr-FR/commitment/planet-21/food.

Hotel involvement in 2020

The implementation of the Healthy and Sustainable Food Charter is strongly supported by the Group's hotels. Various initiatives have been put in place depending on the country.

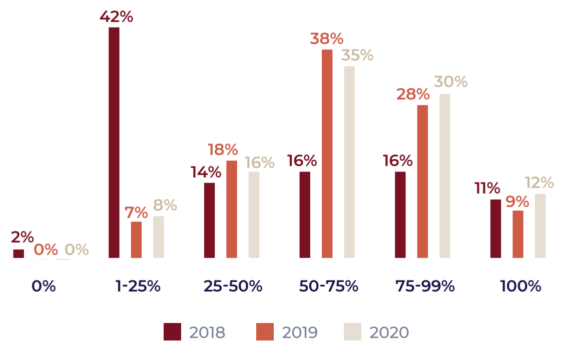
(1) This commitment, initially planned for the end of 2020, was postponed until the end of 2021 due to the Covid-19 crisis.

The table below presents the commitments' results of the Healthy and Sustainable Food Charter. It presents the information of the hotels that have filled in their data and have access to the follow-up of the Charter's actions.

Deployment of the nine commitments for healthy sustainable food by end-2020	Actions	Number of applicable hotels [(1)]	% of hotels having applied the action
1. Reduce food waste by an average of 30%	Deploy a program for fighting against food waste	3,762	50%
	Donate or resell unconsumed food	3,762	39%
2. Favor local and seasonal supplies	Offer at least 10 regional products with ¾ of the offering consisting of in-season fruits or vegetables	3,762	58%
3. Expand the offering of organic products and support agroecology	Offer two major organic or certified agroecological products	3,762	60%
4. Favor sectors incorporating animal well-being criteria	Offer eggs (in-shell and liquid forms) that come from free-range or cage-free hens	3,762	43%
5. Ban endangered species of fish and promote responsible fishing	Ban endangered species of fish	3,762	100%
	Offer wild fish or fish raised with responsible practices	3,762	36%
6. Eliminate throwaway plastic	Eliminate plastic straws, stirrers, and plastic cotton swabs	3,762	99%
	Offer an alternative to plastic water bottles	3,762	62%
	Offer an alternative to plastic when available	3,762	43%
7. Eliminate controversial additives and limit fat and sugar	Eliminate controversial additives in five products and limit fat and sugar	3,762	47%
	Eliminate palm oil or use sustainable palm oil	3,762	36%
8. Offer responsible coffee or tea	Offer responsible coffee or tea at breakfast	3,762	55%
9. Meet different food needs	Meet different food needs (vegetarian, etc.)	3,001	78%

(1) This reporting is based on declarations of the hotels, which can lead to a certain level of uncertainty in spite of the controls carried out, in particular for the more complex commitments (environmentally-labeled cleaning products, environmentally responsible complimentary products).

Progress of the deployment of the Healthy and Sustainable Food Charter [(1)]
(in % of hotels that have fulfilled the commitments)



A total of 12% of hotels fulfilled all the commitments, but the trend is positive, with 77% of hotels fulfilling at least 50% of the commitments as at end-2020. In 2020, hotels that had achieved 50% compliance with the charter continued to grow to exceed 75% (+5%) or even reach 100% (+3%). The difficulty in deploying the charter to 100% of hotels is due in particular to its high level of requirements for all commitments.

2.8.2.2 Favor animal well-being

In its Healthy and Sustainable Food Charter, Accor committed to favoring sectors incorporating animal well-being criteria. Its commitment was finalized for hens in 2016 and for chickens in 2019.

Identify the sustainable subsidiaries for eggs from cage-free hens

In 2016, Accor undertook to offer free-range eggs or eggs from cage-free hens (shells and liquids) in its restaurants.

This commitment is expected to be achieved by the end of the year 2021 in areas where the supply chains are developed (in-shell eggs in Europe, for example) and by 2025 on the markets where the supply chains are still in development. The commitment, initially planned for the end of 2020, has been postponed to the end of 2021 due to the Covid-19 crisis. 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 2019, for example, 58% of the shell eggs and 63% of the liquid eggs and egg products offered by Accor to the hotels were eggs from organic farming, or from hens raised in the open air or outside cages. These figures stand at +6 points compared to the average for the catering sector (HCR) in Europe according to the CIWF EggTrack report. In 2021, the Accor in France purchasing platform plans to offer only non-caged eggs to Accor network hotels in France.

In the United States, in June 2020, 82% of eggs in the shell and 82% of egg products were eggs from organic farming, or from free-range or non-caged hens.

Improve the welfare of broilers from the supply chain

In July 2019, Accor announced [(2)] its commitment to establish animal welfare standards for 100% of the broilers in its European supply chain by 2026 by adopting the European chicken commitment [(3)]. This commitment, which is made by several associations covers the most urgent concerns in terms of raising broilers and the means to improve practices.

By the year 2026, the Group aims to meet the following requirements for 100% of its chicken meat for Europe:

- compliance with stricter standards concerning the breeding conditions of chickens: lower breeding density, better lighting, better air quality, space for perches;
- use of breeds allowing the use of stunning and processing methods more respectful of the welfare of chickens;
- strengthening existing partnerships by attempting to convince more farms to commit to animal welfare.

Work has been initiated with the Purchasing teams to encourage suppliers to comply with the commitment in the coming years. Also, with the support of associations, external suppliers who are already compliant have been identified.

In addition, Accor in the United States and Canada has announced that by 2024, or sooner if possible, Accor will require farmers, processors and suppliers to integrate animal welfare criteria into the production of broilers. Discussions are underway between procurement services and suppliers. In this respect, hotels teams have also been notified.

Hotel mobilization at the end of 2020

At end-2020, 43% of hotels got supplies of eggs laid by free-range hens raised outdoors. The commitment, initially scheduled for the end of 2020 and postponed to the end of 2021 due to the Covid-19 crisis, remains closely monitored in regions where supply chains are developed, but also in regions where supply chains are developing.

(1) This reporting is based on declarations of the hotels, which can lead to a certain level of uncertainty in spite of the controls carried out, in particular for the more complex commitments (environmentally-labeled cleaning products, environmentally responsible complimentary products).
(2) https://press.accor.com/accor-pledged-higher-broiler-chicken-welfare-in-europe/?lang=en
(3) https://welfarecommitments.com/letters/europe/

	Number of hotels	Planet 21 Action: Only offer free-range eggs or eggs from cage-free hens (shell eggs and egg products)
Europe	2360	50%
Asia	687	27%
America	430	35%
Oceania	206	43%
Africa	79	28%

2.8.3 *Developing urban farming*

The development of urban and peri-urban farming could provide an answer 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: urban vegetable gardens, suburban educational farms, short supply chains, direct sales, etc.

Present in many cities, Accor plays a pioneering role and supports this system-wide transition.

2.8.3.1 Planet 21 commitment: 1,000 urban vegetable gardens in our hotels

These vegetable gardens must meet certain criteria, among other things, a minimum area of cultivation, the production of plants intended for food consumption, regular maintenance, environment-friendly cultivation practices, etc. Every vegetable garden is suited to the context of the hotel 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 [1]. At the end of 2020, the Group had 1,218. The gardens are most often put in place and maintained by hotel teams, and they are the subject of emulation in all regions of the world.

2.8.3.2 Accor and the preservation of biodiversity

The Group is a strong proponent of the preservation of biodiversity, an important factor in the tourist appeal of many geographies. Accor's commitment is tangible in several programs.

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 with the "Use ecofriendly landscape maintenance products or ban chemical treatments" action, in which 58% of the hotels participated as of the end of 2020;
- control of waste is a lever to reduce the Group's impact on biodiversity, and one of the ten mandatory actions of Planet 21 In Action.

In upstream farming operations (which contribute approximately 90% to the Group's footprint on biodiversity):

- the commitment to promote healthy and sustainable food in its restaurants (see section 2.8.2), for example by increasing the use of products from organic or rational farming, or by not offering endangered species of fish on the menu;
- the Plant for the Planet program (see section 2.6.3);
- the commitment to favor eco-responsible products such as products using certified wood (see section 2.4.2).

In communities with the CCFA fund, for the protection of African fauna and wild nature, pillar of the tourism economy for some communities on that continent (see below).

Since September 2020, Accor has signed the call for mobilization with nearly 500 other companies. **"Business for Nature".** This coalition 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) *This reporting is based on a declaration of the hotels, which can lead to a certain level of uncertainty in spite of the controls carried out, in particular for the more complex commitments.*

Accor and Mantis, partners of the Community Conservation Fund Africa

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 commitment by the two groups to combat the decline of African wildlife. CCFA relies on three leading NGOs in this area: Wilderness Foundation, Tusk Trust and African Parks to mobilize the communities directly concerned by the development of tourism in their territory with respect for wildlife and biodiversity. In 2020, CCFA's actions included: 20 students graduated from the "Siyazenzela Life [(1)] and Employability Course" awarded by the Wilderness Foundation, 12 projects were funded in Africa and $100,000 donated to various projects.

2.8.3.3 Accor Group environmental footprint – Land use

Land use footprint 2019 Scopes 1, 2 and 3

	Surfaces used *(in thousands of m²)*	**%**
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 footprint of the Accor Group is insignificant (0.2%) compared to the agricultural land required to produce foodstuffs served in the bars and restaurants of its hotels (80%). Among the secondary items that consume land: land required for the production of energy or the manufacture of capital goods.

(1) *Siyazenzela: "We do it ourselves".*

2.9 Measuring and assessing performance

2.9.1 CSR indices and standards

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 CSR Leaders Index,** MSCI ACWI CSR 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 CSR Environmental Leaders, STOXX Global CSR Governance Leaders, STOXX Global CSR Impact, STOXX Global CSR Leaders + STOXX Global Climate Awareness, etc.
- Indice CAC40-ESG.

Accor is also noted by 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 constraint and their performance in terms of greenhouse gas emissions;
- **ISS CSR "Prime" rating;**
- **Ecovadis rating: "Gold level 2020";**
- **Sustainalytics rating:** "CSR Risk Rating: 18.9, Low risk, 2nd in Travel, Lodging and Amusement";
- **Gaia rating: 73.** A company is considered mature in terms of taking into account non-financial issues from 70/100. Accor outperforms its benchmark on the four themes (relations with external stakeholders, governance and the social and environmental categories), the Group obtains a score that suggests that CSR issues are well accounted for in the company's overall strategy;
- **MSCI rating: A.**

Accor uses responsible innovative financing for the acquisition of its head office in France

The majority of Accor's acquisition of its headquarters in Issy-les-Moulineaux (France) was financed by a "green" mortgage loan with an amortized amount of €288 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 subjected to an external verification by Sustainalytics.

Published in March 2018 by the Loan Market Association (LMA), these guidelines make note of the emergence of a green trend on the banking credit market and set the rules applicable to green loans to preserve the market's integrity.

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

2.9.2 Awards and recognition

In 2020, the awards and recognitions received by the Accor Group are:

- the Fairmont Singapore and the Swissôtel Stamford were winners in the Climate Action category of the 2020 HICAP award for sustainable hotels;
- Accor Asia Pacific won the Charity Bronze Award, Community Chest Awards;
- Accor Brazil is ranked fourth in the Great Place to Work LGBTQI+ ranking.

2.9.3 Methodological review

This note explains the 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, methods for measuring data and indicators.

Accor distinguishes four categories of indicators:

- employee relations indicators;
- Planet 21 In Action indicators, covering the environmental and social responsibility actions implemented in the hotels;
- indicators used to manage water and energy use, and greenhouse gas emissions;
- additional employee-relations indicators and sustainable procurement indicators.

The reporting period is January 1 to December 31 of the fiscal year.

2.9.3.1 Human resources

Group-wide quantitative reporting takes place twice per year. In 2020, reporting only took place once at the end of the year. The half-yearly reporting was cancelled due to the Covid crisis and the closures of establishments. The results are based on the annual report.

Qualitative data is reported at the end of each yearly period.

Quantitative reporting

Reporting scope and frequency

Employee data includes:

- employees of owner or leased hotels. These are employees of the Accor Group. People who work in the managed hotels are included in the report;
- employees of the managed hotels (including AccorInvest hotels). The employees working in these hotels are not employees of 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, 2020;
- employees of owned, leased or managed hotels opened after November 30, 2020;
- 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 contracts);
- employees of new business activities;
- employees of the hotel brands in which Accor owns a stake below 50%.

In 2020, the quantitative report includes the Adagio, Adagio Access, Art Series, BreakFree, Fairmont, Grand Mercure, HotelF1, Ibis, Ibis Budget, Ibis Styles, Mantra, Mama Shelter, Mercure, MGallery, Mövenpick, Novotel, Novotel Suites, Peppers, Pullman, Raffles, Sofitel, Swissôtel, Tribe and The Sebel brands.

In 2020, the Group was unable to report indicators for three hotels in Brazil, six hotels in Saudi Arabia, one hotel in Equatorial Guinea, one hotel in Morocco, three hotels in Indonesia, three hotels in Malaysia, one hotel in Myanmar, one hotel in the Philippines, two hotels in Vietnam, one hotel in Austria, one hotel in Spain, two hotels in Switzerland, one hotel in Russia, and the 103 establishments in France, including the Adagio and Adagio Access brands, which represent 74 establishments.

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 2009 and redeployed in 2010. 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 a specific 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 the regional manager.

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. He or she does not work closely with the site Director and is not responsible for any hierarchical or financial processes;
- an employee with intermediate **management** status has a great deal of independence in making decisions and must fulfill at least two of the following responsibilities: supervisory responsibility (responsible for evaluating, recruiting and compensation for one or more employees), in relationship with their job (independence and level of responsibility) or financial responsibility (budgeting, costs, profits);
- an employee with **Director** status is the General Manager, or in the head offices, is characterized by significant autonomy and responsibility for the profits in their section. A director is responsible for setting goals, determining procedures, and coordinating all entities for which he is responsible. General Managers at hotels, for a limited number of hotels, include the Area Manager or DOP positions when they are assigned to a hotel and not to the head offices, especially in South America.

Employee movements

Every employee movement during the period is reported, regardless of the type of job contract. A departure is not recorded as a movement in the following cases:

- when an employee changes from a non-permanent to a permanent contract;
- when a non-permanent contract is renewed without interruption or during the same month;
- suspension of an employment contract;
- when an employee transfers to another position in the Group.

Departures involving the abandonment of position are systematically considered as individual dismissals. In fact, defection is at the initiative of the employee while breach of contract is at the initiative of the employer. Internal transfers to a managed hotel not considered as a transfer may be considered a departure at the initiative of the employee.

Health and working conditions

Absenteeism

Days absent are reported in number of business days, as defined by local labor legislation.

Three categories are distinguished:

- medical leave (including leave for illness of the employee, illness of the employee's child, work-related illness and commuting accidents). In accordance with the measures taken to deal with the Covid-19 crisis, childcare at home, assistance to vulnerable relatives and unpaid solidarity days are counted in absences for medical reasons in 2020. This category does not include maternity or paternity leave;
- absences due to workplace or commuting accidents;
- unauthorized leave. This does not give rise to any direct costs for the Group because it covers unauthorized absences without pay, depending on local labor laws. This means that their number may be underestimated, because unpaid leave is not always tracked by local human resources departments.

Short-time working absences in France related to the Covid-19 crisis, or equivalent in other countries, are not counted in the days of absence in 2020.

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 2020, the frequency and severity rates include only head offices. In 2020, the frequency and severity rates cover 67% of head office establishments, i.e. 64% of the workforce, as the data for other establishments was not considered reliable.

Fatal workplace accidents are considered in workplace accidents with stoppage of at least one day. An accident is considered fatal if the employee dies within 365 days following the incident.

Training

The **number of training hours** reported includes courses conducted by Accor Academy, Accor managers and contract service providers for hotels and head offices.

The number of hours' training is counted differently according to the specificities of the different local systems.

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 trainings 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 requested of the members of the international Talent & Culture network involved in quantitative reporting. In 2020, qualitative reporting covered 1,949 hotels (70 countries), which corresponds to 87% of the quantitative reporting scope (in number of hotels). Establishments closed at the time of reporting due to Covid were not included. It is declarative and prepared from an online questionnaire on Microsoft Forms, carried forward to the Talent & Culture correspondents of the quantitative report for each scope.

Qualitative reporting was reworked in 2015 to improve the quality of the data. In 2016, for greater relevance, coverage on collective agreements signed is reported by number of agreements signed and hotels covered by an agreement and not by percentage of employees covered. Since 2020, the number of questions asked has been reduced to facilitate data collection by the regions.

2.9.3.2 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, such as a flood or an earthquake, that disrupted their operations during the reporting period;
- hotels forming part of a brand, in which Accor's stake is less than 50%, *e.g.* Mama Shelter;
- the Thalassa sea and spa facilities, whose data are often reported with their host hotels;
- brands being included in the program Planet 21, notably due to a recent acquisition: Rixos, Mövenpick, 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 during the year;
- hotels that were unable to complete their annual reporting due to a Covid-19 closure;
- 11 ibis budget in Singapore, whose inclusion in the Planet 21 program could not be carried out in 2020.

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 action in question compared with the total number of hotels that completed their Planet 21 In Action reporting (recording of the status of ten bronze actions, 82% in 2020). 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 "complementary environmentally responsible products" are not available for some hotels depending on the brand and the country (*e.g.*: ibis India, Sofitel), 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 2020 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 application for comprehensive and detailed management

Gaia is the online application 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 evaluate themselves, set their priority goals, create their action plan, and monitor their progress.

After Gaia functions were expanded in 2017 to include monitoring data on water, energy, and carbon as well as compliance with technical and regulatory requirements and the management of the hotels' commitment in Plant for the Planet, the tool continues to evolve. 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 application. 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 actions in question have effectively been carried out;
- by the Planet 21 In Action reporting officer at country level: monitoring of the progress of reporting, compliance with deadlines, clarification of definitions, consistency checks;
- by the reporting officer Planet 21 In Action at Group level: consolidation of results and controls;
- quality audits are performed every year in some hotels, covering the ten 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 2020. Efforts were focused on health audits as part of the 'ALLSAFE' program (see section 2.4.1.1).

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 "Brand Essentials" process, which are then audited by an outside 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.

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 the reliability of data. The Group therefore strives to improve its reporting and control procedures each year to enhance data quality.

2.9.3.3 Water, energy and greenhouse gas

Data collection and control

At the start of every month, the hotels enter their water and energy consumption in the online water and energy reporting and analysis tool. The country and hotel maintenance teams monitor the inputs and discuss drifts and possible improvements with the hotels.

At the end of the year, the data are validated at the regional level initially and then at the central level before being submitted to the auditors. These are the data controlled and audited that are 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 and 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 consumption:

- hotels that joined the network after September 15 of the reporting year;
- 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 are often reported with their host hotels;
- Mercure Appartement in Brazil;
- ancillary in-hotel activities, such as retail outlets and residential units, that are not managed by Accor assuming their data can be clearly segregated;
- hotels that do not have access to the Gaia reporting platform.

A group of French franchised hotels overseen by Accor's technical teams was also included.

Indicators

Energy consumption

Reported energy use is the final energy used over one year by the hotels in the reporting scope expressed in MWh. The quantity taken into account is the total energy used by the hotels from all energy sources (electricity, gas, etc.) for all uses (lodging, food service, etc.).

Consumption data reported by the hotels are expressed by type of energy. For fuel, energy consumption is calculated based on the volume or mass consumed and each unit's heating value (HV).

The performance indicator is the energy ratio per available room. Energy consumption changes with the number of available rooms because it correlates strongly to the surface area that is air conditioned.

Greenhouse gas emissions

The greenhouse gas emissions presented in the report, expressed in tons of CO_2 equivalent, are the direct emissions, known as Scope 1 (which correspond to the fuels, such as gas and fuel oil burned at the hotels) and indirect emissions, known as Scope 2 (due on the one hand to the electricity consumed in the hotels, and on the other hand to the heat, and air conditioning supplied by urban heating and cooling networks).

The 2020 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 use

Total water use in m^3 is the amount of water used over one year by the hotels in the scope of reporting, regardless of purpose (lodging, food service, grounds watering, etc.).

Total specific water use (hotel pumping facilities, recycling of rainwater or wastewater) is reported if metered.

The performance indicator is the ratio in liters per night.

2.9.3.4 Procurement

Scope of reporting

The indicator for the Group's consolidated volume of purchases (€5.2 billion in 2019) covers all hotel operating structures (under management contracts, franchises and subsidiaries) and purchases from listed 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 from nominated suppliers.

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, etc. France, Germany, Hungary, Italy, the Netherlands, New Zealand, Poland, Portugal, Spain, Switzerland, the United Arab Emirates, the United Kingdom and the United States America, Singapore. Data was also reported by the Corporate Purchasing Department.

In 2020, contracts between Accor and active suppliers as at December 31, 2020 are included. This means that a supplier who has terminated its agreement in the course of the year is not included in the reporting, whereas a contract that began during the year is included.

The number of suppliers was counted per "supplier entity". For the Accor hotels that have signed an approval agreement with the parent company and/or one or more subsidiaries of the same supplier, the basis for calculating the indicators is hence the number of entities owning one or more approval agreements in one or more procurement categories.

Indicators

Signature of the Purchasing Charter 21: percentage of suppliers having signed the Purchasing Charter, compared to the total number of suppliers. This charter is appended to all referencing contracts.

Percentage of suppliers having carried out an assessment: Percentage of assessments done by suppliers on a CSR assessment platform compared to 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 to the number of suppliers in high-risk categories.

Action plans: percentage of action plans monitored in relation to the number of at-risk and high-risk suppliers.

Data collection and control

All indicators are factual and non-declarative data and come directly from the reporting tools of the service providers carrying out the assessments or on-site audits. This data is sent every week to the Group's sustainable purchasing manager for compilation, centralization and monitoring of the progress of the plan.

Purchasing audits review compliance with the sustainable procurement issues described in the "Indicators" chapter.

2.9.3.5 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, Swissôtel, Middle East (except for United Arab Emirates), Algeria, Fiji Islands.

Number of participating hotels: this indicator is calculated based on the number of hotels that verified their program participation in the Gaia tool for 2020.

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.

2.9.4 Indicator tables

2.9.4.1 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	2019 Owned and leased hotels	2019 Owned, leased and managed hotels	2020 Owned and leased hotels	2020 Owned, leased and managed hotels	Change Owned and leased hotels	Change Owned, leased and managed hotels
EMPLOYMENT COMMITMENTS						
Number of payroll and non-payroll employees	**18,784**	**223,370**	**12,534**	**191,773**	**-6,250**	**-31,597**
of which % women	55%	43%	52%	43%	-3%	0%
% of men	45%	57%	48%	57%	3%	0%
By age						
Under 25	14%	17%	11%	14%	-3%	-3%
25 to 34	34%	37%	35%	37%	1%	0%
35 to 44	28%	24%	30%	25%	2%	1%
45 to 54	16%	15%	17%	16%	1%	1%
Over 55	8%	7%	8%	8%	0%	1%
By seniority						
Less than 6 months	14%	15%	7%	8%	-7%	-7%
6 months to 2 years	27%	30%	28%	29%	1%	-1%
2 to 5 years	23%	23%	28%	27%	5%	4%
5 to 10 years	15%	15%	18%	17%	3%	2%
10 to 20 years	14%	11%	14%	12%	0%	1%
Over 20 years	8%	5%	7%	6%	-1%	1%
% of workforce disabled	0.88%	0.94%	0.70%	0.90%	0%	0%
Management						
% of total workforce	26%	13%	23%	13%	-3%	0%
of which % women	51%	42%	47%	41%	-4%	-1%
% of men	49%	58%	53%	59%	4%	1%
Managers by age – total						
Under 25	1%	2%	0%	1%	-1%	-1%
25 to 34	28%	32%	23%	30%	-5%	-2%
35 to 44	39%	39%	42%	39%	3%	0%
45 to 54	23%	21%	25%	22%	2 pt	1 pt
Over 55	9%	7%	10%	7%	1 pt	0 pt
Hotel managers by age						
Under 25	1%	2%	1%	1%	0 pt	-1 pt
25 to 34	31%	33%	32%	31%	1 pt	-2 pt
35 to 44	41%	39%	42%	39%	1 pt	0 pt

Indicators	2019 Owned and leased hotels	2019 Owned, leased and managed hotels	2020 Owned and leased hotels	2020 Owned, leased and managed hotels	Change Owned and leased hotels	Change Owned, leased and managed hotels
45 to 54	20%	20%	19%	21%	-1 pt	1 pt
Over 55	7%	7%	6%	7%	-1 pt	0 pt
of which hotel General Managers	203	1,970	138	1,855	-65	-115
of which % women	37%	29%	38%	29%	1 pt	0 pt
% men	63%	71%	62%	71%	-1 pt	0 pt
Working conditions						
Average number of days of medical leave per employee over the year	6.2	4.0	4.4	4.5	-1.8	0,5
Average number of days of leave due to workplace accident per employee over the year	0.3	0.5	0.2	0.3	-0.1	-0.2
Average number of days of unauthorized leave per employee over the year	0.3	0.5	0.2	0.4	-0.1	-0,1
Lost-time injury rate resulting in more than one day of lost time*	1.26	1.26	0.22	0.22	N/A	N/A
Incident severity rate for workplace and commuting accidents*	0.10	0.10	0	0	N/A	N/A
Number of fatal workplace and commuting accidents	2	9	1	8	-1	-1

* *Following the sale of the hotels to AccorInvest, it was not possible to consolidate hours worked data on the scope of the hotels. Since 2018, the frequency and severity rates include only the headquarters. In 2020, the frequency and severity rates cover 67% of head office establishments, i.e. 64% of the workforce, as the data for the other establishments was not considered reliable.*

	Europe		Africa Middle East		Asia Pacific		South America		North and Central America and the Caribbean		Total	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
Owned and leased hotels	**10,400**	**5,281**	**1,605**	**1,482**	**2,393**	**2,397**	**3,652**	**2,668**	**735**	**706**	**18,784**	**12,534**
Upscale luxury hotels	2,409	561	926	818	317	386	0	0	0	48	3,652	1,812
Midscale hotels	3,117	884	99	91	873	828	946	719	389	309	5,423	2,831
Economy hotels	1,489	567	364	380	28	14	1,977	1,332	0	0	3,858	2,293
International head offices	**1,875**	**1,777**	**216**	**192**	**1,174**	**1,169**	**729**	**617**	**346**	**349**	**4,341**	**4,105**
Holding company – payroll employees	**1,510**	**1,492**									**1,510**	**1,492**
Hotels management contracts – non-payroll employees	**36,859**	**35,919**	**33,948**	**28,881**	**95,647**	**84,672**	**11,010**	**8,238**	**27,123**	**21,528**	**204,586**	**179,239**
Upscale luxury hotels	12,874	11,464	26,782	22,834	52,845	48,912	4,044	3,066	25,486	20,428	122,031	106,704
Midscale hotels	13,701	15,008	5,219	4,544	34,488	28,663	4,413	3,242	1,148	720	58,969	52,177
Economy hotels	10,283	9,447	1,947	1,503	8,314	7,097	2,553	1,930	489	380	23,586	20,357
International head offices												
TOTAL EMPLOYEES	**47,259**	**41,200**	**35,554**	**30,363**	**98,039**	**87,069**	**14,662**	**10,906**	**27,857**	**22,234**	**223,370**	**191,773**
Training												
Total training hours	505,484	212,223	1,508,990	245,739	3,288,475	1,914,118	296,061	82,365	375,540	110,390	5,974,550	2,564,835
Number of employees having attended at least one training course	39,843	26,290	31,531	23,969	104,663	81,786	16,107	8,799	28,223	15,289	220,367	156,133
Employee movements												
New hires	20,434	7,744	10,676	4,708	42,921	21,319	6,720	2,563	10,570	2,760	91,321	39,094
Departures	22,797	15,638	9,341	11,090	40,570	41,363	6,376	7,240	10,266	10,036	89,350	85,367
of which resignations	10,293	5,794	6,319	4,365	34,949	27,851	2,518	1,102	6,652	3,935	60,731	43,047
of which dismissal and terminations by mutual agreement	2,969	2,216	1,075	1,318	2,869	3,290	3,144	4,778	1,629	1,706	11,686	13,308
of which redundancies	147	2,058	143	2,722	179	6,277	9	718	57	3,365	535	15,140

2.9.4.2 Environmental and social responsibility indicators

Scope of reporting

Scope of reporting	2020	
	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
Number of hotels applying Planet 21	1,969	3,762
• In Action response rate	97%	82%

Energy, carbon and water Indicators (1)

Scope of reporting	2019	2020	% change at comparable scope of reporting
Energy and CO_2 indicators			
Total energy used	4,607 GWh	3,138 GWh	-28%
Total CO_2 emissions	1,653 thousand teqCO_2	1,271 thousand teqCO_2	-32%
Direct emissions	251 thousand teqCO_2	201 thousand teqCO_2	-20%
Indirect emissions	1,694 thousand teqCO_2	1,070 thousand teqCO_2	-37%
Water indicators			
Total water use	29.6 million m^3	18.9 million m^3	-42%

(1) The definitions of the scope of reporting are presented in the methodological appendices in section 2.9.3.

2.10 Independent third party's report on consolidated non-financial statement presented in the management report

Year ended the 31 December 2020

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 verifier, 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 (hereafter "entity"), we present our report on the consolidated non-financial statement established for the year ended on the 31 December 2020 (hereafter referred to as the "Statement"), 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).

The entity's responsibility

The Board of Directors is responsible for the preparation of the Statement, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are presented in the Statement in the paragraph "Methodological Review" of the chapter 2.9.3.

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.

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 (hereinafter the "Information").

However, it is not our responsibility to comment on the entity's compliance with other applicable legal and regulatory requirements, in particular the French duty of care law and anti-corruption and tax avoidance legislation nor on the compliance of products and services with the applicable regulations.

1. Assurance report on the compliance and the fairness of the Statement

Nature and scope of the work

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 [(1)]:

- 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 information set out in the 2nd paragraph of article L. 22-10-36 of the French Commercial Code regarding compliance with human rights, anticorruption 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;
- 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 their business relationships, 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 some risks (greenhouse gas emissions) 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 North America, Accor South America, Accor MIS (Malaysia / Indonesia / Singapore);
- 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 within the limitations set out in the Statement;
- 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 27% of the consolidated data selected for these tests (14% of hotels and 27% of the total 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.

(1) ISAE 3000 - Assurance engagements other than audits or reviews of historical financial information.

Means and resources

Our verification work mobilized the skills of six people and took place between September 2020 and March 2021 on a total duration of intervention of about twelve weeks.

We conducted six interviews with the persons responsible for the preparation of the Statement including in particular the Internal Audit, Procurement, Sustainable Development, Technical Services andTalent & Culture directions, as well as the ALL Heartist Fund.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe 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.

2. Assurance report on the Selected Information

Nature and scope of the work

Regarding the Information Selected by the entity identified in Appendix 1 by the sign *, we conducted work of the same nature as described in the paragraph 1.

The work was performed in accordance with ISAE 3000 (International Standard on Assurance Engagements) and with the professional guidance applicable in France.

The selection of contributing entities covers 27% of the consolidated headcount.

We believe that the work carried out is sufficient to provide a basis for our limited assurance conclusion on the Selected Information.

Conclusion

Based on our work, we have not identified any significant misstatement that causes us to believe that the Selected Information, taken together, have not been fairly presented, in compliance with the Criteria.

Paris-La Défense, March 17th 2021

French original signed by:

Independent third party

EY & Associés

Jean-François Bélorgey	Éric Duvaud
Partner	*Partner, Sustainable Development*

Appendix 1: the most important information

Social Information

Quantitative Information (including key performance indicators)	***Qualitative Information (actions or results)***
Share of women hotel managers (%)	Social relations *
Average monthly personnel *	
Number of departures per reason *	
Number of external recruitments *	
Average 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

Quantitative Information (including key performance indicators)	***Qualitative Information (actions or results)***
Greenhouse gas emissions (scope 1 and 2)	Measures taken to improve energy efficiency and water management
Energy consumption	Measures taken to reduce carbon footprint
Water consumption	Measure taken to eliminate single-use plastics

Societal Information

Quantitative Information (including key performance indicators)	***Qualitative Information (actions or results)***
Share of suppliers among which the Ethical and CSR risk management process is deployed	Measures in place to ensure that suppliers comply with Accor's ethical and CSR commitments
Share of hotels which are at least rated Bronze level in Planet 21	Measures in place to ensure hotels comply with Accor's ethical and CSR commitments
	Creation of the ALL Heartist Fund to support the Covid-19 crisis *

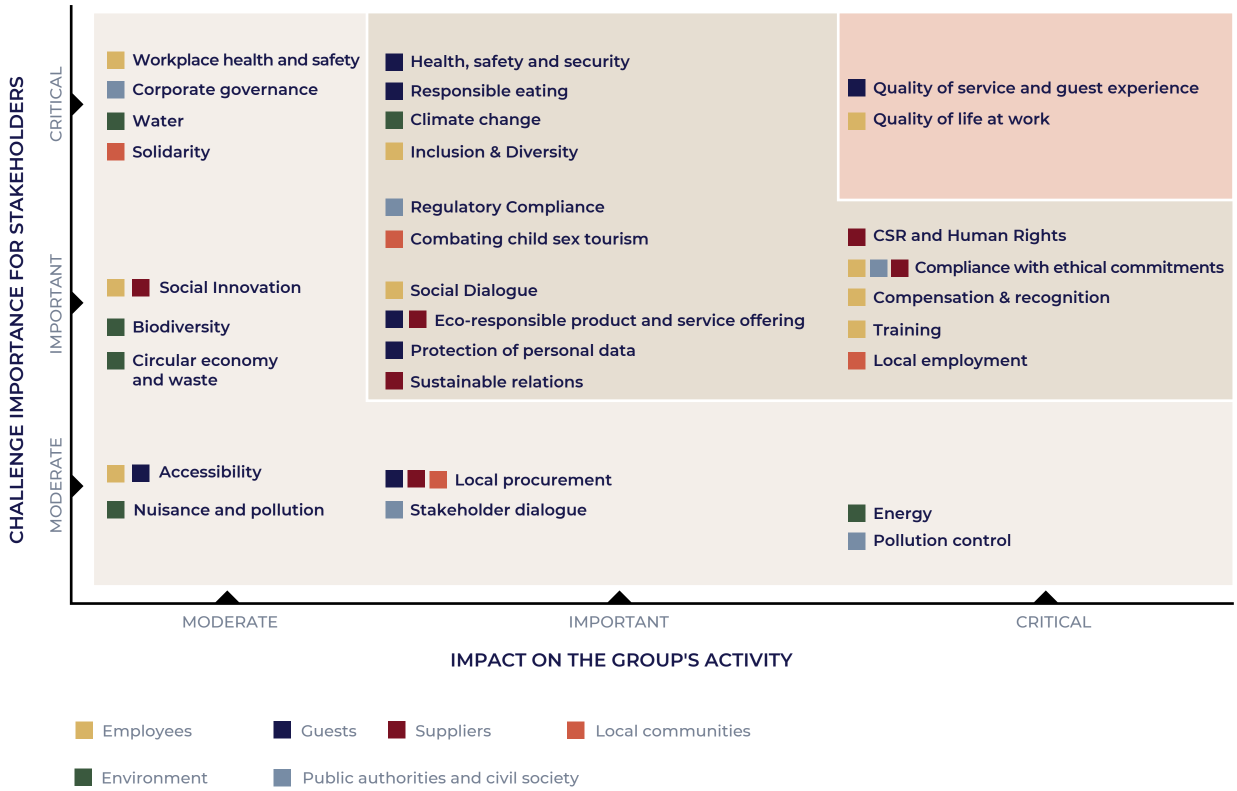
* *information that the entity voluntarily presents in its management report (excluded from the Statement).*

2.11 Appendices

2.11.1 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: the environmental footprint, the 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 place occupied by the human dimension in the hospitality industry, since the two main challenges are quality of service and the guest experience, and quality of life at work. This analysis also shows 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.



2.11.2 Contribution of the Accor Group to the United Nations sustainable development goals

Accor follows the principles of the global reporting initiative launched in 2016 and declares its report in accordance with the GRI Standards: Core Option. A cross-reference table is available on the website: https://group.accor.com/en/commitment/the-expert-room/our-accolades.

United Nations Sustainable Development Goals	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 chapter 2.8.2.1 Planet 21 commitment: 100% of our restaurants follow our Healthy and Sustainable Food Charter. See chapter 2.6.3 Plant for the Planet, a program of support to 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 quality technical, vocational and tertiary education, including university.	Employees	See chapter 2.3.4 Learning solutions key to skills development.
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 chapter 2.6.1.2 A commitment supported by the Group's endowment fund: Accor 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	2.3.5.2 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	2.6.2.2 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	2.3.5.2 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 chapter 2.4.2.1 2020, Accor formalized its worldwide commitment to eradicate single-use plastics. See chapter 2.4.2.2 Planet 21 commitment: The 10 key hospitality product families are ecofriendly. See chapter 2.7.2 Reducing water consumption in hotels. See chapter 2.7.3.1 Planet 21 commitment: 65% of waste from hotel operations is recycled.

United Nations Sustainable Development Goals	Planet 21 Strategy Pillars	Main contributions of Accor
7. Ensure access to affordable, reliable, sustainable and modern energy for all		
7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.	Buildings	2.7.1 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, progressively 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 taking the lead.	-	See page 59, the strategic lever: Acting for positive hospitality.
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 chapter 2.2.2.1 Deployment and organization of the Ethical and CSR Charter.
8.6 By 2020, substantially reduce the proportion of youth not in employment, education or training.	Employees & Communities	See chapter 2.3.4 Learning solutions key to skills development. See chapter 2.6.1.2 A commitment supported by the Group's endowment fund: Accor 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 chapter 2.1.2 Accor Group vigilance plan. See chapter 2.2.2.1 Deployment and organization of the Ethical and CSR Charter. See chapter 2.5.2 [SNFP] – Policies and measures implemented and results obtained – Planet 21 commitment: ethics and CSR risk management process will be deployed among 100% of our partners by 2020.
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 chapter 2.3.8 Promoting open dialogue. See chapter 2.3.6.2 Prevention of risks related to the Covid-19 pandemic See chapter 2.3.6.3 Preventing workplace accidents and occupational illness and protecting health. See chapter 2.5.2 [SNFP] – Policies and measures implemented and results obtained – Planet 21 commitment: ethics and CSR risk management process will be deployed among 100% of our partners by 2020.
8.9 By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products.	Employees	See chapter 2.4.1.1 Planet 21 commitment: every year, one major innovation to interact with our guests around sustainable development

United Nations Sustainable Development Goals	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 chapter 2.7 Towards carbon-neutral buildings. See chapter 2.7.3.1 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 chapter 2.4.2.1 2020, Accor formalized its worldwide commitment to eradicate single-use plastics. See chapter 2.4.2.2 Planet 21 commitment: The 10 key hospitality product families are ecofriendly. See chapter 2.7 Towards carbon-neutral 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 chapter 2.8 [SNFP] – Eliminating food waste and favoring healthy and sustainable food.
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 chapter 2.4.2.1 2020, Accor formalized its worldwide commitment to eradicate single-use plastics. See chapter 2.4.2.2 Planet 21 commitment: The 10 key hospitality product families are ecofriendly. See chapter 2.7.3.1 Planet 21 commitment: 65% of waste from hotel operations is recycled.
12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.	Buildings	See chapter 2.7.3.1 Planet 21 commitment: 65% of waste from hotel operations is recycled.
12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.	-	See chapter 2.10 Report by the independent verifier on the consolidated CSR information in the management report.
12.b Develop and implement tools to monitor sustainable development impacts for sustainable tourism which creates jobs, promotes local culture and products.	-	See chapter 2.2.5 [SNFP] – Planet 21 – Acting Here, the roadmap for 2020.
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 chapter 2.7. Towards carbon-neutral buildings.

United Nations Sustainable Development Goals	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 chapter 2.7.3.1 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 chapter 2.8.2.1 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 chapter 2.6.3 Plant for the Planet, a program of support to agro-forestry. See chapter 2.4.2.2 Planet 21 commitment: The 10 key hospitality product families are ecofriendly.
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 chapter 2.7.1.4 [SNFP] Accor climate indicators, objectives and commitments See chapter 2.6.3 Plant for the Planet, a program of support to 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 chapter 2.8.2.1 Planet 21 commitment: 100% of our restaurants follow our Healthy and Sustainable Food Charter. See chapter 2.4.2.1 2020, Accor formalized its worldwide commitment to eradicate single-use plastics. See chapter 2.4.2.2 Planet 21 commitment: The 10 key hospitality product families are ecofriendly.
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 chapter 2.6.2.2 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 chapter 2.2.2.1 Deployment and organization of the Ethical and CSR Charter. See chapter 2.2.3 [SNFP] – the compliance program.
16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels.	Employees	See chapter 2.3.2.1 The Accor Group's "Be Limitless" employer promise.

■ SDG and targets to which Accor actively contributes.

■ SDG and targets to which Accor indirectly contributes.

2.11.3 Cross-reference tables with SASB industry standards

2.11.3.1 Sustainable development themes and indicators

Theme	Indicators	2019 data	2020 data	Unit	SASB Code
Energy management	Total energy use	4,607	3,138	GWh	SV-HL-130a.1
	Percentage of grid energy	ND	ND	%	SV-HL-130a.1
	Percentage of renewable energy	ND	ND	%	SV-HL-130a.1
Water management	Total water withdrawals	ND	ND	Thousands of m³	SV-HL-140a.1
	Including percentage in areas of high or extreme water stress	ND	ND	%	SV-HL-140a.1
	Total water consumption	34,690	18,920	Thousands of m³	SV-HL-140a.1
	Including percentage in areas of high or extreme water stress	13.3%	13.7%	%	SV-HL-140a.1
Environmental impacts	Number of accommodation establishments located in or near areas with biodiversity conservation status or habitats of threatened species	ND	ND	Number	SV-HL-160a.1
	Environmental management policies and practices aimed at preserving ecosystem services	See section 2.8.3		NA	SV-HL-160a.2
Social practices	Voluntary turnover rate accommodation employees	34%	38%	Rates	SV-HL-310a.1
	Involuntary turnover rate accommodation employees	27%	22%	Rates	SV-HL-310a.1
	Total amount of monetary losses resulting from legal proceedings related to labor law violations (1)	ND	ND	Currency	SV-HL-310a.2
	Average hourly wage	ND	ND	Currency	SV-HL-310a.3
	Percentage of accommodation employees earning minimum wage, by region	ND	ND	%	SV-HL-310a.3
	Description of policies and programs to prevent harassment of workers		2.1.2.2	NA	SV-HL-310a.4
Adaptation to climate change	Number of accommodation establishments located in the 100-year flood zones	ND	ND	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.

2.11.3.2 Activity indicators

Indicators	2019 data	2020 data	Unit	SASB Code
Number of available nights	264	254	Million	SV-HL-000.A
Average occupancy rate [1]	69.3	32.1	Rates	SV-HL-000.B
Total surface area of accommodation facilities [2]	ND	ND	m^2	SV-HL-000.C
Number of units	739,537	753,344	Number	SV-HL-000.D
Of which % in management	59%	59%	%	SV-HL-000.D
Of which % held directly	6%	4%	%	SV-HL-000.D
Of which % under franchise	35%	37%	%	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 3

CORPORATE GOVERNANCE REPORT

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, 2021. It will be presented to shareholders at the next 2021 Annual Shareholders' Meeting to be held on April 29, 2021.

3.1 Corporate governance and governance structure

3.1.1 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 on page 292.

In addition, each director is required to comply with the Board of Directors Code of Conduct, set out in Appendix B on page 299.

3.1.2 Governance structure

The roles of Chairman of the Board of Directors and Chief Executive Officer have been combined since 2009.

During fiscal 2013, following the departure of the previous Chairman and Chief Executive Officer, the Board set up a transitional governance structure under which it temporarily separated the role of Chairman of the Board of Directors from that of Chief Executive Officer.

On August 27, 2013, the Board of Directors ended the transition period by appointing Mr. Sébastien Bazin as Chairman and Chief Executive Officer. and creating the role of Vice-Chairman of the Board and Senior Independent Director (position currently held by Ms. Iris Knobloch).

The Board considers that, by combining the roles of Chairman of the Board and Chief Executive Officer, the Group is able to have greater agility in its governance and management, particularly during periods of rapid transformation or economic downturns, while creating a direct relationship between management and shareholders. This type of governance structure also encourages extensive dialog 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 of 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, combining the roles of Chairman of the Board of Directors and Chief Executive Officer and including 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 in 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 2020, in her role as Senior Independent Director, Iris Knobloch:

- regularly discussed governance and Board organization issues with the Chairman and Chief Executive Officer and the Executive Management teams and relayed comments and observations made by non-executive directors;
- regularly organized sessions with the directors in the absence of management, including 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 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; and
- any and all loans to entities in which the Company or one of its subsidiaries does not hold the majority of the shares and voting rights, and any and all commitments to participate in share issues by such entities;

It should, however, be noted that:

- in the case of financing transactions, the Chairman and Chief Executive Officer is authorized to make any and all financial commitments of up to €1 billion without obtaining prior approval from the Board of Directors, provided that such commitment is undertaken in accordance with the annual Group financing policy as approved in advance by the Board of Directors. In this case, the Chairman and Chief Executive Officer shall inform the Board of Directors of the transactions after they have been completed;
- the Board's prior approval is not required for borrowings due in less than one year, whatever the amount borrowed.

(ii) Any and all transactions that may impact the Group's strategy or lead to a material change in the Group's business base (mainly entry into a new business or withdrawal from an existing business), whatever the amount of the transaction.

(iii) Any and all transactions involving the Company's shares carried out in application of Article L. 22-10-62 of the French Commercial Code that exceed one million shares per transaction or two million shares per year.

d) Authorizing the Chairman and Chief Executive Officer to issue guarantees, bonds and endorsements in the Company's name, up to a cumulative amount of €1 billion per year. In accordance with the Company's Bylaws, any such authorizations may be given for a period of one year. The Chairman and Chief Executive Officer is required to report to the Board of Directors each year on the amount and nature of guarantees, bonds and endorsements issued under the authorization.

e) Discussing and deciding on any proposed changes to the Group's management structure and reviewing information about the main organizational changes.

The Board shall be kept regularly informed of the Group's financial position, cash position and commitments as well as the Group's strategy and main policies in the areas of human resources, organization and information systems, and shall discuss them periodically.

Founding Co-Chairmen

In accordance with the Company's Bylaws, Paul Dubrule and Gérard Pélisson, as Accor's Founding Co-Chairmen, may attend Board meetings in a consultative capacity, and may be invited to attend meetings of the Board Committees.

Paul Dubrule

Born on July 6, 1934 in Tourcoing, France, Mr. Paul Dubrule graduated from Institut des Hautes Études Commerciales at the University of Geneva. In 1963, he and Gérard Pélisson co-founded the Novotel hotel chain. After serving as Co-Chairman of the Novotel SIEH Group between 1971 and 1983, he co-founded Accor, serving as its Co-Chairman from 1983 to 1997. Mr. Dubrule also held the position of Chairman of Entreprise et Progrès from 1997 to 2006, as well as Vice-Chairman of the World Travel and Tourism Council (WTTC) and Chairman of Maison de la France. In addition, he served as Mayor of Fontainebleau between 1992 and 2001, Senator for the Seine-et-Marne *département* between 1999 and 2004 and he was Co-Chairman of the Institut Français du Tourisme until 2013 He is the founder of the Conseil Supérieur de l'Œnotourisme (CSO). A Paul Dubrule Chair for Sustainable Development was created by INSEAD in 2002 and a Paul Dubrule Chair for Innovation has been set up at the Haute École d'Hôtellerie in Lausanne, Switzerland. Mr. Dubrule has also personally opened a hotel and tourism school in Siem Reap, Cambodia. In addition, he owns the La Cavale vineyard in the Luberon, France.

Gérard Pélisson

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 1963, he and Paul Dubrule co-founded the Novotel hotel chain. After serving as Co-Chairman of the Novotel SIEH Group between 1971 and 1983, he co-founded Accor, acting as its Co-Chairman from 1983 to 1997. Mr. Pélisson also co-founded the World Travel and Tourism Council (WTTC), for which he served as Vice-Chairman, and was President of the École Supérieure de Commerce de Lyon from 1990 to 1996.

Executive Committee [1]

Sébastien Bazin	Chairman and Chief Executive Officer
Chris J. Cahill	Deputy CEO and CEO, Hotel Operations
Jean-Jacques Morin	Deputy CEO in charge of Finance, Strategy, Legal, Communications and Procurement
Fabrice Carré	Chief Strategy Officer
Maud Bailly	CEO Southern Europe
Gaurav Bhushan	CEO Lifestyle
Steven Daines	Chief Talent & Culture Officer
Thomas Dubaere	CEO, Latin America
Heather McCrory	CEO North & Central America
Patrick Mendes	Group Chief Commercial Officer in charge of Sales, Marketing, Distribution and Loyalty (SMDL).
Agnès Roquefort	Chief Development Officer
Simon McGrath	CEO Pacific
Duncan O'Rourke	CEO Northern Europe
Gary Rosen	CEO Greater China
Garth Simmons	CEO South East Asia
Mark Willis	CEO Middle East & Africa
Floor Bleeker	Chief Technology Officer

(1) As of the date of the Universal Registration Document.

3.2 Membership of the Board of Directors at December 31, 2020

3.2.1 Information about directors at December 31, 2020

Name	Indepen-dence	Gender	Nation-ality	Age	Number of shares held	First appointed on	Term	Term ends on	Board committee membership
Sheikh Nawaf Bin Jassim Bin Jabor Al-Thani	No	M	Qatari	48	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	43	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	59	267,694	01/09/2006	06/30/2020	ASM to approve financial statements for 2022	
Iliane Dumas [2]	No	F	French	49	N/A	05/02/2014	05/02/2020	05/02/2023	Appointments, Compensation & CSR Committee
Sophie Gasperment	Yes	F	French	56	1,564	06/29/2010	04/30/2019	ASM to approve financial statements for 2021	Audit, Compliance & Risks Committee; Appointments, Compensation & CSR Committee (Chair)
Chantale Hoogstoel [2]	No	F	Belgian	63	N/A	01/11/2018	N/A	01/11/2021	Commitments Committee
Qionger Jiang	Yes	F	French	44	2,000	07/12/2016	04/30/2019	ASM to approve financial statements for 2021	Audit, Compliance & Risks Committee; Appointments, Compensation & CSR Committee; International Strategy Committee
Iris Knobloch [3]	Yes	F	German	57	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
Nicolas Sarkozy	Yes	M	French	65	1,353	02/21/2017	04/30/2019	ASM to approve financial statements for 2021	International Strategy Committee (Chair)
Isabelle Simon	Yes	F	French	50	1,000	07/12/2016	04/30/2019	ASM to approve financial statements for 2021	Audit, Compliance & Risks Committee (Chair); Appointments, Compensation & CSR Committee
Bruno Pavlovsky	Yes	M	French	58	1,500	06/30/2020	N/A	ASM to approve financial statements for 2022	Audit, Compliance & Risks Committee
Sarmad Zok	No	M	Lebanese & British	52	70,000	07/12/2016	04/30/2019	ASM to approve financial statements for 2021	Commitments Committee; Appointments, Compensation & CSR Committee, and 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	N/A	The Annual Shareholders' Meeting of June 30, 2020 appointed Mr. Bruno Pavlovsky as member of the Board of Directors for a three-year term.	The Annual Shareholders' Meeting of June 30, 2020 re-elected Mr. Sébastien Bazin and Ms. Iris Knobloch as directors for three-year terms.
Audit, Compliance & Risks Committee	N/A	At its meeting of June 30, 2020, the Board of Directors appointed Bruno Pavlovsky as member of the Audit, Compliance & Risks Committee.	N/A

At the date of this Universal Registration Document, the following changes have been made since January 1, 2021:

- Ms. Chantale Hoogstoel's term as director expired on January 11, 2021;
- Ms. Christine Serre was appointed as director representing employees to replace Ms. Chantale Hoogstoel. Her term began on January 27, 2021;
- Ms. Qionger Jiang no longer sits on the Audit, Compliance & Risks Committee or on the Appointments, Compensation & CSR Committee;
- and Bruno Pavlovsky now sits on the Appointments, Compensation & CSR Committee.

Sheikh Nawaf Bin Jassim Bin Jabor Al-Thani – Director

- **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:** Member of the International Strategy Committee
- **Number of Accor shares held:** 1,019.
- **Born:** January 1, 1972.
- Qatari national.

Graduated from 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 National Tourism Council and a Chairman of Jassim and Hamad bin Jassim Charitable Foundation.

Other positions held at December 31, 2020, with companies controlled (1) by Accor

None

Other positions held at December 31, 2020, with companies controlled (1) by Katara Hospitality

Position	Company
In France	
Chairman	Q Hotels & Restaurants France SAS (unlisted company)

(1) *Within the meaning of Article L. 233-16 of the French Commercial Code.*

Position	Company	Country
Outside France		
Chairman	Katara Hospitality (unlisted company)	Qatar
Legal Manager	Qatar National Hotels Morocco SARL (unlisted company)	Morocco
Chairman	Quteifan Projects LLC (unlisted company)	Qatar
Chairman	Al Rayyan Hospitality LLC (unlisted company)	Qatar
Legal Manager	Hotel Park LLC (unlisted company)	Qatar
Legal Manager	Katara M.G.D LLC (unlisted company)	Qatar
Legal Manager	Murwab Hotel Group LLC (unlisted company)	Qatar
Legal Manager	Katara M.H.D LLC (unlisted company)	Qatar
Legal Manager	Katara R.C.H.D LLC (unlisted company)	Qatar
Legal Manager	Sealine Beach Resort LLC (unlisted company)	Qatar
Legal Manager	Sharq Village Hotel LLC (unlisted company)	Qatar
Legal Manager	Katara S.G.D.R LLC (unlisted company)	Qatar
Legal Manager	Katara S.W.B LLC (unlisted company)	Qatar
Legal Manager	Al Messila Resort LLC (unlisted company)	Qatar

Other positions held at December 31, 2020, with companies not controlled [1] by Katara Hospitality

Position	Company	Country
Outside France		
Chairman	Al Hosn Investment Company SAOC (unlisted company)	Oman
Member of the Board	Qatar National Tourism Council	Qatar

Former positions held in the past five fiscal years

Position	Company
In France	
Member of the Board	GVE

Position	Company	Country
Outside France		
Legal Manager	Doha Port LLC (unlisted company)	Qatar
Chairman	Lackberg Corporate S.L.U (unlisted company)	Spain
Chairman	Dhofar Tourism Company	Oman
Legal Manager	H&G Management Sarl	Luxembourg
Director	FRHI Holding Limited	Cayman Islands

(1) Within the meaning of Article L. 233-16 of the French Commercial Code.

Aziz Aluthman Fakhroo – Director

- **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:** Member of the Appointments, Compensation & CSR Committee, Commitments Committee, and Audit, Compliance & Risks Committee.
- **Number of Accor shares held:** 6,000.
- **Born:** July 20, 1977.
- French and Qatari national.
- **Principal position outside Accor:** Managing Director of Ooredoo Group and Senior Advisor to the Qatar Minister of Finance.

Mr. Aziz was appointed as Managing Director of Ooredoo Group since November 2020, he has been a Board member of Ooredoo Group since 2011. He is currently also a Senior Advisor to the Minister of Finance.

From 2014 to 2020, he served as Deputy Undersecretary for Budget, Treasury and Financial affairs at the Ministry of Finance. Previously (2007- 2014) he was the Co-head of Mergers and Acquisitions at Qatar Investment Authority (QIA), where he lead some of the sovereign wealth fund's most high-profile deals.

He previously served as member of the Board of United Arab Shipping Company, Canary Wharf Group, Chelsfield LLP and CITIC Capital.

Mr. Aziz holds a Bachelor of Business Administration from Eslasca University.

Other positions held at December 31, 2020, with companies controlled [(1)] by Accor

None

Other positions held at December 31, 2020, with companies not controlled [(1)] by Accor

Position	Company
In France	
Member of the Advisory Committee	Axa Real Estate DVIII (unlisted company)

Position	Company	Country
Outside France		
Member of the Board and Managing Director	Ooredoo Group (listed company)	Qatar
Member of the Board	Qatar RAIL (unlisted company)	Qatar
Member of the Board	Chelsfield LLP (unlisted company)	United Kingdom

Former positions held in the past five fiscal years

Position	Company	Country
Outside France		
Member of the Board	CITIC Capital	Hong Kong
Chairman	Ooredoo Myanmar Ltd	Burma
Member of the Board	Ooredoo Kuwait	Kuwait
Member of the Board	United Arab Shipping Company	United Arab Emirates
Member of the Board	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

- **First appointed as a directoron:** 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:** 267,694.
- **Born:** November 9, 1961.
- French national.

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.

Other positions held at December 31, 2020, with companies controlled (1) by Accor

Position	Company
In France	
Director	Adagio SAS (unlisted company)

Other positions held at December 31, 2020, with companies not controlled (1) by Accor

Position	Company
In France	
Chairman of the Board of Directors	Théâtre du Châtelet (unlisted company)
Chairman	Bazeo Europe SAS (unlisted company)
Legal Manager	SARL Rohan (unlisted company)
Managing Partner	Bazeo Invest SNC (unlisted company)
Managing Partner	SCI Nina (unlisted company)
Managing Partner	SCI Haute Roche (unlisted company)

Position	Company	Country
Outside France		
Director	Sisters Soparfi (unlisted company)	Luxembourg
Director	Huazhu (formerly China Lodging Group) (listed company)	China
Director	General Electric (listed company)	United States

(1) Within the meaning of Article L. 233-16 of the French Commercial Code.

Former positions held in the past five fiscal years

Position	Company
In France	
Chairman	Data 4 SAS
Chairman	Adagio SAS
Legal Manager	Société du Savoy à Méribel
Managing Partner	SCI MB (formerly Madeleine Michelis)
Managing Partner	SCI Ranelagh
Legal Manager	CC Europe Invest

Position	Company	Country
Outside France		
Managing Director	Sisters Soparfi	Luxembourg

Iliane Dumas – Director representing employees

- **First appointed as a director on:** May 2, 2014.
- **Current term due to expire on:** May 2, 2023.
- **Participation in Board Committees:** Member of the Appointments, Compensation & CSR Committee.
- **Born:** March 5, 1971.
- French national.
- Social innovation project manager within the Group's Talent & Culture Department.

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. Iliane Dumas is currently social innovation project manager within the Group's Talent & Culture Department. She is also a member of the Appointments, Compensation & CSR Committee and a judge at the Paris Employment Tribunal. Iliane Dumas is a graduate of École de Paris des Métiers de la Table.

Other positions held at December 31, 2020, with companies controlled (1) by Accor

None

Other positions held at December 31, 2020, 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]

- **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.
- Member of the Appointments, Compensation & CSR Committee and the Audit, Compliance & Risks Committee.
- **Number of Accor shares held:** 1,564.
- **Born:** August 1, 1964.
- French national.
- **Principal position outside Accor:** Senior Advisor at Boston Consulting Group.

Sophie Gasperment joined L'Oréal in 1986. After 14 years in operational and strategic marketing positions, she was appointed General Manager for L'Oréal in the UK in 2000. She remained UK-based for the following 14 years, notably as Chairman and Chief Executive Officer of The Body Shop International, the iconic English brand spanning 60 countries and ca. 20,000 people strong. She then became the L'Oréal Group General Manager leading Financial Communication and Strategic Prospective. Since 2019, she has focused on her activities as Senior Advisor at Boston Consulting Group, as non-executive director of listed companies and as angel investor. Sophie Gasperment was appointed French Foreign Trade Advisor in 2005, elected to the UK executive board, and has also contributed to the Business Advisory Council of Saïd Business School, Oxford University. Sophie Gasperment serves as a non-executive director on the board of Kingfisher plc, of the D'Ieteren group, of Givaudan SA and is the Lead Independent Director of Cimpress, a Nasdaq-listed technology company. Sophie Gasperment is a graduate of ESSEC and Insead business schools.

Other positions held at December 31, 2020, with companies controlled [2] by Accor

None

Other positions held at December 31, 2020, with companies not controlled [2] by Accor

Position	Company	Country
Outside France		
Non-Executive Director	Kingfisher plc (listed company)	United Kingdom
Lead Independent Director	Cimpress plc (listed company)	Ireland
Independent Director	S.A. D'Ieteren N.V. (listed company)	Belgium
Independent Director	Givaudan (listed company)	Switzerland

Former positions held in the past five fiscal years

None

Chantale Hoogstoel – Director representing employees

- **First appointed as a director on:** January 11, 2018.
- **Current term due to expire on:** January 11, 2021 [3].
- **Participation in Board Committees:** Member of the Commitments Committee.
- **Born:** September 22, 1957.
- Belgian national.
- Accor Benelux HACCP and Health & Safety Coordinator.

Chantale Hoogstoel began her career with the Accor Group in 1983 and held a number of different positions in Belgium, the Netherlands, Germany and France. She also served as an employee representative in various capacities, including on the Works Council and the Prevention and Work Protection Committee in Belgium and on the European Works Council. Chantale Hoogstoel previously worked as the Hazard Analysis and Critical Control Points (HACCP) and Health & Safety Coordinator for Accor Benelux. She is also a member of the United Nations World Tourism Organization's World Tourism Network on Child Protection. Chantale Hoogstoel holds a Director certificate from IFA/Sciences Po, and is a member of the Commitments Committee. Chantale Hoogstoel studied translation and interpreting at the Marie Haps Faculty (Brussels, Belgium) and then Chinese religions and philosophies at the China Institute (New York, USA).

(1) Based on the independence criteria set out in the AFEP/MEDEF Code.
(2) Within the meaning of Article L. 233-16 of the French Commercial Code.
(3) At the date of this Universal Registration Document, Chantale Hoogstoel is no longer a member of the Board of Directors.

Other positions held at December 31, 2020, with companies controlled (1) by Accor

None

Other positions held at December 31, 2020, with companies not controlled (1) by Accor

None

Former positions held in the past five fiscal years

None

Qionger Jiang – Independent Director (2)

- **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:** Member of the Appointments, Compensation & CSR Committee and the Audit, Compliance & Risks Committee.
- **Number of Accor shares held:** 2,000.
- **Born:** November 13, 1976.
- French national.
- **Principal position outside Accor:** Chief Executive Officer and Artistic Director of Shang Xia.

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 has also studied interior design and furniture design at École Nationale Supérieure des Arts Décoratifs de Paris.

Other positions held at December 31, 2020, with companies controlled (1) by Accor

None

Other positions held at December 31, 2020, with companies not controlled (1) by Accor

Position	Company	Country
Outside France		
Chief Executive Officer	Shang Xia (unlisted company)	China

Former positions held in the past five fiscal years

Position	Company	Country
Outside France		
Director	China Lodging Group	China

(1) Within the meaning of Article L. 233-16 of the French Commercial Code.
(2) Based on the independence criteria set out in the AFEP/MEDEF Code.

Iris Knobloch – Independent Director [(1)], Senior Independent Director and Vice-Chairman of the Board

- **First appointed as a director on:** April 25, 2013.
- **Current term due to expire** at the close of the Annual Shareholders' Meeting to be called to approve the financial statements for the fiscal year ended December 31, 2022.
- **Participation in Board Committees:** Member of the Appointments, Compensation & CSR Committee; Commitments Committee; and Audit, Compliance & Risks Committee.
- **Number of Accor shares held:** 1,009.
- **Born:** February 13, 1963.
- German national.
- **Principal position outside Accor:** President of WarnerMedia France, Germany, Benelux, Austria & Switzerland.

Iris Knobloch is President of WarnerMedia France, Germany, Benelux, Austria & Switzerland. She is responsible for developing and implementing WarnerMedia's strategy and coordinating all of the Group's sales and marketing activities in the region. This includes theatrical distribution, local theatrical production, TV and SVOD content distribution, video and video game distribution, consumer products, and distribution of WarnerMedia's channels and services as well as the related ad revenue. Iris Knobloch previously served as Senior Vice-President at Time Warner, where she was in charge of International Relations and Strategy for Europe. In 2006, she was named President of Warner Bros Entertainment France. Since 1996, she has held various positions at Warner in Los Angeles, London and Paris.

Iris Knobloch is trilingual in French, German and English. She has a J.D. degree from Ludwig-Maximilians-Universität Munich in 1987 and an LL.M. degree from New York University in 1992.

Iris Knobloch is Vice-Chairman of the Board of Directors of the AccorHotels group, a member of the Board of Directors of LVMH and Lazard Ltd and Governor of the American Hospital in Paris. In 2008, she was awarded the title of *Chevalier de la Légion d'Honneur*.

Other positions held at December 31, 2020, with companies controlled [(2)] by Accor

None

Other positions held at December 31, 2020, with companies not controlled [(2)] by Accor

Position	Company
In France	
Member of the Board of Directors	LVMH (listed company)

Position	Company	Country
Outside France		
Member of the Board of Directors	Lazard Ltd (unlisted company)	Bermuda

Former positions held in the past five fiscal years

Position	Company	Country
Outside France		
Member of the Board of Directors	Axel Springer	Germany
Member of the Board of Directors	Central European Media Enterprises	Bermuda

(1) *Based on the independence criteria set out in the AFEP/MEDEF Code.*
(2) *Within the meaning of Article L. 233-16 of the French Commercial Code.*

Nicolas Sarkozy – Independent Director [1]

- **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:** Member of the International Strategy Committee.
- **Number of Accor shares held:** 1,353.
- **Born:** January 28, 1955.
- French national.
- Leader of the French political party, *Les Républicains*, from November 2014 to November 2016.

Mr. Nicolas Sarkozy was the sixth President of the French Fifth Republic from 2007 to 2012. His previous positions include Mayor of Neuilly-sur-Seine (1983-2002), National Assembly Representative for Hauts-de-Seine (1988-2002), President of the General Council for Hauts-de-Seine (2004-2007), Minister for the Budget (1993-1995), Minister for Communications (1994-1995), Government spokesman (1993-1995), Minister of the Interior, Internal Security and Local Freedoms (2002-2004), Minister of State, Minister for the Economy, Finance and Industry (2004), Minister of State, Minister of the Interior and Town and Country Planning (2005-2007). He was also the 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* and *Le temps des tempêtes*.

Other positions held at December 31, 2020, with companies controlled [2] by Accor

None

Other positions held at December 31, 2020, with companies not controlled [2] by Accor

Position	Company
In France	
Chief Executive Officer	SELAS CSC (unlisted company)
Director	Groupe Lucien Barrière (unlisted company)
Member of the Supervisory Board	Lagardère SCA (French listed company)

Former positions held in the past five fiscal years

None

Isabelle Simon – Independent Director [1]

- **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:** Member of the Appointments, Compensation & CSR Committee and the Audit, Compliance & Risks Committee.
- **Number of Accor shares held:** 1,000.
- **Born:** May 1, 1970.
- French national.
- **Principal position outside Accor:** Group Secretary & General Counsel, member of the Executive Committee, Thales Group.

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 Secretary & General Counsel, and a member of the Executive Committee, of the Thales Group. 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.

Other positions held at December 31, 2020, with companies controlled [2] by Accor

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.

Other positions held at December 31, 2020, with companies controlled (1) by Thales

Position	Company
In France	
Member of the Supervisory Board	Thales Alenia Space SAS (unlisted company)
Director	Thales Corporate Ventures (unlisted company)
Director	Thales Solidarity endowment fund

Position	Company
Outside France	
President	Gemalto Holding B.V. (unlisted company)

Other positions held at December 31, 2020, with companies not controlled (1) by Thales

None.

Former positions held in the past five fiscal years

Position	Company
In France	
Director	Thales Foundation
Director	Neopost
Permanent representative of Thales	Thales Avionics SAS (unlisted company)
Permanent representative of Thales	Thales SIX GTS France SAS (unlisted company)

Sarmad Zok – Director

- **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:** Member of the International Strategy Committee, Appointments, Compensation & CSR Committee, and Commitments Committee.
- **Number of Accor shares held:** 70,000.
- **Born:** August 9, 1968.
- Lebanese and British national.
- **Principal positions held outside Accor:** CEO of Kingdom Hotel Investments and Non-Executive Board Director of Kingdom Holding Company.

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.

Other positions held at December 31, 2020, with companies controlled (1) by Accor

None

(1) *Within the meaning of Article L. 233-16 of the French Commercial Code.*

Other positions held at December 31, 2020, with companies controlled [1] by Kingdom Hotel Investments and Kingdom Holding Company

Position	Company	Country
Outside France		
Chairman and Chief Executive Officer	Kingdom Hotel Investments (unlisted company)	Cayman Islands
Member of the Board	Kingdom Holding Company (listed company)	Saudi Arabia
Member of the Board	Kingdom 5-KR-35, Ltd (unlisted company)	Cayman Islands
Member of the Board	Kingdom Hotels (Europe) Ltd (unlisted company)	Dubai International Financial Centre
Manager A (Member of the Board)	Shercock Sarl (unlisted company)	Luxembourg
Manager B (Member of the Board)	Hotel George V BV (unlisted company)	Netherlands

Other positions held at December 31, 2020, with companies not controlled [1] by Kingdom Hotel Investments or Kingdom Holding Company

Position	Company	Country
Outside France		
Member of the Board	Blackrock Frontiers Investment Trust Plc (unlisted company)	United Kingdom
Member of the Board	Four Seasons Holdings Inc. (unlisted company)	Canada

Former positions held in the past five fiscal years

Position	Company	Country
Outside France		
Member of the Board	Yotel Investments Limited	British Virgin Islands
Member of the Board	Kingdom 5-KR-59, Ltd.	Cayman Islands
Member of the Board	FRHI Holdings Limited	Cayman Islands
Chairman	Kingdom Beirut SAL	Lebanon
Member of the Board	Mövenpick Hotels and Resorts Management AG	Switzerland

(1) Within the meaning of Article L. 233-16 of the French Commercial Code.

Bruno Pavlovsky – Independent Director [1]

- **First appointed as a director on:** June 30, 2020.
- **Current term due to expire** at the close of the Annual Shareholders' Meeting to be called to approve the financial statements for the fiscal year ended December 31, 2022.
- **Participation in Board Committees:** Member of the Audit, Compliance & Risks Committee.
- **Number of Accor shares held:** 1,500.
- **Born:** November 8, 1962.
- French national.
- **Principal position outside Accor:** Chairman of Chanel SAS and Chanel's President of Global Fashion

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 Ecole Supérieure de Commerce and holds an Masters in Business Administration from Harvard Business School.

Other positions held at December 31, 2020, with companies controlled [2] by Accor

None

Other appointments and positions as of December 2020 within CHANEL Limited (Group consolidating entity) and companies controlled [2] by CHANEL Limited

Position	Company
In France	
Chairman	ATELIER DE MAY
Chairman	A.C.T 3
Chairman	BARRIE France
Chairman	CHANEL COORDINATION
Chairman	DEFILUXE
Chairman	DESRUES
Chairman	ERES
Chairman	ETABLISSEMENTS BODIN JOYEUX
Chairman	FYMA PRODUCTION
Chairman	GANT CAUSSE
Chairman	GOOSSENS PARIS
Chairman	HUGOTAG ENNOBLISSEMENT
Chairman	LEMARIE
Chairman	LES ATELIERS DE VERNEUIL-EN-HALATTE
Chairman	LES MOULINAGES DE RIOTORD
Chairman	LESAGES INTERIEURS
Chairman	LESAGE PARIS
Chairman	MAISON MASSARO
Chairman	MAISON MICHEL
Chairman	MANUFACTURE DE CUIRE GUSTAVE DEGERMANN
Chairman	MANUFACTURES DE MODE
Chairman	MEGISSERIE RICHARD
Chairman	MONTEX

(1) In application of the criteria of the AFEP/MEDEF code.
(2) Within the meaning of Article L. 233-16 of the French Commercial Code.

Position	Company
In France	
Chairman	PALOMA
Chairman	PARAFFECTION
Chairman	PARTROIS
Legal Manager	SCI ODACE
Legal Manager	SCI ONURB
Legal Manager	SCI SAROULEAGAIN
Chairman	SETTELILLE
Chairman	TANNERIES HAAS
Chairman	ORLEBAR BROWN France
Président	L'ATELIER DES MATIER

Position	Company	Country
Outside France		
Director	CHANEL Limited	United Kingdom
Director	VASTRAKALA EXPORTS PRIVATE LIMITED	India
Chairman	Conceria Samanta S.P.A.	Italy
Managing Director	Chanel Coordination S.R.L	Italy
Managing Director	Roveda S.R.L	Italy
Managing Director	Immobili Rosmini S.R.L.	Italy
Board Chairman	Manufactures De Mode Italia S.R.L.	Italy
Director	BARRIE KNITWEAR LIMITED	United Kingdom
Sole Director	CALZATURIFICIO GENSI GROUP S.R.L.	Italy
Manager	ERES BELGIQUE SPRL	Belgium
Director	ERES FASHION UK LIMITED	United Kingdom
Managing Director	ERES GMBH	Germany
Manager	ERES MODA	Turkey
Director	ERES PARIS S.L.	Spain
Director	ERES U. S INC.	United States
Board Chairman	Conceria Gaiera Giovanni S.P.A.	Italy
Board Chairman	CELLINI 04 R.E. S.R.L.	Italy
Board Chairman	NILLAB MANIFATTURE ITALIANE S.P.A	Italy
Board Chairman	VIMAR 1991 S.R.L. (formerly BIELLA FILATURA S.R.L.)	Italy
Chairman, Director	COLOMER LEATHER GROUP SL	Spain
Director	FCL S.R.L.	Italy
Director	INTERNATIONAL METAL AND JEWELRY Co., Ltd.	Thailand
Director	GOOSSENS UK Limited	United Kingdom
Director	ORLEBAR BROWN LIMITED	United Kingdom
Director	ULTIMATE YARNS & FIBRES Limited	United Kingdom

Other appointments and positions held at December 31, 2020, with companies not controlled [(1)] by Chanel Limited

Position	Company
In France	
Director	REMY COINTREAU
Legal Manager	N&B SOCIETE CIVILE
Legal Manager	SCI N&B TERRASSE
Legal Manager	SCI N&B SAINT GEORGES
Legal Manager	SCI N&B BASSUSSARY
Legal Manager	SCI N&B PENTHIEVRE
Legal Manager	SCI N&B JARDIN PUBLIC
Legal Manager	SCI BRUNIC
Legal Manager	SCI N&B Duphot
Legal Manager	SCI MANASO

Position	Company	Country
Outside France		
Chairman	CAMPELLI S.R.L	Italy

Appointments and positions held in the past five fiscal years which have since expired

Position	Company
In France	
Chairman	LMG
Chairman	IDAFA
Legal Manager	Etablissements Legeron Clerjeau Tissot
Legal Manager	Delta Drone

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; (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 legal proceedings, Mr. Nicolas Sarkozy was sentenced by judgment of March 1, 2021 to a three-year jail term, two of which were suspended, on charges of corruption and influence peddling. Mr. Nicolas Sarkozy has appealed this judgment and therefore remains presumed innocent. This first-instance sentence does not affect Mr. Nicolas Sarkozy's ability to perform his duties as Director of the Company.

(1) Within the meaning of Article L. 233-16 of the French Commercial Code.

3.2.2 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. The Company's objectives in the area of gender diversity and equality and the outcomes of the measures implemented in this regard are described in section 2.3.5.2 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.

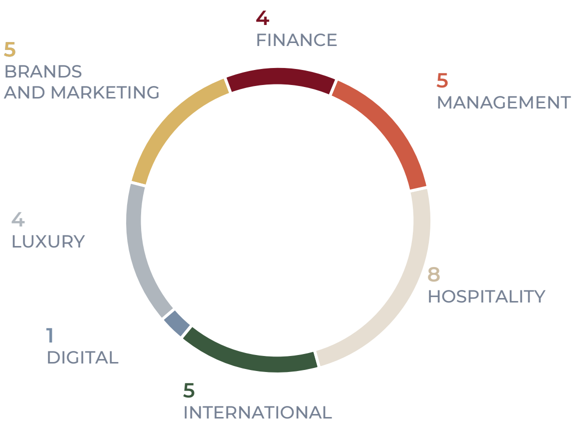
The Board ensures that it has the necessary skills and expertise, notably in hospitality, brand management, marketing, digital, innovation, international business, finance, mergers and acquisitions, operational business management and the luxury market, to lead Accor's development and strategy.

To this end, a skills matrix has been developed to accurately map each director's areas of expertise.

As of December 31, 2020:

- 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;
- the two directors representing employees participate in the work of the Board and of two Board Committees (the Appointments, Compensation & CSR Committee for one of them and the Commitments Committee for the second one);
- six nationalities are represented on the Board and a majority of directors currently work outside France or have worked outside France in the past with international groups; concerning the goal of international diversity, the Board ensures that at least a third of its members have international experience or are foreign nationals;
- the directors' engagement is reflected in their attendance rate at meetings of the Board and its Committees.

Cartography of the competencies of Board members as of December 31, 2020



€ Finance: experience in the finance sector (banking, accounting, financial markets), capital management or risk management (detailed understanding of financial reporting and corporate finance processes).

Management experience: experience as Chief Executive Officer, Executive Committee member or senior executive in a large international group.

Hospitality: experience in the hotel or broader hospitality industry

International experience: extended relevant experience acquired in sales and marketing positions in various regions or as an executive responsible for overseeing multinational operations

Digital: recent experience or expertise in developing and deploying digital strategies, experience working in digital-driven companies.

Luxury: experience working for companies in the luxury industry

Brands and Marketing: experience enhancing the value of brands and products, leveraging client intelligence

6 nationalities

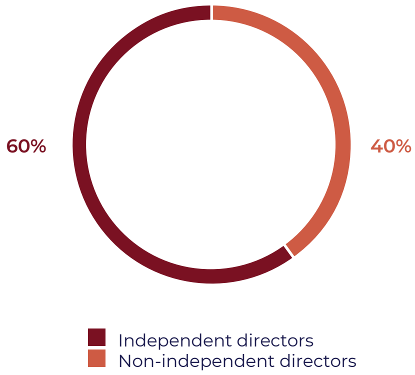
French	German
Belgian	British
Lebanese	Qatari

60% of directors are independent [1]

Objective

50% of directors to be independent, in accordance with the AFEP/MEDEF Code

% of independent directors

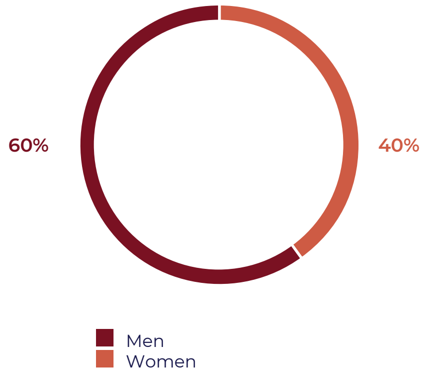


40% of Board directors are women [1]

Objective

Proportion of directors of each gender to be at least at 40%

% of women on the Board of Directors



3.2.3 Directors' independence

As of December 31, 2020, the Board of Directors had twelve members, including ten 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 [2] 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 [3]:
  - 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 in shares, or any performance-related remuneration 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.

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(1) Directors representing employees are not taken into account for the calculation of the percentage of independent directors or the gender diversity rate.

(2) 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).

(3) Or be linked directly or indirectly to these persons.

On February 18, 2021, 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 fiscal year with the companies in which the directors hold executive positions. It then compared those amounts with the Group's revenue and equity for 2020. The Board also examined the proportion represented by these relationships in the revenue of the groups in which the independent directors hold positions.

The Board of Directors noted that in 2020, 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 Secretary & General Counsel and a member of the Executive Committee, and noted that these relationships represent an amount significantly lower than 1% of the Group's revenue and equity as well as a non-material share of the Thales Group's revenue. The contract in question concerns IT facilities management services provided by the Thales Group for Accor, which pre-dates the election of Isabelle Simon within 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, 2021, the Board confirmed that Sophie Gasperment, Qionger Jiang, Iris Knobloch, Isabelle Simon, Nicolas Sarkozy and Bruno Pavlovsky qualify as independent directors.

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	√	√	√	√	√	√	√	√
Chantale Hoogstoel [(3)]		√	√	√	√	√	√	√
Qionger Jiang	√	√	√	√	√	√	√	√
Iris Knobloch	√	√	√	√	√	√	√	√
Nicolas Sarkozy	√	√	√	√	√	√	√	√
Isabelle Simon	√	√	√	√	√	√	√	√
Sarmad Zok	√	√		√	√	√	√	√
Bruno Pavlovsky	√	√	√	√	√	√	√	√

(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.

3.3 Operating procedures and conditions of preparation and organization of the work of the Board of Directors and its Committees

3.3.1 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 seventeen times in 2020. 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 four hours on average and the attendance rate was 97% (90% in 2019).

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 particular, a number of informal meetings were held during the fiscal year so that Board members could closely monitor the impact of the health crisis on the Company's activities and outlook.

In addition to the duties required by law and the Company's Bylaws, the Board 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 2020, 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, in view of the health crisis, to postpone the Annual Shareholders' Meeting and to withdraw the proposal to pay shareholders a dividend;
- monitoring the activities of the ALL Heartist fund;
- monitoring implementation of the "RESET" permanent cost savings plan;
- authorizing the signing of a new revolving credit line for €560,000,000;
- monitoring completion of transactions authorized in fiscal 2019 and implemented in fiscal 2020, including the sale of 85.8% of the capital of Orbis to AccorInvest and the Sale & Management-Back agreement for the leased Mövenpick hotels;
- monitoring implementation of the ALL-Accor Live Limitless loyalty program;
- authorizing the acquisition of all of sbe's asset-light activities;
- deciding to continue the share buyback program; and
- approving the 2019 parent company and consolidated financial statements and 2020 interim financial statements.

The Board's work in the governance sphere included:

- re-electing Sébastien Bazin as Chairman and Chief Executive Officer and Iris Knobloch as Vice-Chairman of the Board of Directors;
- recommending the appointment of Bruno Pavlovsky as independent director;
- reviewing the roles and composition of the Board Committees;
- reviewing the independence criteria set out in the AFEP/MEDEF Code and confirming the independence of certain Board members;
- adopting an interim plan for the Board of Directors and the Executive Committee should they be unable to fulfill their duties;
- deciding on executive officer compensation; and
- adjusting the compensation policy for the executive officer and the directors, as well as the objectives set for performance shares, to account for the impact of the health crisis on the Group's activities (as described in more details in section 3.5 of the Universal Registration Document).

The Board of Directors continued to receive updates from the different Committees throughout the fiscal year.

Lastly, the Board called the Annual Shareholders' Meeting and approved the report on corporate governance.

3.3.2 Assessing the Board of Directors' operating procedures

In addition to regularly discussing its procedures during scheduled meetings, the Board of Directors also periodically performs a formal assessment of its operations, including an assessment conducted by an external consultant every three years. The Company uses the assessment report to draw up an action plan aimed at enhancing the Board of Directors' operating procedures.

During the first quarter of 2021, the Board of Directors carried out a new formalized assessment of its operations with the assistance of an external consultant, who based their work on a documentary analysis and conducted interviews with all directors, under the supervision of the Vice-Chairman and Senior Independent Director and the Chair of the Appointments, Compensation and CSR Committee. The Board of Directors reviewed the conclusions of this assessment at its meeting on February 23, 2021.

The overall assessment of the Board of Directors' operations is very positive. In particular, the external consultant acknowledged the quality of discussions and work of the Board and its four Committees. Board membership is judged positively and the report highlighted a strong diversity among its members as regards nationality, gender and expertise. It was acknowledged that all the directors participate actively in the work of the Board, each according to the term assigned to him/her and his/her specialized field, with great mutual respect. The directors underscored the Chairman and Chief Executive Officer's ability to run Board meetings efficiently and create the conditions for constructive and purposeful discussions. Moreover, the external consultant underlined the firm commitment shown by the Board during the Covid-19 health crisis. In this respect, weekly meetings were organized on the impacts of the health crisis with decisions made quickly given the serious challenges. Finally, the report concluded that the Board of Directors' activities comply with the recommendations of the AFEP-MEDEF Code.

Regarding opportunities for improvement shared with the Board, several potential areas were mentioned in order to allocate more time to certain strategic projects (which were less discussed in 2020 owing to the urgency of the health crisis) and to have enough perspective to help the Group anticipate even more and be more efficient in the future. Lastly, the Board underlined the necessity to continue to improve the quantity and quality of information provided to Board members.

Based on this assessment report and the opportunities for improvement shared with the directors, the Company will prepare an action plan, which will be submitted to the directors for approval.

3.3.3 Minimum shareholding requirement and preventing conflicts of interest

Pursuant to Article 12 of the Company's Bylaws, with the exception of the directors representing employees, all directors are required to hold at least 1,000 registered shares of the Company. In addition, to emphasize the importance of directors' attendance at Board and Committee meetings and to comply with the related recommendation in the AFEP/MEDEF Code, the Board of Directors' Bylaws provide that two-thirds of the 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 a routine agreement entered into on an arm's length basis.

On February 19, 2020, the Board also adopted an Internal Related-Party Agreement Assessment Charter. This Charter establishes a specific procedure for regular assessments of agreements entered into in the normal course of business and on an arm's length basis in accordance with Article L.22-10-12 of the French Commercial Code.

In addition, with a view to preventing any potential conflicts of interest, members of the Board are required to complete a statement every year disclosing any and all direct or indirect ties they have with any Group companies, their executives or their competitors, clients, partners or suppliers.

Pursuant to the provisions of Article 9 of the Board of Directors' 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 provides 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 as the case may be, draws up a list of issues for each individual director that are likely to generate conflicts of interest and informs the Board of Directors on an annual basis and each time the list is amended.

In the event of an actual or potential conflict of interest, the Concerned Director shall not take part in the discussion of the matter or the related vote and shall be asked to step out from the meeting while the discussion and vote take place. The director shall not receive information relating to the agenda item that concerns the conflict of interest nor the corresponding section in the minutes of the Board meeting.

In addition, directors adhere to the Board of Directors Code of Conduct (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, 2021, the Board of Directors reviewed the related-party agreements approved in prior fiscal years which remained in force in 2020 (it being noted that no regulated agreement was approved by the Board of Directors in fiscal 2020) in application of the procedure provided for in Article L. 225-38 et seq. of the French Commercial Code.

3.3.4 Board Committees

Board discussions and decisions on certain topics are prepared by specialized Board Committees made up of directors appointed by the Board for the duration of their term as director. 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 of Directors on their work, and provide the Board with their observations, opinions, proposals and recommendations. Throughout the year, the Board of Directors relies on the work of these 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 is required to periodically review its rules of procedure and propose to the Board any changes that are considered necessary.

The Board Committees do not have any decision-making authority.

To assist them in their work, the Board Committees may commission technical reports from Company management or external consultants. In both cases, the Chairman and Chief Executive Officer is notified in advance. The Committees may also arrange meetings with members of Company management responsible for the areas under review, without any executive 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.

3.3.5 Directors' attendance at Board and Committee meetings in 2020

Director	Board	Audit, Compliance & Risks Committee	Commitments Committee	Appointments, Compensation & CSR Committee	International Strategy Committee
Aziz Aluthman Fakhroo	94 %	100%	100%	100%	-
Sébastien Bazin	100%	-	-	-	-
Sheikh Nawaf Bin Jassim Bin Jabor Al-Thani	100%	-	-	-	100%
Iliane Dumas	88%	-	-	86 %	-
Sophie Gasperment	100%	100%	-	100%	-
Chantale Hoogstoel	94 %	-	100%	-	-
Qionger Jiang	88%	60%	-	71%	100%
Iris Knobloch	100%	100%	87.50%	100%	100%
Nicolas Sarkozy	100%	-	-	-	100%
Isabelle Simon	94 %	100%	-	100%	-
Sarmad Zok	100%	-	100%	100%	100%
Bruno Pavlovsky [(1)]	100%	100%	-	-	-

(1) Director whose term of office became effective at the close of the Annual Shareholders' Meeting of June 30, 2020.

3.4 Board Committees

3.4.1 Audit, Compliance & Risks Committee

The Audit, Compliance & Risks Committee has six members – Sophie Gasperment, Qionger Jiang, Iris Knobloch, Isabelle Simon and Aziz Aluthman Fakhroo and Bruno Pavlovsky – all of whom have the necessary technical knowledge to fulfill the Committee's duties.

Five of these members are qualified by the Board as independent. The membership of the Audit, Compliance & Risks Committee therefore complies with the recommendations in the AFEP/MEDEF Code. The Committee is chaired by Isabelle Simon, independent director. The Committee met five times in 2020, with an average attendance rate of 93% (*vs.* 92% in 2019).

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.

During its meetings, 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;
- elaborated the Internal Related-Party Agreement Assessment Charter;
- reviewed the integration process for companies acquired by the Group;
- monitored the implementation of the Group's compliance program.
- monitored the activities of the ALL Heartist fund; and
- reviewed the measures deployed in the areas of cyber security and personal data protection.

Lastly, the Committee also tracked developments in the Group's tax disputes, examined the Statutory Auditors' fees and reviewed Internal Audit findings and the implementation of the identified measures, as well as the yearly update of the risk map.

3.4.2 Appointments, Compensation & CSR Committee

The Appointments, Compensation & CSR Committee comprises seven members, four of whom are qualified by the Board as independent.

In accordance with the AFEP/MEDEF Code recommendations:

- the Committee is chaired by independent director, Sophie Gasperment;
- the Committee's members include Iliane Dumas, director representing employees; and
- the Committee consists mostly of independent directors.

The Committee is chaired by Sophie Gasperment and its other members are Iliane Dumas, Qionger Jiang, Iris Knobloch, Isabelle Simon, Aziz Aluthman Fakhroo and Sarmad Zok.

The Committee met seven times in 2020, with an average attendance rate of 94% (*vs.* 88% in 2019).

During its meetings, the Committee:

- prepared the compensation policy for executive officers to be submitted to the Annual Shareholders' Meeting;
- reviewed achievement rates for the objectives set for performance shares granted in prior years and for the top management supplementary pension plan;
- reviewed the 2020 long-term incentive plan (performance shares) and the mechanisms for employee share ownership;
- reviewed the compensation policy for the executive officer and the directors, as well as the objectives set for performance shares, to take into account the impact of the health crisis on the Group's activities (as described in more details in section 3.5 of the Universal Registration Document);
- reviewed the succession plan;
- assessed Bruno Pavlovsky's candidacy as director, whose election was approved at the 2020 Annual Shareholders' Meeting, and led the process for re-electing the Chairman and Chief Executive Officer and the Senior Independent Director;
- reviewed the independence criteria for directors;
- performed the annual review of related-party agreements approved in prior years which remained effective in 2019;
- monitored the application of the recommendations contained in the AFEP/MEDEF Code;
- reviewed the Company's CSR initiatives in a special session;
- reviewed the Company's gender diversity policy, set gender diversity targets and implemented an action plan; and
- initiated a formal assessment process for the Board of Directors' operating procedures.

The Committee also put forward recommendations concerning executive officers' compensation and the allocation of directors' fees paid to Board members (formerly attendance fees).

3.4.3 Commitments Committee

The Commitments Committee is comprised of four members. It is chaired by Aziz Aluthman Fakhroo and its other members are Iris Knobloch, Chantale Hoogstoel [(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.

The Committee met eight times in 2020, with an average attendance rate of 97% (*vs.* 86% in 2019). Directors not on the Committee may also participate in its meetings, at the invitation of the Committee Chairman.

In 2020, the Commitments Committee has notably:

- monitored the completion of the Orbis sale;
- monitored the acquisition of all of sbe's asset-light activities;
- monitored the performance of AccorInvest, in which the Accor Group has a 30% interest;
- reviewed the Group's interests in outside companies; and
- reviewed the Group's various acquisition and disposal projects.

3.4.4 International Strategy Committee

The International Strategy Committee has five members, of whom three are qualified by the Board as independent. It is chaired by Nicolas Sarkozy and the other members are Qionger Jiang, Iris Knobloch, Sheikh Nawaf Bin Jassim Bin Jabor Al-Thani and Sarmad Zok. Other directors may be invited to attend meetings by the Chairman.

The Committee met once in 2020, with an average attendance rate of 100% (*vs.* 100% in 2019).

During this meeting, the Committee discussed international current affairs, including the impact of the global health crisis on geopolitical balances and on the Group's international activities (in Asia, for instance). More specifically, the Committee monitored the border closings and changes in governance that occurred during the year with a view to the development of the Group's activities.

3.5 Executive officers' compensation

3.5.1 2021 compensation policy for the Chairman and Chief Executive Officer

The Chairman and Chief Executive Officer of the Company serves a three-year term. 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 current term in order to align it with market practices and link it even more closely to the Group's performance.

The Company's compensation policy for the Chairman and Chief Executive Officer is determined by the Board of Directors, acting on the recommendation of the Appointments, Compensation & CSR Committee.

The Board's primary objective is to put together executive compensation packages that are reasonable, balanced, equitable and performance-based. Consequently, fixed, variable and long-term compensation principles, criteria and amounts are analyzed each year by the Appointments, Compensation & CSR Committee. In particular, the Committee uses compensation benchmarks conducted by external consultants of the practices of other companies of comparable size and international hotel groups. An additional aim of the analysis is to ensure that the Company's compensation policy for its executive officer complies with the AFEP/MEDEF Corporate Governance Code.

On February 23, 2021, 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.

(1) *Paragraph 3.4.3 presents the composition of the Commitments Committee as of December 31, 2020. Note that Ms. Chantale Hoogstoel's term as director expired on January 11, 2020.*

Short-term components

- **Annual fixed compensation,** which takes into account the Chairman and Chief Executive Officer's experience and responsibilities as well as market practices.

  For fiscal 2021, Sébastien Bazin will receive gross annual fixed compensation of €950,000.
- **Annual variable compensation,** which is contingent on the Chairman and Chief Executive Officer's contribution to the Group's success, particularly in terms of financial and extra-financial performance, and depends on performance in relation to quantitative objectives (for 80%) and qualitative objectives (for 20%) set by the Board of Directors, as explained below. Each quantitative objective, depending on the achievement rate, triggers the payment of between 0% and 160% of the share of variable compensation it represents. Each qualitative objective, depending on the achievement rate, triggers the payment of between 0% and 120% of the share of variable compensation it represents.

  For 2021, 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. If his variable compensation reaches 100% of the reference amount, this will represent 132% of his annual fixed compensation.

These compensation arrangements have remained unchanged since January 1, 2016. However, having acknowledged the exceptional and unforeseen consequences of the health crisis on the Group's activities, the Board of Directors decided on April 2, 2020, to accept the Chairman and Chief Executive Officer's proposal to exceptionally reduce his fixed compensation from April 1 to December 31, 2020, by 25% (an equivalent amount was donated to the ALL Heartist Fund).

The Board decided that Sébastien Bazin's annual variable compensation will be based on the achievement of the following performance objectives. In general, the Board sought to adapt these criteria to the Group's current circumstances and in particular to the preparations for the business recovery expected for 2021:

1. **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);
   - organic growth in the number of rooms (net of transfers to another brand) 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).

   The following changes were made to the quantitative objectives as compared with the 2020 compensation policy approved by the Annual Shareholders' Meeting of June 30, 2020:
   - The Board of Directors, based on the recommendation of the Appointments, Compensation & CSR Committee, decided to add a new "RESET savings" criterion corresponding to the Group's plan targeting perennial cost savings, and to modify the respective weightings of the quantitative objectives to place greater emphasis on the quantitative operational criteria. The purpose of this change is to more accurately reflect the Group's key performance indicators during fiscal 2021, when the focus will be, in part, on implementing the perennial savings announced by the Group to address the impacts of the health crisis, as well as on preparing for the business recovery and adapting the organization to the Group's asset-light strategy. At the same time, "traditional" financial criteria will be less relevant than in previous fiscal years.
   - The "combination of criteria" objective has also evolved to account for the current health crisis in addition to remaining engaged on CSR issues but focusing in a key topic directly supported by the CEO, i.e diversity and inclusion. The two criteria are the following: (i) the rollout of the ALL Safe health and safety protocol to the Group's hotels, and (ii) the diversity and inclusion policy, to better reflect the importance of this topic in the Company's governance.

   While specific achievement rates have been set for these criteria, 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.
2. **qualitative objectives (accounting for 20% of the total):**
   - crisis exit strategy and management of the team through the crisis exit (10% weighting),
   - operational excellence of the new organization and talent development (10% weighting).

   These qualitative criteria help align the compensation policy with the preparations for the Group's business recovery.

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 2021 Annual Shareholders' Meeting, any decision by the Board of Directors to pay an exceptional bonus to the Chairman and Chief Executive Officer would be subject to the shareholders' prior approval at the 2022 Annual Shareholders' Meeting.

Criteria and weighting of the variable components of the Chairman and Chief Executive Officer's compensation

		% of the Reference Amount		
Quantitative objectives	**Weighting**	**Min**	**Target**	**Max** [(1)]
Actual versus budgeted consolidated EBITDA for 2021	15%	0%	15%	24%
Actual versus budgeted free cash flow (excluding disposals and acquisitions) after change in operating working capital for 2021	10%	0%	10%	16%
Actual versus budgeted RESET savings for 2021	30%	0%	30%	48%
Actual versus budgeted organic growth in the number of rooms (net of transfers to another banner) for 2021	15%	0%	15%	24%
ALL Safe rollout	5%	0%	5%	8%
Percentage of women on Management Committees	5%	0%	5%	8%
Total, quantitative objectives	**80%**	**0%**	**80%**	**128%**

(1) Each quantitative objective, depending on the achievement rate, may trigger the payment of up to 160% of the share of variable compensation it represents.

		% of the Reference Amount		
Qualitative objectives	**Weighting**	**Min**	**Target**	**Max** [(1)]
Crisis exit strategy and management of the team through the crisis exit	10%	0%	10%	12%
Operational excellence of the organization and talent development	10%	0%	10%	12%
Total, qualitative objectives	**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.

If and where necessary, the Chairman and Chief Executive Officer's variable compensation and any exceptional bonus will be paid only with the approval of the shareholders at the 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 AFEP/MEDEF Code, the plans are mostly issued during the first half of the year.

At its meeting on February 23, 2021, based on recommendations put forward by the Appointments, Compensation & CSR Committee and as indicated above, the Board of Directors decided to maintain the cap on the number of performance shares that may be granted to the Chairman and Chief Executive Officer to a number equivalent to 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 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 (50% weighting);
- actual versus budgeted free cash flow (excluding disposals and acquisitions) after change in operating working capital (20% weighting);
- change in Accor's *Total Shareholder Return* (TSR) compared versus the change in TSR for a benchmark index comprising peer European and international hotel groups (Melia, NH Hoteles, Whitbread, Hilton, Marriott, Hyatt, IHG) (30% weighting).

The Covid-19 crisis profoundly impacted the composition of the Stoxx Europe 600 Travel & Leisure index. The weighting of online gaming companies in this index increased considerably since the time this benchmark was first selected (from a weighting of 11% on January 1, 2019, to 53% on January 4, 2021). This index is no longer relevant or representative with respect to comparatively analyzing the Company's TSR performance. As such, Accor's Board of Directors decided to replace this index with a new benchmark index comprising peer European and international hotel groups (Melia, NH Hoteles, Whitbread, Hilton, Marriott, Hyatt, IHG).

Concerning this external performance condition, the shares will vest if the achievement rate is at least 90%. While specific achievement rates have been set for the other criteria, 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.

These continued employment and performance conditions are the same as those applicable to all Group employee grantees of performance shares.

In addition, the performance shares are subject to a lock-up period and the Chairman and Chief Executive Officer is required to retain a certain proportion of the shares for as long as he remains in this position (see further details on page 284).

Other benefits awarded to the Chairman and Chief Executive Officer

- **A company car.**
- **Unemployment insurance** in the event of lost jobs. 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. 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).
- **A maximum of 100 hours of tax and asset management advice** per year provided by an external company.
- **Supplementary pension benefits:**
  - **"Article 83" defined contribution plan**

    Sébastien Bazin, as executive officer of the Company with over one year of service and a gross annual salary of more than four times the annual ceiling used for calculating French social security contributions (the "PASS"), qualifies to participate in the Company's defined contribution pension plan. He will be entitled to a pension annuity (with the possibility of survivor benefits) determined based on the contributions paid by the Company for each year of his membership of the plan. As from fiscal 2020 (*i.e.*, for contributions payable in 2021), 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.
  - **"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 more than six months of service and an annual reference salary [(1)] of more than eight times the PASS, may also be covered, as from fiscal 2021, by the new "L. 137-11-2" pension plan that the Company will set up during the fiscal year. (Note that this new system follows the closure of the "Article 39" defined benefit plan as of December 31, 2019, and the freeze on Sébastien Bazin's potential rights under that plan due to the reform of defined benefit pension plans pursuant to French Order No. 2019-697 of July 3, 2019). This plan will result in the purchase of an insurance policy. It is specified that the French interministerial directive of December 23, 2020, relating to the introduction of this new defined benefit plan as of 2021 makes it possible to authorize the retroactive vesting of rights in respect of 2020, without compliance with the applicable performance conditions (mentioned below). Nonetheless, the Board of Directors did not wish to authorize the retroactive vesting of rights for the Chairman and Chief Executive Officer (as for all potential beneficiaries of the plan). To this end, no rights were acquired under this plan for 2020.

    He will therefore be entitled to a pension annuity (with the possibility of survivor benefits).

    This plan provides for the gradual vesting of rights, which are calculated for each year for which he was a plan member based on his annual reference compensation. 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.*:

    - 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.

(1) The annual reference compensation corresponds to total gross fixed and variable compensation plus any exceptional bonus paid in cash during the reference fiscal year.

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 supplementary defined benefit plan "L. 137-11-2", 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). Each year, the performance condition achievement rates are validated by the Board of Directors.

The benefit 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).

Two caps are applied to the final amount of the pension annuity:

- the amount of the gross annuity may not exceed 30% of the member's last annual reference compensation;
- given that Sébastien Bazin's last reference compensation was more than 12 times the PASS, the overall replacement rate represented by pension benefits payable under government-sponsored plans and Accor supplementary pension plans will be capped at 35% of the average of his best three years' reference compensation in the ten years prior to retirement.

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 3.7 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.

- **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.

Directors' fees

Note that the Chairman and Chief Executive Officer does not receive any directors' fees as a member of the Company's Board of Directors.

Adjustment to the compensation policy

The Board of Directors may make discretionary use of judgment when determining the components of the Chairman and Chief Executive Officer's short-term and long-term bonus if unforeseen circumstances not reflected in his objectives have had a material positive or negative impact on the achievement of one or more performance criteria. This provision enables the Board of Directors to ensure that the application of the compensation policy, the performance of the Chairman and Chief Executive Officer and the performance of the Group are properly aligned.

In particular, given the uncertainties and lack of visibility associated with the current health crisis, including its length and its impact on the Group's activities in 2021, the Board of Directors may change the criteria and objectives applicable to the short- and long-term variable components of the Chairman and Chief Executive Officer's compensation if unexpected changes in the environment render these criteria and objectives inappropriate or irrelevant.

This allows the Board of Directors to more directly account for the impact of Covid-19, in particular on the Group's EBIT, and, if need be, to more directly align the criteria and objectives with the Group's activities 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.

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	Determined by the Board of Directors based on the recommendation of the Appointments, Compensation & CSR Committee, taking into account: • experience; • responsibilities; • market practices.	€950,000 Unchanged since January 1, 2016 [(1)]
Annual variable compensation	Annual variable compensation that varies depending on performance in relation to the following objectives:	The annual variable compensation will represent between 0% and 150% of a reference amount set at €1,250,000, representing between 0% and 197% of his annual fixed compensation
	Quantitative objectives (accounting for 80% of the annual variable compensation): • **financial objectives** (actual versus budgeted consolidated EBITDA for 2021, actual versus budgeted free cash flow (excluding disposals and acquisitions) after change in operating working capital for 2021, actual versus budgeted RESET savings for 2021 organic growth in the number of rooms, (net of transfers to other banners) in line with the 2021 budget; • **extra-financial objectives** (ALL Safe rollout, diversity and inclusion).	Each quantitative objective may trigger the payment of between 0% and 160% of the share of variable compensation it represents
	Qualitative objectives (accounting for 20% of the annual variable compensation): • Crisis exit strategy and management of the team through the crisis exit; • operational excellence of the organization and talent development.	Each qualitative objective may trigger the payment of between 0% and 120% of the share of variable compensation it represents
Long-term components	**Performance shares,** which vest subject to fulfillment of performance conditions decided by the Board of Directors and to continued presence in the Group.	The grants represent a maximum of 250% of annual fixed compensation, determined by the Board of Directors

(1) It being noted that in light of the pandemic and the recourse to short-time working in 2020, the Board of Directors agreed to the proposal by the Chairman and Chief Executive Officer to reduce his fixed compensation by 25% from April 1 to December 31, 2020.

The compensation policy described above will be submitted to shareholders for approval at the 2021 Annual Shareholders' Meeting. Payment of the components of variable and exceptional compensation due under the above policy will be subject to approval of the Annual Shareholders' Meeting called to approve the fiscal 2021 financial statements.

3.5.2 Compensation policy for Company directors

Directors serve a three-year term.

The annual gross amount of compensation allocated to members of the Board of Directors (formerly defined as "directors' fees") is €1,320,000.

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 its attendance rate;
- the Vice-Chairman of the Board of Directors receives the fixed portion of directors' compensation payable to all directors as well as a fixed portion of a lump sum determined by the Board of Directors;

- a lump sum is set aside for non-voting directors to be allocated on the same basis as that applied to the amounts set aside for the Board and for the Board Committees;
- Committee Chairmen receive a fixed portion of directors' compensation equal to double the fixed portion payable to Committee members;
- members of the Audit, Compliance & Risks Committee, and members of the Appointments, 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.

The compensation policy described above will be submitted to shareholders for approval at the 2021 Annual Shareholders' Meeting.

3.5.3 *Compensation payable to the Executive Officer of the Company in fiscal 2020*

Covid-19 impact on compensation

The magnitude of the health crisis and its increasingly severe and material impact over the course of 2020 required the Board of Directors to make several decisions to account for these circumstances in the compensation payable to the Chairman and Chief Executive Officer, the members of the Board of Directors and the employees of the Group. The Group quickly took significant measures to limit the financial impact of the crises on the Group, in particular by introducing a savings plan, short-time working and salary reduction measures wherevere local law so permitted.

The crisis navigated by the world has profoundly impacted the hotel sector, which has been particularly penalized by travel disruptions, border closures and lockdown measures, forcing the Group to adapt and meet multiple challenges.

The health crisis forced the Board of Directors to adapt the Group's strategic objectives to the new health and economic context. It is against the background of these new strategic priorities that the Group's performance—and that of its leadership team—must be assessed. With respect to the compensation of the Chairman and Chief Executive Officer, as well as that of all employees, a certain number of performance criteria that had previously been set seemed unsuitable for such new strategic priorities and had to be adapted, as outlined more fully below.

The Group's first priority was to help its employees and partners affected by the health crisis and the ensuing measures (hospitalization, short-time working, loss of income, etc.). In April 2020, the Company and its Board of Directors decided to create the €70 million ALL Heartist Fund.

Mr. Sébastien Bazin proposed to reduce his fixed compensation by 25% and to allocate the equivalent amount to the ALL Heartist Fund. This pay cut applied from April 1 to December 31, 2020.

The Board also decided to reduce by 20% the amount of directors' compensation that members of the Board of Directors will be paid for 2020, again allocating the equivalent amount to the ALL Heartist Fund.

Against this background, most of the Group senior executives also accepted to reduce their fixed salary by 10% for a three-month period, from May 1 to August 1, 2020.

Having acknowledged the exceptional and unforeseen consequences of the health crisis on the Group's activities, as of May 2020, Top Management also reduced the potential variable compensation for 2020 of all Group employees by 50%. In parallel, Management substituted the existing performance conditions with two unique criteria, which are specific and adapted to the Group's challenges in this context: revised EBITDA and the cost savings plan.

After acknowledging the decision made by Top Management, the Appointments, Compensation and CSR Committee recommended that the Board reduce Sébastien Bazin's variable compensation for 2020 by the same percentage and apply the same performance criteria.

Making use of its authorization to exceptionally adjust the performance criteria for the Chairman and Chief Executive Officer's variable compensation due to the impact of the health crisis, the Board of Directors, upon recommandation of the Appointments, Compensation and CSR Committee, decided to cap the maximum amount of his variable compensation at 50% of the gross reference amount and replace the previously adopted quantitative and qualitative criteria with two other criteria: (i) 2020 EBITDA in line with the June 2020 revised budget (50% weighting) and (ii) 2020 savings plan in line with the budget presented at the April 2020 meeting of the Board of Directors (50% weighting), in line with the rest of the employees of the Group.

The Board also considered that the application of the variable compensation criteria initially provided, when they had lost all relevance in assessing the performance of the Chairman and Chief Executive Officer, would have resulted in a total absence of payment under these quantitative criteria (representing 80% of the variable compensation). However, this did not reflect the performance of Sébastien Bazin during the fiscal year. Indeed, according to the Appointments, Compensation and CSR Committee, Mr. Bazin successfully took immediate and lasting measures to limit the impact of the crisis, preserve the health and motivation of employees, provide health security for guests and played an essential role in coordonating the hotel and restaurant industry professional organizations before the French authorities in order to implement the measures taken to support the sector.

The health crisis and its impact on Accor's share price and the Group's main traditional financial performance indicators has also significantly affected the long-term compensation of employees and the Chairman and Chief Executive Officer.

The co-investment plan under which certain Group employees and the Chairman and Chief Executive Officer had personally invested substantial amounts expired on June 20, 2020. However, the stock market price at that date did not allow beneficiaries to meet the performance conditions, which triggered the allocation of performance shares. In addition, as the beneficiaries acquired the shares at an average price of €42.62 per share and the share price was €25.05 on the settlement date, they lost a significant part of their personal investment. At times, they recorded such losses after taking out substantial loans to cover this investment, at time after having taken out substantial loans to cover such investment.

The Board of Directors recognized that while this plan was based on each beneficiary taking a risk, the extent of losses in this case resulted from the unprecedented and unforeseeable circumstances of the health crisis. As a result, the Board requested that the Appointments, Compensation and CSR Committee review the possibilities of adapting the 2018 and 2019 performance share plans.

To this end, the Appointments, Compensation and CSR Committee reviewed the performance criteria applicable to the performance share plans issued to Group employees and the Chairman and Chief Executive Officer in 2018 and 2019 and for which the achievement rate was measured over a three-year period. The Committee noted that the slowdown in the Group's activity in 2020 affected the achievement rate for these criteria to such an extent that, despite strong performances in prior years and even if the Group were to perform particularly well in 2021, none of the beneficiaries' shares could vest under these plans. This lack of vesting would then not have reflected the Group's excellent performance in 2018 and 2019 (which would have led to outperformance of the internal criteria). The Committee also found that these criteria and their expected achievement rates became irrelevant given the extraordinary circumstances that occurred in 2020; this was not, however, related to the performance of the employees, Management or the Company or under their control.

As such, on the recommendation of the Appointments, Compensation and CSR Committee, and making use of the clause in the 2020 compensation policy permitting to ajust the short-term and long-term variable compensation in the event of exceptional circumstances, the Board of Directors decided:

- For the performance share plans issued in 2018:
  - (i) to measure, for 2020, the level of achievement of the internal conditions (*i.e.* (i) Group EBIT margin and (ii) Group free cash flow excluding disposals and acquisitions after change in working capital) relative to the June 2020 revised budget;
  - (ii) and to limit to 100% the number of shares that may vest for each of the internal conditions, to offset the possibility of outperformance.
- For the performance share plans issued in 2019:
  - (i) to replace, for 2020, the internal conditions relating to consolidated EBITDA and free cash flow (excluding disposals and acquisitions) after the change in Group working capital with a single condition related to actual versus budgeted savings, with a weighting of 80%. No changes were made for 2019 and 2021. The above-referenced internal consolidated EBITDA and free cash flow conditions, as well as their respective weightings, remain unchanged;
  - (ii) to replace, for performance assessment in 2020 and 2021, the Eurostoxx 600 Travel & Leisure index with an index comprising European and international hotel companies (Melia, NH Hoteles, Whitbread, Hilton, Hyatt, Marriott, IHG).

On the recommendation of the Appointments, Compensation and CSR Committee, the Board of Directors decided to revise the performance conditions of the 2020 performance share plan that it had set in February 2020 and which were based on traditional internal performance criteria (EBITDA and free cash flow). Prior to the issuance of the plan on May 28, 2020, the Board substituted, for 2020 only, the internal performance conditions (EBITDA and free cash flow) with the internal performance criterion most relevant to reflect the Group's activity during such an exceptional year. In particular, this criterion is linked to cost savings and has a weighting of 70%. It is outlined more fully in section 3.6.2.

It also reviewed the index used as a reference for the TSR criteria. Considering that the Eurostoxx 600 Travel & Leisure index changed significantly during fiscal 2020, to the point of largely comprising online gaming companies (whose performance particularly improved during the health crisis), it was no longer a truly representative TSR comparative performance criterion for the Company. It has accordingly been adapted to an index comprising European and international hotel companies (Melia, NH Hoteles, Whitbread, Hilton, Hyatt, Marriott, IHG).

Lastly, the Board decided not to offer Group employees and executives a new co-investment plan.

Having acknowledged the amendments outlined in the previous paragraphs, the compensation paid or awarded to executive officers for fiscal 2020 complies with the compensation policy approved by the Annual Shareholders' Meeting of June 30, 2020 in application of Article L. 22-10-8 of the French Commercial Code, as presented in section 3.5.1 of the 2019 Universal Registration Document. In addition, aligning the total compensation of the Chairman and Chief Executive Officer with the Group's business recovery strategy enables him to contribute to the Company's long-term performance and challenges.

An overview of the fixed, variable and exceptional components of the total compensation and benefits of any kind paid in fiscal 2020 or awarded in respect of that fiscal year to executive officers, which will be submitted to the 2021 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 3.7 of the Universal Registration Document.

In accordance with Article L. 22-10-34-II of the French Commercial Code, the compensation paid to directors, presented on page 276 of this Universal Registration Document, will also be submitted to the Annual Shareholders' Meeting for approval.

Fixed and variable compensation payable to Sébastien Bazin

Sébastien Bazin's gross annual **fixed compensation** for fiscal 2020 amounted to €771,875 after the 25% reduction between April 1 and December 31, 2020.

In line with the initial compensation policy for 2020, as approved by the Annual Shareholders' Meeting on June 30, 2020, 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 2020 budget (25% weighting);
  - free cash flow (excluding disposals and acquisitions) after change in operating working capital, in line with the 2020 budget (20% weighting);
  - organic net growth in the number of rooms (excluding acquisitions) in line with the 2020 budget (20% weighting);
  - a combination of criteria:
    - guest experience (5% weighting);
    - CSR, including level of employee engagement (10% weighting);
- **qualitative objectives (accounting for 20% of the total):**
  - strategic vision and identification of strategic options (10% weighting);
  - operational excellence of the organization and talent development (10% weighting).

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, 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 June 30, 2020.

On the recommendation of the Appointments, Compensation & CSR Committee, the Board of Directors, having acknowledged the exceptional and unforeseen consequences of the health crisis on the Group's activities, and thus on its earnings, and making use of the clause in the compensation policy that allows it to adjust the components of variable compensation under exceptional circumstances, decided to adjust Sébastien Bazin's variable compensation as follows:

- The reference amount for Sébastien Bazin's variable compensation was reduced by 50% to €625,000.
- The variable compensation is capped at 100% of the reduced reference amount. The latter is both the target for and the cap on his variable compensation.
- The new objectives applicable to Sébastien Bazin's variable compensation are as follows:
  - 2020 EBITDA in line with the 2020 budget revised in June 2020 (50% weighting), factoring in the budget lapse initially set at end-2019 for 2020;
  - 2020 savings plan in line with the savings amount decided by the Board of Directors in April 2020 (50% weighting).

Following an assessment of the degree to which Sébastien Bazin's objectives had been achieved, at its meeting on February 23, 2021 the Board sets his variable compensation for fiscal 2020 at €625,000, breaking down as:

- **€312,500 for the objective of 2020 EBITDA** in line with the 2020 budget revised in June 2020;
- **€312,500 for the objective related to the 2020 Savings Plan** in line with the savings amount decided by the Board of Directors in April 2020.

This variable compensation represents 66% of Sébastien Bazin's fixed compensation, before the 25% reduction between April 1 and December 31, 2020.

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 3.5.1 "2021 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.

The overall plan comprises an "Article 83" **defined contribution plan,** set up in accordance with Articles L. 242-1 and L. 911-1 of the French Social Security Code. This plan has been outsourced to an accredited organization, to which the relevant contributions are paid.

Those eligible for the defined contribution plan are the executive officer and 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 2020. 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 2020 therefore amounted to €26,327. In accordance with the French Social Security Code, if Sébastien Bazin leaves the Group before the date of retirement, he will retain the rights accrued under the plan.

The employer's contribution paid by the Company for fiscal 2020 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).

Sébastien Bazin was not covered by any other supplementary pension plan in fiscal 2020.

He may, however, continue to be covered by the previous "Article 39" **defined benefit plan**, which is described in this section 3.7 of the Universal Registration Document. This plan has been frozen and no new conditional benefit entitlements have been allocated for periods of employment after December 31, 2019.

Unemployment insurance

A private insurance plan has been set up with *Association pour la Garantie Sociale des Chefs et Dirigeants d'Entreprise (GSC)* to provide the Chairman and Chief Executive Officer with unemployment benefits should the need arise. The benefits under this plan would be based on net taxable professional-source income for the previous year, and would be payable as from the thirty-first unbroken day of unemployment.

The maximum length of time that Sébastien Bazin could be paid benefits under the plan is 24 months, and the total amount of benefits is capped at €411,360 (based on the applicable rate for 2020).

3.5.4 *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 2019 and 2020.

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 2019** *(in €)*	**Fiscal 2020** *(in €)*
Compensation awarded for fiscal year (details Table 2)	2,133,974 including variable compensation of €1,126,113	1,434,224 including variable compensation of €625,000
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 including exceptional bonus (see Table 11 for details)(1) (2)	2,277,746 including 377,710 variable exceptional compensation for 2018 (2)	2,375,002
Value of other long-term compensation plans	-	-
TOTAL	**4,411,720**	**3,809,226**

(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.

(2) The exceptional bonus for fiscal 2018 decided by the Board of Directors on June 26, 2018 and approved by the Annual Shareholders' Meeting of April 30, 2019, was paid in performance shares issued in 2019. This bonus was paid in the form of 13,480 performance shares granted in 2019. This number was determined in 2018 based on the accounting value of the performance shares at the grant date of the plan dated June 26, 2018.

Table 2: Summary of compensation paid to the Executive Officer (Table 2 – AFEP/MEDEF Code)

	Fiscal 2019		Fiscal 2020	
Sébastien Bazin **Chairman and Chief Executive Officer since August 27, 2013**	**Amounts awarded for 2019** *(in €)*	**Amounts paid in 2019** *(in €)*	**Amounts awarded for 2020** *(in €)*	**Amounts paid in 2020** *(in €)*
Fixed compensation (1)	950,000	950,000	771,875	771,875
Annual variable compensation (2)	1,126,113	1,405,549	625,000	1,126,113
Multi-year variable compensation	-	-	-	-
Exceptional bonus	-	377,710	-	-
Compensation as member of the Board of Directors (3)	N/A	N/A	N/A	N/A
Benefits in kind (4)	57,861	57,861	37,349	37,349
TOTAL	**2,133,974**	**2,791,120**	**1,434,224**	**1,935,337**

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 3.7.

(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 266 and (iii) tax and asset management advisory services provided by an external company.

Equity ratios and annual change in the Chairman and Chief Executive Officer's compensation, average Employees' compensation and the Company's performance

Equity ratios are published in accordance with the provisions of French Law No. 2019-486 of May 22, 2019 on business growth and transformation (the "PACTE" law), and with the AFEP guidelines updated in February 2021.

The components of the Chairman and Chief Executive Officer's compensation correspond to the components of compensation paid or granted 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 on the one hand to the employees of the listed company, Accor SA, and on the other hand to the employees of an expanded scope which gathers the economic and employee unit (Accor SA, Soluxury HMC, Academie Accor, GIE AH Fleet Services), as well as 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 2020.

The components of employees' compensation correspond to the components of compensation paid or granted 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 updated in February 2021

	Fiscal 2016	Fiscal 2017 (1)	Fiscal 2018	Fiscal 2019 (3)	Fiscal 2020 (4)
Change *(in %)* of the total compensation paid or awarded for the fiscal year to the Chairman and Chief Executive Officer – Sebastien Bazin		-24%	32%	25%	-8%
Information relative to the scope of consolidation of Accor SA					
Change *(in %)* of average Employees' compensation (5)		-5%	10%	16%	0%
Ratio relative to average Employees' compensation (5)	43	34	41	44	40
Change in ratio *(in %)* versus previous fiscal year		-21%	20%	8%	-9%
Ratio relative to median Employees' compensation	59	45	56	67	61
Change in ratio *(in %)* versus previous fiscal year		-24%	26%	18 %	-9%
Additional information on the enlarged scope (headquarters + French hotel subsidiaries)					
Change *(in %)* in average Employees' compensation		2%	7%	10%	-3%
Ratio relative to average Employees' compensation	53	39	48	55	52
Change in ratio *(in %)* versus previous fiscal year		-26%	23%	14%	-6%
Company performance					
Reported EBITDA *(in €m)*	1,037	626	712	825	-391
Change *(in %)* versus previous fiscal year		-40% (2)	14%	16%	-147%

(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 decline in EBITDA in 2017 was due to the deconsolidation of the hotel owner business, in accordance with IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations). AccorInvest was sold in 2018.

(3) 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.

(4) The declines in compensation (for the Chairman and Chief Executive Officer and Executive Officers) and the partial unemployment measures implemented to tackle the health crisis have been taken into account in calculations for 2020.

(5) To fine-tune the application of the concept of "persons continuously present" over the two years recommended by the AFEP, our methodology was slightly revised, which explains the (minor) differences with the items published in the 2019 Universal Registration Document.

Table 4: Summary of commitments made to executive officers (Table 11 – AFEP/MEDEF code)

			Compensation or benefits payable in the case of:		
	Employment contract	Supplementary pension benefits [1]	termination/ removal from office [2]	transfer to a new position within the Group	Non-compete indemnity
Sébastien Bazin Chairman and Chief Executive Officer since August 27, 2013 End of term: Annual Shareholders' Meeting to be called to approve the financial statements for the fiscal year ended December 31, 2022	No	Yes	Yes	No	No

(1) *See pages 266 and 267 for details of the supplementary pension plans of which the Chairman and Chief Executive Officer is a member.*

(2) *See page 267 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 2020 by the Group's French and non-French companies to members of the Executive Committee as at December 31, 2020 – other than the Chairman and Chief Executive Officer, whose compensation is described above – amounted to €12 million, including aggregate gross variable compensation of €4.8 million.

Directors' fees

The total annual base amount was set by the Annual Shareholders' Meeting of April 20, 2018 at a gross amount of €1,320,000. However, the members of the Board of Directors, having noted the exceptional and unforeseen consequences of the health crisis on the Group's activities, decided on April 2, 2020 to reduce the total annual amount of their directors' compensation (formerly defined as "directors' fees") for fiscal 2020 by 20% to the benefit of the ALL Heartist Fund.

As a result, the Board of Directors, in accordance with the director compensation allocation principles decided on by the Board of Directors and described in section 3.5.2 above, therefore allocated a total gross amount for fiscal 2020 of €1,044,699, as detailed below.

Table 5: Compensation received by non-executive directors (Table 3 – AFEP/MEDEF Code)

	Due for the fiscal year						Paid during the fiscal year			
	2019			2020			2019		2020	
Board of Directors *(in €)*	Total	Fixed portion	Variable portion	Total	Fixed portion	Variable portion	Fixed portion	Variable portion	Fixed portion	Variable portion
Aziz Aluthman Fakhroo	169,679	47,049	122,630	134,905	38,235	96,670	36,202	92,512	47,049	122,630
Vivek Badrinath [(1)]	N/A	N/A	N/A	N/A	N/A	N/A	6,963	14,804	N/A	N/A
Jean-Paul Bailly [(1)]	N/A	N/A	N/A	N/A	N/A	N/A	14,654	30,530	N/A	N/A
Sébastien Bazin	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Philippe Citerne [(1)]	N/A	N/A	N/A	N/A	N/A	N/A	23,333	53,804	N/A	N/A
Iliane Dumas [(2)]	96,974	26,429	70,545	69,025	19,847	49,178	20,291	48,294	26,429	70,545
Mercedes Erra [(1)]	N/A	N/A	N/A	N/A	N/A	N/A	12,002	10,824	N/A	N/A
Sophie Gasperment	143,462	46,384	97,079	108,996	35,608	73,388	38,854	78,486	46,384	97,079
Chantale Hoogstoel [(2)]	93,648	23,103	70,545	74,736	17,220	57,515	16,313	47,324	23,103	70,545
Qionger Jiang	113,826	43,058	70,768	91,645	32,981	58,664	31,429	45,334	43,058	70,768
Iris Knobloch	211,935	99,709	112,225	185,708	88,235	97,473	37,793	76,786	99,709	112,225
Bertrand Meheut [(1)]	N/A	N/A	N/A	N/A	N/A	N/A	13,169	21,696	N/A	N/A
Patrick Sayer [(3)]	40,983	15,295	25,688	N/A	N/A	N/A	42,566	96,154	15,295	25,688
Isabelle Simon	133,321	46,384	86,937	106,983	35,608	71,374	36,467	69,604	46,384	86,937
Natacha Valla [(1)]	N/A	N/A	N/A	N/A	N/A	N/A	9,350	14,804	N/A	N/A
Sarmad Zok	146,552	39,732	106,820	115,179	30,355	84,825	33,020	80,717	39,732	106,820
Nicolas Sarkozy	85,599	29,755	55,844	61,081	22,474	38,607	26,655	52,907	29,755	55,844
Sheikh Nawaf Bin Jassim Bin Jabor Al-Thani	73,142	23,103	50,039	54,616	17,220	37,396	20,291	2,961	23,103	50,039
Bruno Pavlovsky	N/A	N/A	N/A	41,825	14,216	27,610	N/A	N/A	N/A	N/A
Jenny Zhang [(1)]	N/A	N/A	N/A	N/A	N/A	N/A	1,944	0	N/A	N/A
TOTAL			**1,309,121**			**1,044,699**		**1,258,837**		**1,309,121**

(1) Directors' fees paid until the end of the term as director in fiscal 2018.

(2) In accordance with Article 8 of the Board of Directors Bylaws, the director representing employees does not receive directors' fees. The Company has pledged to allocate the equivalent amount to the Accor Solidarity fund.

(3) Directors' fees paid until the end of the term as director in fiscal 2019.

3.6 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.

3.6.1 Stock option plans

Stock options granted in 2020

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 fiscal 2019 by each current executive officer (Table 5 - AFEP/MEDEF code)

None.

Table 8: Historical information concerning stock options granted to employees and/or executive officers (Table 8 – AFEP/MEDEF Code)

Stock option plans	Plan 25	Plan 26	Plan 27	Total
Grant date	03/27/2012	03/27/2012 (3)	09/26/2013 (3)	
Date of Shareholders' Meeting approval	05/30/2011	05/30/2011	04/25/2013	
Date of Board of Directors' decision	02/21/2012	02/21/2012	08/27/2013	
Total number of grantees	390	8	1	
Total number of options granted	**527,515**	**47,375**	**40,000**	**1,289,769**
(i) Of which to executive officers	80,250 (4)	26,750 (4)	40,000	
(ii) Of which to the top ten employee grantees (1)	101,375	20,625	–	
Exercisable from	03/28/2016	03/28/2016	09/27/2017	
Expiry date	03/27/2020	03/27/2020	09/26/2021	
Exercise price *(in €)*	26.41	26.41	30.13	
Options exercised in 2020	**88,999**	**5,469**	**-**	**94,468**
Total options exercised at 12/31/2020	**415,924**	**13,399**	**-**	**429,323**
Total options canceled at 12/31/2020 (2)	**111,591**	**33,976**	**30,000**	**175,567**
Options outstanding at 12/31/2020	**-**	**-**	**10,000**	**10,000**

(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.

(4) The condition that Denis Hennequin and Yann Caillère still be a member of the Group has been waived.

Table 9: Stock options granted to and exercised by the ten employee grantees other than executive officers who received or exercised the largest number of options

	Total number of options granted/ shares subscribed or purchased	Weighted average price *(in €)*
Options granted, during fiscal 2020, by Accor S.A. and any company included in the option allocation scope, to the ten employees of Accor S.A. and of any company included in this scope, who received the largest number of options	-	-
Options held in Accor S.A. and the above-referenced companies, and exercised, during fiscal 2020, by the ten employees of Accor S.A. and of these companies, who purchased or subscribed the largest number of options	30,720 (Plan 25)	26.41

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 Executive Committee member 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 20 Plan 21	04/02/2010 04/02/2010	For as long as the grantee holds the position of executive officer: Shares corresponding to the equivalent of 40% of the net capital gain on the exercised options.	For as long as the grantee is an Executive Committee member: Shares corresponding to the equivalent of 25% of the net capital gain on the exercised options.
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, 2020, a total of 10,000 stock options were outstanding.

Exercise of all of these options would lead to the issuance of 10,000 shares, representing 0.004% of the Company's capital at December 31, 2020, of which 0.004% corresponding to grants to the current executive officer.

Hedging instruments

Accor's executive officers have undertaken not to use any hedging instruments in relation to the stock options they receive 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.

3.6.2 Performance shares

Performance share plans issued in 2020

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 May 28, 2020 concerned 1,506 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 280).
- a second plan set up on October 21, 2020 concerned 28 beneficiaries.

The performance share plans have a three-year vesting period and the shares are not subject to any lock-up period.

At its meeting of February 19, 2020, the Board decided in principle to issue a performance share plan for certain Group employees and the executive officer, subject to the following performance conditions:

- internal conditions:
  - 50% weighting: actual versus budgeted consolidated EBITDA; and
  - 20% weighting: actual versus budgeted free cash flow (excluding disposals and acquisitions) after change in operating working capital;
- external condition:
  - 30% weighting: change in Accor's Total Shareholder Return (TSR) compared with the change in the Stoxx Europe 600 Travel & Leisure Gross Return index.

In view of the magnitude of the health crisis, on May 14, 2020, the Board of Directors, based on the recommendation of the Appointments, Compensation & CSR Committee which had determined that the criteria discussed on February 19, 2020, were no longer relevant due to the extraordinary circumstances that occurred in fiscal 2020, decided to adjust the internal performance conditions prior to issuing the plan by replacing them, for 2020 only, with a single internal performance criterion of actual versus budgeted cost savings (70% weighting).

The internal performance conditions that were originally discussed remain unchanged for the subsequent two years.

With regard to external performance conditions, Accor's Board of Directors also decided to replace the Stoxx Europe 600 Travel & Leisure index with a new benchmark index comprising peer European and international hotel groups (Melia, NH Hoteles, Whitbread, Hilton, Marriott, Hyatt, IHG). The weighting of online gaming companies in the Stoxx Europe 600 Travel & Leisure index has increased considerably compared with its initial selection date, and this is directly linked to the Covid-19 crisis. As such, this index is no longer relevant or representative with respect to comparatively analyzing the Company's TSR performance.

The performance conditions for these plans will be measured:

- for the internal conditions: first, at end-2020 for the cost savings condition and, second, at the term of the plan for the original internal conditions applicable to 2021 and 2022 (*i.e.* EBITDA and free cash flow criteria). The final achievement rate for the internal conditions will be equal to the weighted average of these two interim achievement rates;
- and for the external condition: at the end of the three-year measurement 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.

Concerning the external performance condition (change in Accor's TSR compared with TSR for a benchmark 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 internal ambition (in view of their confidential nature) does not allow for disclosure of the percentage reached.

At the end of the measurement period, an objective under one performance condition that has not been met may be offset by outperformance in relation to the objective for another performance condition. However, the number of shares that vest at the end of the vesting period will not exceed 100% of the number of shares originally granted.

Grantees must also continue to be part of the Group in order for the shares to vest. For all of the performance shares initially granted to vest, and subject to fulfillment of the performance conditions, the grantee must continue to be either an executive officer or an employee of the Accor Group throughout the period from the grant date to May 28, 2023, for the plan set up on May 28, 2020, and from the grant date to October 21, 2023, for the plan set up on October 21, 2020 (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 2020 (Table 6 – AFEP/MEDEF Code)

Sébastien Bazin was granted 108,512 performance shares in fiscal 2020 in accordance with the 2020 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 June 30, 2020.

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	May 28, 2020 performance share plan	108,512	2,375,002 [(1)]	05/28/2023	05/28/2023	• Condition related to actual *versus* budgeted savings (in 2020). • Actual versus budgeted consolidated EBITDA (in 2021 and 2022). • Actual versus budgeted free cash flow (excluding disposals and acquisitions) after change in operating working capital (in 2021 and 2022). • Change in Accor's Total Shareholder Return (TSR) compared versus the change in TSR for a benchmark index comprising peer European and international hotel groups (Melia, NH Hoteles, Whitbread, Hilton, Marriott, Hyatt, IHG) (from January 1, 2020 to December 31, 2022).

(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 2020, as explained above, and which were still valid at the date of this Universal Registration Document would represent 0.0415% of the Company's capital at December 31, 2020 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 2020 (Table 7 – AFEP/MEDEF Code)

Grantee	Grant date	Number of vested shares no longer subject to lock-up	Performance conditions
Sébastien Bazin	06/30/2017 performance share plan	36,000	• Actual versus budgeted EBIT margin. • Actual versus budgeted free cash flow excluding acquisitions and disposals, after change in working capital. • Accor's Total Shareholder Return (TSR) relative to eight other international hotel groups and relative to that of other CAC 40 companies.
	06/20/2017 co-investment plan	0 [(1)]	• Actual versus budgeted cumulative consolidated EBIT. • Average Accor share price versus a benchmark price

(1) No performance shares vested at the end of the vesting period on June 20, 2020, as the performance conditions to which the 2017 co-investment plan was subject were not met.

Table 13: Performance shares granted in 2020 to the ten employee grantees other than executive officers who received the largest number of shares

	Number of shares
Performance shares granted in 2020 to the top ten non-executive officer employee grantees	267,725

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, 2021) for outstanding performance share plans.

Table 14: Performance condition achievement rates in 2020 for outstanding performance share plans

Grant date	Performance conditions	Weighting	Target	Achievement rate	Percentage of shares vested (before cap)	Percentage of shares vested (after cap)
06/26/2018 10/17/2018	Actual versus budgeted EBIT margin.(1)	60%	Average actual EBIT margin for 2018, 2019 and 2020 equal to the average budgeted EBIT margin for 2018, 2019 and 2020	101.1%	100%	80.0%
	Actual versus budgeted free cash flow excluding acquisitions and disposals, after change in working capital.(1)	20%	Average actual free cash flow (excluding disposals and acquisitions), after change in operating working capital, for 2018, 2019 and 2020 equal to the average budgeted free cash flow (excluding disposals and acquisitions), after change in operating working capital for 2018, 2019 and 2020	119,6%	100%	
	Accor's TSR versus the TSR of eight competitors	10%	3rd place	7th place	0%	
	Accor's TSR versus the TSR of other CAC 40 companies	10%	10th place	37th place	0%	
TOTAL		**100%**			**80%**	**80%**

(1) *In order to take account of the circumstances of 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 will be assessed, for 2020, in relation to the internal budget revised in June 2020, and the number of shares that may be acquired under such conditions has been capped at 100% of the number of shares initially granted*

Table 15: Historical information concerning performance shares granted to employees and/or executive officers (Table 9 – AFEP/MEDEF Code)

Performance share plans	06/30/2017 Plan	10/18/2017 Plan	06/20/2017 Co-investment Plan	12/14/2017 Co-investment Plan
Grant date	06/30/2017	10/18/2017	06/20/2017	12/14/2017
Date of Board of Directors' decision	02/21/2017	02/21/2017	03/21/2017	03/21/2017
Date of Shareholders' Meeting approval	04/22/2016	04/22/2016	05/05/2017	05/05/2017
Total number of grantees	1,137	10	103	14
Total number of shares granted	**570,579**	**27,340**	**1,304,754**	**141,168**
Of which to executive officers	54,350	–	242,763	–
Of which to the top ten employee grantees (1)	91,660	27,340	388,521	134,910
Vesting date	06/30/2020	10/18/2020	06/20/2020	12/14/2020
End of lock-up period	06/30/2020	10/18/2020	06/20/2020	12/14/2020
Total vested shares at 12/31/2020	**504,179**	**27,040**	**-**	**-**
Number of shares canceled (2)	**66,400**	**300**	**1,304,754**	**141,168**
Performance shares outstanding at 12/31/2020	**-**	**-**	**-**	**-**
Performance condition(s)	Actual versus budgeted EBIT margin. Actual versus budgeted free cash flow excluding acquisitions and disposals, after change in working capital. Accor's Total Shareholder Return (TSR) relative to eight other international hotel groups and relative to that of other CAC 40 companies.	Actual versus budgeted EBIT margin. Actual versus budgeted free cash flow excluding acquisitions and disposals, after change in working capital. Accor's Total Shareholder Return (TSR) relative to eight other international hotel groups and relative to that of other CAC 40 companies.	Actual versus budgeted cumulative consolidated EBIT. Average Accor share price versus a benchmark price.	Actual versus budgeted cumulative consolidated EBIT. Average Accor share price versus a benchmark price.

(1) Excluding executive officers.

(2) Shares canceled due to grantees leaving the Group or performance conditions not being met.

(3) To account for the health and economic crisis, in accordance with the decisions adopted by the Board of Directors on May 14, 2020, the fulfillment of these conditions will be 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.

(4) To account for the health and economic crisis, in accordance with the decisions adopted by the Board of Directors on May 14, 2020, these conditions have been replaced, for 2020, with a single performance condition related to actual versus budgeted savings (80% weighting).

06/26/2018 Plan	10/17/2018 Plan	05/31/2019 Plan	10/25/2019 Plan	05/28/2020 Plan	10/21/2020 Plan
06/26/2018	10/17/2018	05/31/2019	10/25/2019	05/28/2020	10/21/2020
02/20/2018	02/20/2018	02/20/2019	02/20/2019	05/14/2020	05/14/2020
04/22/2016	04/22/2016	04/30/2019	04/30/2019	04/30/2019	04/30/2019
1,288	21	1,459	39	1,506	28
632,462	**22,830**	**1,275,675**	**37,120**	**1,796,551**	**38,390**
52,930	–	81,290	–	108,512	–
101,234	20,450	182,000	20,800	267,725	26,000
06/26/2021	10/17/2021	05/31/2022	10/25/2022	05/28/2023	10/21/2023
06/26/2021	10/17/2021	05/31/2022	10/25/2022	05/28/2023	10/21/2023
-	**-**	**-**	**0**	**-**	**-**
167,579	**4,566**	**57,944**	**1,200**	**60,820**	**-**
464,883	**18,264**	**1,217,731**	**35,920**	**1,735,731**	**38,390**
Actual versus budgeted EBIT margin [3]. Actual versus budgeted free cash flow excluding acquisitions and disposals, after change in working capital [3]. Accor's Total Shareholder Return (TSR) relative to eight other international hotel groups and relative to that of other CAC 40 companies	Actual versus budgeted EBIT margin [3]. Actual versus budgeted free cash flow excluding acquisitions and disposals, after change in working capital [3]. Accor's Total Shareholder Return (TSR) relative to eight other international hotel groups and relative to that of other CAC 40 companies	Actual versus budgeted EBITDA [4], Actual versus budgeted free cash flow excluding acquisitions and disposals but including change in working capital [4]. Change in Accor's Total Shareholder Return (TSR) versus the Stoxx Europe 600 Travel & Leisure Gross Return index	Actual versus budgeted EBITDA [4]. Actual versus budgeted free cash flow excluding acquisitions and disposals, including change in operating working capital [4]. Change in Accor's Total Shareholder Return (TSR) versus the Stoxx Europe 600 Travel & Leisure Gross Return index	Actual versus 2020 budgeted savings for 2020 Actual versus budgeted EBITDA, in 2021 and 2022 Actual versus budgeted free cash flow excluding acquisitions and disposals, after change in operating working capital, in 2021 and 2022 Change in Accor's *Total Shareholder Return* (TSR) compared versus the change in TSR for a benchmark index comprising peer European and international hotel groups (Melia, NH Hoteles, Whitbread, Hilton, Marriott, Hyatt, IHG) from 01/01/2020 to 12/31/2022	Actual versus 2020 budgeted savings for 2020 Actual versus budgeted EBITDA, in 2021 and 2022 Actual versus budgeted free cash flow excluding acquisitions and disposals, including change in operating working capital, for 2021 and 2022 Change in Accor's *Total Shareholder Return* (TSR) compared versus the change in TSR for a benchmark index comprising peer European and international hotel groups (Melia, NH Hoteles, Whitbread, Hilton, Marriott, Hyatt, IHG) from 01/01/2020 to 12/31/2022

Additionally, contrary to what was stated in the compensation policy approved by the Annual Shareholders' Meeting of June 30, 2020, no new co-investment plan was issued in fiscal 2020.

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 lock-up conditions vary depending on the plan concerned, as shown in the table below.

Table 16: Lock-up conditions for vested performance shares held by executive officers and other members of the Executive Committee

Grant date	Lock-up conditions applicable to executive officers	Lock-up conditions applicable to other Executive Committee members
06/18/2014	The following conditions apply until the grantee ceases to hold an executive officer's position within the Group: • at the end of the lock-up period, the grantee must keep 25% of the vested shares (based on the performance condition achievement rates) until the value of all the freely transferable shares held in registered form by the grantee represents the equivalent of at least two years of his fixed compensation. For the purposes of the above paragraph: • the value of the shares held in registered form is determined based on the average of the Accor opening share price quoted over the 20 trading days preceding the measurement date; • "fixed compensation" means the amount of the grantee's annual gross fixed compensation at the measurement date. Once the two year compensation threshold is reached: **(i)** the 25% lock-up no longer applies; **(ii)** and the grantee is required to acquire, or keep, 3% of their vested shares.	The following conditions apply until the grantee ceases to be a member of the Group Executive Committee: • at the end of the lock-up period, grantees who were Executive Committee members at the grant date are required to keep 25% of the vested shares (based on the performance condition achievement rates) until the value of all the freely transferable shares held in registered form by the grantee represents the equivalent of at least two years of his or her fixed compensation. For the purposes of the above paragraph: • the value of the shares held in registered form is determined based on the average of the Accor opening share price quoted over the 20 trading days preceding the measurement date; • "fixed compensation" means the amount of the grantee's annual gross fixed compensation at the measurement date. Once the above threshold is reached, the 25% lock-up condition no longer applies.
2015 to 2020 plans	The following conditions apply until the grantee ceases to hold an executive officer's position within the Group: • at the end of the vesting period, the grantee must keep 25% of the vested shares (based on the performance condition achievement rates) until the value of all the freely transferable shares held in registered form by the grantee represents the equivalent of at least two years of his fixed compensation. For the purposes of the above paragraph: • the value of the shares held in registered form is determined based on the average of the Accor opening share price quoted over the 20 trading days preceding the measurement date; • "fixed compensation" means the amount of the grantee's annual gross fixed compensation at the measurement date. Once the two year compensation threshold is reached: **(i)** the 25% lock-up no longer applies; **(ii)** and the grantee is required to acquire, or keep, 3% of their vested shares.	The following conditions apply until the grantee ceases to be a member of the Group Executive Committee: • at the end of the vesting period, grantees who were Executive Committee members at the grant date are required to keep 25% of the vested shares (based on the performance condition achievement rates) until the value of all the freely transferable shares held in registered form by the grantee represents the equivalent of at least two years of his or her fixed compensation. For the purposes of the above paragraph: • the value of the shares held in registered form is determined based on the average of the Accor opening share price quoted over the 20 trading days preceding the measurement date; • "fixed compensation" means the amount of the grantee's annual gross fixed compensation at the measurement date. Once the above threshold is reached, the 25% lock-up condition no longer applies.

Share equivalents – Performance shares granted to employees and executive officers

At December 31, 2020, a total of 3,510,919 performance share rights were outstanding.

If all of these rights had vested at December 31, 2020, this would have led to the issuance of 3,510,919 shares, representing 1.343% of the Company's capital at that date, of which 0.083% corresponding to performance share rights granted to current executive officers.

Hedging instruments

Accor's executive officers have undertaken not to use any hedging instruments in relation to their performance shares, and members of the Executive Committee who receive performance shares have been banned by the Company from using any such instruments.

3.6.3 Non-discretionary and discretionary profit-sharing agreements

Non-discretionary profit sharing

In France, a Group-level non-discretionary profit-sharing agreement providing for payment in excess of the legally mandated minimum (accord dérogatoire) has been negotiated with employee representatives. It is applicable to Accor and certain French subsidiaries that are at least 50% owned, irrespective of the number of employees in the Company concerned.

The agreement enables employees with more than three months' seniority to receive profit-shares based on the results of all of the subsidiaries covered by the program.

Sums are paid into a special profit-sharing reserve, calculated by applying a standard legal formula to the profits of each company that falls within the scope of application of the agreement, as follows:

Special profit-sharing reserve = 1/2 x (net profit – 5% of equity) x (salaries/value added).

Based on this formula, a gross amount of around €1.2 million was allocated to the profit-sharing reserve for 2019 and paid in 2020 (excluding AccorInvest).

Amounts allocated to the special profit-sharing reserve in previous years were:

- around €863,000 for 2018, excluding AccorInvest (paid in 2019);
- around €656,000 for 2017, excluding AccorInvest (paid in 2018).

The total amount of the reserve is allocated among all of the employee beneficiaries in proportion to their individual salary for the reference fiscal year, which is capped by the agreement at double the amount of the annual ceiling for French social security contributions, set at December 31 of the reference fiscal year.

In compliance with the French Act of December 3, 2008, in favor of working income, the lock-up period on amounts allocated to employee profit-shares has been optional rather than compulsory since 2009. Consequently, in 2020, 31.39% of 2019 profit-share was paid immediately to beneficiaries.

Where such a request is not made, in accordance with the law, the amounts in the profit-sharing reserve are invested in corporate mutual funds, with half allocated to the managed Group Retirement Savings Plan (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.

In 2020, 17.19% of the total profit-share was allocated to the Group Retirement Savings Plan and 51.42% to the Corporate Savings Plan, as 23% of beneficiaries did not request otherwise.

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 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.

3.6.4 Transactions carried out by the executive officers involving Accor SA shares

Schedule of transactions involving shares of the Company carried out during the past 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	February 24, 2020	Purchase	10,000
Paul Dubrule	February 25, 2020	Purchase	4,100
MONTFALCON S.A. (company related to Paul Dubrule)	February 28, 2020	Purchase	10,000
Sarmad Zok	March 2, 2020	Purchase	22,300
Sarmad Zok	March 9, 2020	Purchase	10,000
Sarmad Zok	March 12, 2020	Purchase	10,000
BAZEO Europe SAS (company related to Sébastien Bazin)	March 12, 2020	Purchase	50,000

3.7 Say on pay 2020 for the Chairman and Chief Executive Officer

Compensation paid in or awarded in respect of 2020	Amounts (or accounting value) submitted to the vote	Description
Annual fixed compensation	€771,875	It is reminded that, given the exceptional circumstances related to the health crisis, the Board of Directors notably decided on April 2, 2020 to accept the Chairman and Chief Executive Officer's proposal to reduce his fixed compensation by 25% and to allocate the equivalent amount to the ALL Heartist Fund. This pay cut applied from April 1 to December 31, 2020. As such, Sébastien Bazin's annual fixed compensation for 2020 was €771,875. It was paid in monthly installments during 2020.
Annual variable compensation	€625,000	On the recommendation of the Appointments, Compensation and CSR Committee, the Board of Directors, having acknowledged the exceptional and unforeseen consequences of the health crisis on the Group's activities, and thus on its earnings, and making use of its authorization to exceptionally adjust the performance criteria for the Chairman and Chief Executive Officer's variable compensation due to the impact of the health crisis, decided to cap the maximum amount of his variable compensation at 50% of the annual reference amount and to replace the previously adopted quantitative and qualitative criteria with two other criteria: (i) 2020 EBITDA in line with the June 2020 revised budget (50% weighting) and (ii) 2020 savings plan in line with the budget presented at the April 2020 meeting of the Board of Directors (50% weighting). This ceiling and the performance criteria were modified in the same way for all Group employees. Sébastien Bazin's variable compensation could therefore represent between 0% and 100% of a reference amount of €625,000, *i.e.* the equivalent of between 0% and 66% of his initial annual fixed compensation, depending on the achievement rate for the performance objectives set by the Board of Directors presented below: • 2020 EBITDA in line with the 2020 budget revised in June 2020 (50% weighting); • 2020 savings plan in line with the savings amount decided by the Board of Directors in April 2020 (50% weighting). On this basis, and following an assessment of the degree to which Sébastien Bazin's objectives had been achieved, at its meeting on February 23, 2021, the Board sets his variable compensation for 2020 at €625,000, breaking down as: • **€312,500 for the objective of 2020 EBITDA** in line with the 2020 budget revised in June 2020; • **€312,500 for the objective of the 2020 Savings Plan** in line with the budget presented to the Board of Directors at its April 2020 meeting. Consequently, Sébastien Bazin's annual variable compensation represents 66% of his annual fixed compensation for 2020, before the 25% reduction between April 1 and December 31, 2020. Payment of this variable compensation for 2020 is subject to shareholder approval at the 2021 Annual Shareholders' Meeting.
Exceptional bonus	N/A	Sébastien Bazin did not receive an exceptional bonus in 2020

Compensation paid in or awarded in respect of 2020	Amounts (or accounting value) submitted to the vote	Description
Performance shares	Number of shares = 108,512 (€2,375,002)	In view of the magnitude of the health crisis, on May 14, 2020, the Board of Directors, based on the recommendation of the Appointments, Compensation and CSR Committee which had determined that the performance conditions discussed on February 19, 2020, were no longer relevant due to the extraordinary circumstances that occurred in 2020, notably decided to adjust the internal performance conditions prior to issuing the plan by replacing them, for 2020 only, with a single internal performance criterion of actual *versus* budgeted cost savings (70% weighting). The internal performance conditions that were originally discussed remain unchanged for the subsequent two years. The Board of Directors also reviewed the index used as a reference for the Total Shareholders' Returns (TSR) criterion. Considering that the Eurostoxx 600 Travel & Leisure index changed significantly during 2020, to the point of predominantly comprising online gaming companies (whose performance particularly improved during the health crisis), it was no longer a truly representative TSR comparative performance criterion for the Company. It was therefore adapted to an index comprising European and international hotel groups (Melia, NH Hoteles, Whitbread, Hilton, Hyatt, Marriott, IHG). Therefore, and in accordance with the 2020 executive officer compensation policy approved by the Annual Shareholders' Meeting of June 30, 2020, 108,512 performance shares were granted to Sébastien Bazin, representing 250% of his initial gross annual fixed compensation (and 0.04% of the Company's share capital at December 31, 2020). The performance conditions attached to the shares are as follows: (i) Internal conditions: In 2020: • condition related to actual *versus* budgeted savings (70% weighting); And in 2021 and 2022: • actual versus budgeted EBITDA (50% weighting); and • actual versus budgeted free cash flow (excluding disposals and acquisitions) after change in operating working capital (20% weighting). (ii) External condition: from January 1, 2020 to December 31, 2022: change in Accor's Total Shareholder Return (TSR) versus TSR for a benchmark index comprising peer European and international hotel groups (Melia, NH Hoteles, Whitbread, Hilton, Marriott, Hyatt IHG) (30%). The performance conditions for these plans will be measured: • for the internal conditions: first, at end-2020 for the cost savings condition and, second, at the end of the measurement period for the original internal conditions applicable to 2021 and 2022 (*i.e.* EBITDA and free cash flow criteria). The final achievement rate for the internal conditions will be equal to the weighted average of these two interim achievement rates; • and for the external condition: at the end of the three-year measurement 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. Concerning the external performance condition (increase in Accor's TSR compared with TSR for a benchmark 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 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. The beneficiaries must also satisfy a presence condition 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 May 28, 2023, 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 or her rights to all of the performance shares initially granted will be immediately forfeited, regardless of the performance condition achievement rates, unless the Board of Directors decides otherwise.
Compensation as a Director	N/A	Sébastien Bazin does not receive any directors' compensation.
Benefits in kind	€37,349	In accordance with the 2020 executive officer compensation policy approved by the Annual Shareholders' Meeting of April 30, 2020, Sébastien Bazin has the use of a company car and is a member of a private unemployment insurance plan. He was also entitled to up to 100 hours' advice from tax and financial advisors in 2020.

Compensation paid in or awarded in respect of 2020	Amounts (or accounting value) submitted to the vote	Description
Termination benefits	N/A	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. In accordance with the 2020 executive officer compensation policy approved by the Annual Shareholders' Meeting of June 30, 2020, 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. Payment of the compensation for loss of office would be subject to the following performance criteria being met: • consolidated return on capital employed for the previous three fiscal years must have exceeded the Group's cost of capital; • operating free cash flow must have been positive in at least two of the previous three fiscal years; • like-for-like EBITDAR margin must have exceeded 27.5% in at least two of the previous three fiscal years. These performance criteria would be applied as follows: • if all three criteria were met, the compensation would be payable in full; • if two of the three criteria were met, half of the compensation would be payable; • if none or only one of the three criteria were met, no compensation would be due. Moreover, no compensation would be due if 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. Sébastien Bazin did not receive any compensation for loss of office in 2020.
Non-compete indemnity	N/A	Sébastien Bazin is not entitled to any non-compete indemnity.
Supplementary pension benefits	€0 received	Details of the supplementary pension plan are provided in the description of the 2020 executive officers compensation policy approved by the Annual Shareholders' Meeting of June 30, 2020. Sébastien Bazin participates in an "Article 83" defined contribution plan and an "Article 39" defined benefit plan. Both plans have been outsourced to an accredited organization, to which the relevant contributions are paid. • Article 83 plan: Sébastien Bazin, as executive officer of the Company with over one year of service and a gross annual salary of more than four times the annual ceiling used for calculating French social security contributions (the "PASS"), qualifies to participate in the Company's defined contribution pension plan. He will be entitled to a pension annuity (with the possibility of survivor benefits) determined based on the contributions paid by the Company for each year of his membership of the plan. The annual contribution paid by the Company corresponds to 8% of his annual gross compensation paid in the previous year, capped at eight times the PASS. In accordance with the French Social Security Code, if Sébastien Bazin leaves the Group before the date of retirement, he will retain the rights accrued under the plan. Contributions paid under the plan on behalf of Sébastien Bazin amounted to €26,327 in 2020. At December 31, 2020, the estimated annual annuity that Sébastien Bazin will receive under this plan is €2,304. The Company pays the 20% *forfait social* levy due on compensation that is exempt from social security contributions (5% of the compensation capped at five times the PASS), which is calculated on the Company's total contribution to the plan, and plan participants pay the *Contribution Sociale Généralisée* (CSG) and *Contribution au Remboursement de la Dette Sociale* (CRDS) levies, which are calculated on the basis of the portion of the Company's contribution allocated to them. For the share of the contribution above the above-referenced ceiling, the Company pays the social security contributions (employer contribution) and plan participants pay the CSG, the CRDS and the social security contributions (employee contribution).

Compensation paid in or awarded in respect of 2020	Amounts (or accounting value) submitted to the vote	Description
Supplementary pension benefits (continued)	€0 received	• Article 39 plan: Sébastien Bazin, as executive officer of the Company, remain 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. To claim his benefits every year, Sébastien Bazin will need to have an annual reference salary of more than five times the PASS and to have complied with these conditions for more than six months during the fiscal year concerned. He will therefore be entitled to a pension annuity (with the possibility of survivor benefits), provided he remains with the Group until he retires. If he does not meet these requirements, he will not be entitled to any payments under the plan. However, under the plan's provisions, members may retain: • potential benefits accrued under the plan in the event of (i) removal from office after the age of 55, (ii) forced early retirement, with benefits payable for the period from when the member leaves the Company through to the date on which they become entitled to the basic state pension, or (iii) category 2 or 3 disability as defined under the French Social Security Code, with benefits payable for the period before they become entitled to supplementary pension benefits; • surviving spouse rights in the event of death in the period before they become entitled to supplementary pension benefits. The pension annuity paid under the plan will be reduced by the amount of the annuity financed by contributions paid prior to fiscal 2020 into the Article 83 defined contribution plan described above. His benefit entitlement was built up gradually until December 31, 2019, and was calculated each year for which he was a plan member based on his annual reference compensation (annual reference compensation corresponds to total gross fixed and variable compensation plus any exceptional bonus paid during the reference fiscal year). Each year of plan membership represents between 1% and 3% of the annual reference compensation, depending on the compensation brackets concerned, *i.e.*: • portion of reference compensation representing between 4 and 8 times the PASS: 1%; • portion of reference compensation representing between 8 and 12 times the PASS: 2%; • portion of reference compensation representing between 12 and 24 times the PASS: 3%; • portion of reference compensation representing between 24 and 60 times the PASS: 2%. The annuity payable under the supplementary defined benefit plan is subject to the following two performance conditions: • actual versus budgeted consolidated EBITDA (50% weighting); • actual versus budgeted free cash flow (excluding disposals and acquisitions) after change in operating working capital (50% weighting). Each year, the performance condition achievement rates are validated by the Board of Directors. The benefit entitlement for any given year of plan membership would potentially correspond to the aggregate of the amounts accrued for each of the above compensation brackets, provided that the related performance conditions are met. The amount of the final pension annuity equals the sum of the entitlements calculated for each year until December 31, 2019. Two caps are applied to the final amount of the pension annuity: • the amount of the gross annuity may not exceed 30% of the member's last annual reference compensation; • given that Sébastien Bazin's last reference compensation was more than 12 times the PASS, the overall replacement rate represented by pension benefits payable under government-sponsored plans and Accor supplementary pension plans will be capped at 35% of the average of his best three years' reference compensation in the ten years prior to retirement. Consequently, Sébastien Bazin's estimated potential benefits under this plan at December 31, 2020 amount to €246,126. To date, the social security contributions and tax payments that affect the plan are as follows: the Company has irreversibly elected to pay the social security tax contribution at the rate of 32% on annuities paid to plan participants who retired on or after January 1, 2013, and 16% on annuities paid to plan participants who retired before that date. For their part, plan participants are liable for the CSG and CRDS levies, a French national health insurance contribution and the *Contribution Additionnelle de Solidarité pour l'Autonomie* (CASA) social levy, calculated in each case on the amount of their annuities in the same way as for other income replacements. In the specific case of annuities received under defined benefit pension plans (top-hat plans), a *Contribution Sociale* levy is also due by the retiree at a rate that varies depending on the amount of the annuity and the retirement date.

3.8 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 378 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 6.4.1 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 6.4.1 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 3.1.2 and 3.11 of this Universal Registration Document.

In addition, shareholders at the Annual Shareholders' Meeting of June 30, 2020 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, 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 2021 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.

3.9 Agreements between company executive officers or significant shareholders and Group subsidiaries

At the date of this Universal Registration Document, with the exception of routine agreements entered into on an arm's length basis, no agreements have been signed, either directly or via an intermediary, between an executive officer or a shareholder that holds more than 10% of the Company's voting rights and a company in which the Company directly or indirectly holds more than half of the capital within the meaning of Article L. 233-3 of the French Commercial Code, with the exception of agreements entered into in the normal course of business and on an arm's length basis.

3.10 Annual Shareholders' Meeting

3.10.1 Conditions and procedures for attending the 2021 Annual Shareholders' Meeting

In accordance with the law, the applicable conditions and procedures for attending Annual Shareholders' Meetings are set out in the Company's Bylaws, which are available on the Company's website. They notably concern admittance conditions (Article 24 of the Bylaws), organization of the meetings (Article 25), and disclosure thresholds relating to shareholders' interests in the Company's capital and voting rights (Article 9).

The notice of meeting together with the draft agenda and draft resolutions are published in the French bulletin of legal announcements (BALO) and are available on the Company's website: group.accor.com.

Given the backdrop of the Covid-19 epidemic and to take account of measures taken to halt its spread as well as recommended health and safety protocols, the Chairman and Chief Executive Officer of the Company, as authorized by the Board of Directors, decided that exceptionally, the Annual Shareholders' Meeting will be held behind closed doors without the presence of shareholders or other persons having the right to attend, at the Company's headquarters located at 82 Rue Henri Farman – 92130 Issy-les-Moulineaux. in accordance with (i) French Order No. 2020-321 of March 25, 2020.

3.11 Authorizations relating to capital increases

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 2020
Reduction of capital by canceling treasury stock	Annual Shareholders' Meeting of April 30, 2019 21st resolution	10% of the share capital	24 months April 30, 2021	Reduction of capital on June 30, 2020 by canceling 10,175,309 ordinary shares within the framework of the share buyback program authorized by the Annual Shareholders' Meeting of April 20, 2018
Issuance of shares and share equivalents:	Annual Shareholders' Meeting of April 30, 2019 22nd to 26th resolutions		26 months June 30, 2021	
• with pre-emptive subscription rights		50% of the share capital approx. €424 million (1)		
• by public offering without pre-emptive subscription rights		10% of the share capital approx. €85 million (1) with or without priority subscription rights		
• by restricted offering without pre-emptive subscription rights		10% of the share capital approx. €85 million (1)		
• in connection with a stock-for-stock offer		10% of the share capital approx. €85 million (1)		
• to increase the amount of any issues that are oversubscribed		15% of the initial issue (or according to legislation prevailing on the issue date)		
• in payment for contributed assets		10% of the share capital approx. €85 million (1)		
Issuance of new shares by capitalizing reserves, retained earnings or additional paid-in capital	Annual Shareholders' Meeting of April 30, 2019 27th resolution	50% of the share capital approx. €424 million (1)	26 months June 30, 2021	
Issue of shares reserved for employees that are members of a Group employee stock ownership plan	Annual Shareholders' Meeting of June 30, 2020 14th resolution	2% of the Company's share capital on the date of the Board of Directors' decision to increase the share capital	26 months August 30, 2022	
Grant of free shares	Annual Shareholders' Meeting of April 30, 2019 31st resolution	2.5% of the share capital at April 30, 2019 Executive officers: capped at 15% of all shares granted pursuant to the 32nd resolution of the Annual Shareholders' Meeting of April 30, 2019	38 months June 30, 2022	Capital increase of €1,512,537 on July 1, 2020, through the issue of 504,179 shares Capital increase of €81,120 on October 18, 2020, through the issue of 27,040 shares Grant, subject to performance and presence conditions, of (i) 1,796,551 shares on May 28, 2020 and (ii) 38,390 shares on October 21, 2020
Issue of securities reserved for certain categories of employees under an employee share ownership transaction	Annual Shareholders' Meeting of April 30, 2019 30th resolution	2% of the Company's capital on the date of the Board of Directors' decision to carry out the issue, to be deducted from the ceiling provided for in the 14th resolution of the Annual Shareholders' Meeting of June 30, 2020	18 months October 30, 2020	
Share warrants to be issued freely to shareholders in the event of a public offer for the shares of the Company	Annual Shareholders' Meeting of June 30, 2020 16th resolution	25% of the share capital approx. €196 million (2)	12 months June 30, 2021	

(1) As of the date of the authorization given by the Annual Shareholders' Meeting held on April 30, 2019.
(2) As of the date of the authorization given by the Annual Shareholders' Meeting held onApril 30, 2020.

It is recalled that, in accordance with the 28th resolution of the Annual Shareholders' Meeting of April 30, 2019, the blanket ceiling for capital increases is as follows:

- capital increases with and without pre-emptive subscription rights: 50% of the share capital (around €424 million (1));
- capital increases without pre-emptive subscription rights: 10% of the share capital (around €85 million (1)).

(1) As of the date of the authorization given by the Annual Shareholders' Meeting held on April 30, 2019).

Appendix A

The members of the Board of Directors of Accor (hereinafter the Company) abide by the following rules of procedure, 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 as being 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;
- discuss and decide on any proposed changes to the Group's management structure and review 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 and Risks Committee;**
- **the Commitments Committee;**
- **the Appointments, Compensation and CSR Committee;**
- **and the International Strategy Committee.**

The Board may also set up one or several special Committees.

Each Committee shall be chaired by one of its members, appointed by the Board on the recommendation of the Appointments, Compensation and CSR Committee.

The Chairman and Chief Executive Officer may be invited to attend any and all Board Committee meetings by the Chairman of the Committee concerned. However, he shall not attend the part of Appointments, Compensation and CSR Committee meetings during which agenda items concerning him personally are discussed, nor the part of Audit, Compliance and 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 and Risks Committee

The Audit, Compliance and 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 and CSR Committee's annual report.

The Audit, Compliance and 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 Commitee Chairman, must be inependent directors. It is chaired by an independent director.

The Audit, Compliance and 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 and Risks Committee may make enquiries of the Statutory Auditors without the executive officers and/or the Chief Financial Officer being present, after first notifying the Chairman and Chief Executive Officer.

Calls to meeting shall be issued by the Committee Chairman and include the meeting agenda. Meetings to review the interim and annual financial statements shall be held at least two days prior to the Board meeting called to approve the financial statements. The members of the Audit, Compliance and 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 and 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 and CSR Committee

The Appointments, Compensation and CSR Committee's role is to prepare the Board of Directors' decisions pertaining to the compensation of executive officers and the policy for granting long-term incentive instruments, and to prepare changes in the composition of the Company's management bodies. It is also responsible for ensuring that the principles of good corporate governance are properly applied and preparing the Board of Directors' decisions pertaining to the environment and corporate social responsibility.

To this end, it makes recommandations and proposals to the Board of Directors in all the matters described above and, in particular, carries out the following tasks:

Appointments:

- it prepares recommendations, in liaison with the Chairman and Chief Executive Officer, regarding the appointment and succession of the executive officers and the selection of new directors. In selecting possible directors, the Committee takes into consideration the desirable balance in the Board's composition, takes special care that each candidate has the required capabilities and availability and ensures that the directors have the array of experience and skills necessary to enable the Board of Directors to carry out its duties effectively with the required objectivity and independence vis-à-vis both senior management and a given shareholder or group of shareholders;
- it is informed of the succession plan concerning members of the Group's Executive Committee.

Compensation:

- it studies and prepares recommendations regarding both the salary and bonus portions of the executive officers' short-term compensation, the granting of medium- and long-term incentives such as performance shares and stock options, all the provisions regarding their retirement plans and all other in-kind benefits;
- it defines and implements the rules for setting the bonus portion of the executive officers' compensation while ensuring that said rules are consistent with the annual appraisal of executive officers' performance and with the Group's medium-term strategy;
- it expresses an opinion to the Board regarding the general policy for granting medium and long-term incentives such as stock options and performance shares to Group employees, and the plans proposed by the Chairman and Chief Executive Officer;
- it is kept informed of and gives an opinion on the compensation policy for members of the Group Executive Committee and reviews the consistency of such policy;
- it issues a recommendation to the Board on the overall amount of directors' compensation, which is submitted to shareholders for approval. It proposes to the Board rules for allocating said directors' compensation and the individual amounts of the payments to be made as compensation to the directors based on their attendance at Board and Committee meetings pursuant to Article 8 of these Bylaws;
- it reviews the policy and the Chairman and Chief Executive Officer's proposals regarding employee share issues and any employee share ownership plans;
- it reviews the insurance coverage taken out by the Company regarding the civil liability of executive officers;
- it approves the information provided to shareholders in the Universal Registration Document regarding (i) executive officer compensation; (ii) the principles and procedures used to set such compensation; and (iii) the grant and exercise of stock options and the grant of performance shares.

Governance:

- it is tasked, in liaison with the Chairman and Chief Executive Officer, with issuing recommendations on implementing best corporate governance practices and preparing the assessment of the Board's work;
- it reviews and issues recommendations on best corporate governance practices, and in particular, assesses whether the Company's governance practices comply with the recommendations of the corporate governance code to which the Company refers;
- it periodically reviews whether the directors meet the independence criteria defined by the Board and makes recommendations if it appears necessary to review the independent status of directors;
- it continuously monitors changes in the Company's ownership structure and determines how the Company's awareness of such changes could be improved, particularly through legal procedures;
- under the procedure for managing conflict of interest situations, it reviews all cases where there is a conflict of interest concerning one or more shareholders and (i) the interests of the Company or (ii) the interests of the shareholders as a whole and cases where there is a conflict of interest concerning members of the Board of Directors;
- it reviews changes in the role and responsibilities of the Board of Directors;
- it prepares all matters for discussion between the Company and its shareholders relating to (i) changes in their equity interests; (ii) their representation in the Company's corporate governance structures; and (iii) any contractual commitments between them and the Company. This latter role is fulfilled in part by preparing decisions of the Board of Directors authorizing related-party agreements.

Corporate social responsibility:

- it reviews the Company's CSR strategy and the results obtained.

The Appointments, Compensation and CSR Committee is comprised of three to seven members. A majority of these members, including the Committee Chairman, must be independent directors. A director representing employees attends the Committee's meetings.

The Appointments, Compensation and 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 and CSR Committee.

Board members are entitled to a fixed portion of compensation for their duties as directors and, as the case may be, their role as a member or Chairman of one or more Board Committees, as well as a variable portion of compensation determined according to their actual attendance at Board and Committee meetings.

Distribution is based on the following principles:

- the annual amount of directors' compensation is divided into an amount set aside for the Board and an amount set aside for the Board Committees, as determined by the Board of Directors;
- one-third of the amount set aside for the Board and for the Committees is used to pay the fixed portion of directors' compensation;
- two-thirds of the amount set aside for the Board and Committees is used to pay the variable portion of directors' compensation based on a per-meeting amount set by the Board depending in each case on the total number of meetings held during the fiscal year and on the number of members composing each instance. The calculated variable portion of directors' compensation is then paid to each director depending on its attendance rate;
- the Vice-Chairman of the Board of Directors receives the fixed portion of directors' compensation payable to all directors as well as a fixed portion of a lump sum determined by the Board of Directors;

- a lump sum is set aside for non-voting directors to be allocated on the same basis as that applied to the amounts set aside for the Board and for the Board Committees;
- Committee Chairmen receive a fixed portion of directors' compensation equal to double the fixed portion payable to Committee members;
- members of the Audit, Compliance and Risks Committee, and members of the Appointments, Compensation and CSR Committee, receive an increased portion of directors' compensation, as determined 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;
- customers, customer 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, customers, partners or suppliers. He or she shall submit this statement to the Chairman and Chief Executive Officer and the Vice-Chairman, with a copy given to the Board Secretary.

If any event occurs that affects the accuracy of all or part of the statement, or if any questions arise as to the existence of an actual or potential conflict of interests, the director shall notify the Vice-Chairman and the Board Secretary without delay.

The Vice-Chairman, assisted by the Board Secretary and, if necessary, by outside consultants, shall prepare a list, director by director, of the issues likely to give rise to a conflict of interest. The Vice-Chairman shall inform the Board of Directors of these issues each year and following each modification, and shall remind the Board of the measures adopted to prevent any risk of a conflict of interest.

9.4. Guidelines for dealing with conflicts of interest

In the event of an actual or potential conflict of interest, the Concerned Director shall not take part in the discussion of the matter concerned or the related vote and shall be asked to step out from the meeting while the discussion and vote take place.

He or she shall not receive the information prepared for Board members on the agenda item giving rise to the conflict of interest or the corresponding section of the minutes of the Board meeting.

If necessary due to the agenda of a given Board or Committee meeting, the Chairman and Chief Executive Officer or the Vice-Chairman may decide to organize the meeting in two parts, with the first part attended by the Concerned Director(s) and dealing with the agenda items not involving disclosure of any sensitive information as defined in competition law or giving rise to any conflicts of interest, and the second held without the Concerned Directors being present.

Decisions by the Board of Directors concerning a conflict of interest shall be recorded in the minutes of the relevant Board meeting.

Any problems concerning application of this Article 9 shall be submitted to the Vice-Chairman of the Board or, at the latter's request if difficulties arise and with its presence, to the Audit, Compliance & Risks Committee. If the problem cannot be resolved by this process, the Board of Directors shall make a decision based on the Committee's recommendation.

Appendix B

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, customers, 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, period 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.

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.

3.12 Statutory Auditors' special report on related-party agreements

This is a free translation into English of the Statutory Auditors' special report on related-party agreements and commitments 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.)

(Annual General Meeting held to approve the financial statements for the year ended December 31, 2020)

To the Shareholders,

Accor

Tour Sequana

82, rue Henri Farman

92445 Issy-les-Moulineaux

In our capacity as statutory auditors of your Company, 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 General 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 submitted for approval to the Annual General Meeting

We hereby inform you that we have not been advised of any agreements authorized in the course of the year to be submitted to the Annual General Meeting for approval in accordance with Article L. 225-38 of the French Commercial Code.

Agreements previously approved by the Annual General Meeting

Agreements approved during prior fiscal years

Pursuant to article R. 225-30 of the French Commercial Code, we have been informed that the performance of the following agreement already approved by the Annual General Meeting during prior fiscal years, continued during fiscal year 2020.

With Katara Hospitality company (Kasada project)

Person(s) concerned

Sheikh Nawaf Bin Jassim Bin Jabor Al-Thani, director of the Company and Chairman of the Board of Directors of Katara Hospitality, Aziz Aluthman Fakhroo, director of the Company designated by Qatar Investment Authority, which controls Katara Hospitality company.

Nature and purpose

Agreement entered into with Katara Hospitality, with a view to setting up an investment fund dedicated to Hospitality in Africa (Kasada Capital Management).

Conditions

On June 26, 2018, the Board of Directors authorized the Company to enter into an agreement with Katara Hospitality with a view to setting up an investment fund dedicated to Hospitality in Africa, Kasada Capital Management. The fund's equity will amount to US$ 500 million, of which Katara Hospitality and Accor will contribute US$ 350 million and US$ 150 million, respectively, over the 5-7 years further the setting-up of the investment fund. These financial resources will be allocated to the construction of new hotels on empty land or as part of urban regeneration projects, as well as the acquisition of existing establishments accompanied by a change of brand. Approximately 40 hotels (or 9,000 rooms) will cover the full spectrum of your Company's brand, from economy to luxury, including residences.

During fiscal year 2020, the Kasada Capital Management fund acquired hotels under the Accor brand and launched the development of new hotel projects under the Accor brand. Thus, in fiscal year 2020, your Company paid an amount of €30.2 million under this partnership agreement.

Agreements approved during fiscal year 2020

We were also informed of the performance, during fiscal year 2020, of the following agreement, previously approved by the Annual General Meeting of June 30, 2020, as indicated in the Statutory Auditors' special report of April 2, 2020.

With SASP Paris Saint-Germain Football

Person(s) concerned

Sheikh Nawaf Bin Jassim Bin Jabor Al-Thani and Aziz Aluthman Fakhroo, directors of the Company, designated 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 your 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.

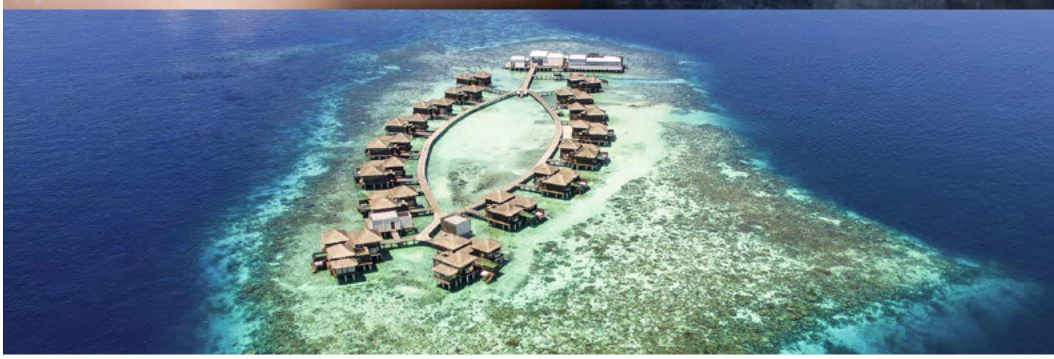
Neuilly-sur-Seine and Paris-La Défense, March 31, 2021

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit		ERNST & YOUNG et Autres	
Olivier Lotz	Cédric Haaser	Jean-Christophe Goudard	François-Guillaume Postel

SECTION 4



BUSINESS REVIEW AND SUBSEQUENT EVENTS

4.1 2020 business review

Against the background of the unprecedented global crisis triggered by the Covid-19 pandemic, Accor's operations and results were heavily impacted in 2020.

First, the Group completed the implementation of its *asset-light* model with disposals of 85.8% of Orbis for €1.06 billion and 16 leased Mövenpick hotels.

Subsequently, the rapid prorogation of the pandemic and the deterioration in the industry climate led Accor to introduce measures to support its employees, its individual partners, healthcare workers and the vulnerable with the launch of the ALL Heartist Fund.

In parallel, the Group partnered up with Bureau Veritas to reassure guests regarding the health protocols being used in its hotels with the creation of the 'ALLSAFE' label and with Axa Partners to offer them medical assistance during their stays.

Accor also took steps to preserve cash, specifically by suspending the payment of a €280 million dividend, the €700 million share buyback program the suspension of major external growth transactions, the reductions in recurring investment to €102 million and central costs to €60 million as well as the streamlining of costs related to distribution, marketing and IT.

The Group strengthened its statement of financial position to keep cash at close to €4 billion by arranging a €560 million credit facility without a covenant, supplementing an unused facility for €1.2 billion – which benefitted from an extension to the suspension of the applied covenant until June 2022 – and by issuing €500 million in anticipation of the redemption of bonds maturing in February 2021.

Accor also conducted an in-depth analysis of its organization to increase efficiency and bring it more into line with its operating model. A €200 million recurring cost savings plan was unveiled and implemented, carrying a non-recurring cost of approximately €300 million recognized up to 2023, €168 million of which was booked in other income and expenses in the income statement.

Accor continued to grow its ecosystem of brands and services by acquiring all of SBE's hotel operations for and entered into exclusive negotiations with Ennismore to create a world leader in the Lifestyle hospitality sector.

The Group continued to expand with the opening of 205 hotels in 2020, comprising 28,942 rooms, raising its hotel portfolio to 753,344 rooms (5,139 hotels) with a further 212,000 rooms (1,209 hotels) in the pipeline.

Down 62.0% over 2020, consolidated RevPAR reflects the broad deterioration across the industry linked to the lockdown measures and border closures put in place to limit the movement of people in an effort to combat the epidemic.

Nevertheless, we saw signs of significant recovery in all regions in Q3, with a strong summer season in Europe, after the low point seen in Q2. The new restrictions implemented by European governments in response to the resurgence of the epidemic in the final quarter halted the summer recovery. Consolidated RevPAR fell 66.2% in Q4 and RevPAR in Europe was down 73.1%, while the gradual recovery continued in other regions.

As a result, Accor's 2020 revenue fell sharply to €1,621 million with EBITDA of –€391 million. There was an operating loss of –€2,201 million, which reflected a share of net profit (loss) of associates and joint ventures of –€578 million and asset impairment of €1,031 million. Net financial expenses amounted to –€108 million while net profit (loss), group share totaled –€1,988 million.

Consolidated results at December 31, 2020

(in €m)	2019	2020	Change (as reported)	Change (like-for-like) [1]
Revenue	4,049	1,621	(60.0)%	(54.8)%
EBITDA	**825**	**(391)**	**(147.4)%**	**(140.2)%**
EBITDA margin	20.4%	(24.1)%	(44.5) pts	(41.6) pts
EBIT	**497**	**(665)**		
Share of net profit of affiliates and joint-ventures	3	(578)		
Other income and expenses	177	(958)		
Operating profit	678	(2,201)		
Profit (loss) from continuing operations, Group share	**447**	**(2,244)**		
Profit (loss) from discontinued operations	17	257		
NET PROFIT, GROUP SHARE	**464**	**(1,988)**		

(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.

Revenue

Group revenue totaled €1,621 million, down 54.8% like-for-like and 60.0% as reported versus full-year 2019.

(in €m)	2019	2020	Change (as reported)	Change (like-for-like) [1]
HotelServices	2,894	1,142	(60.5)%	(59.8)%
Hotel Assets	1,077	398	(63.0)%	(45.8)%
New Businesses	159	91	(43.2)%	(42.9)%
Holding & Intercos	(81)	(9)	N/A	N/A
TOTAL	**4,049**	**1,621**	**(60.0)%**	**(54.8)%**

(1) Like for like: at constant scope of consolidation and exchange rates.

Reported revenue for the period reflects the following factors:

- Changes in the scope of consolidation (acquisitions and disposals) had a negative impact of –€155 million largely due to the sale of the Mövenpick leased hotels.
- Currency effects had a negative impact of –€53 million, mainly due to the Australian dollar (-2.7%) and the Brazilian real (-24.7%).

EBITDA

Consolidated EBITDA was **negative at €391 million** at December 31, 2020. Sensitivity of EBITDA to RevPAR changes amounted to –€18 million for each percentage point decline in RevPAR in H2 versus –€19 million in H1, due mainly to better cost control. The **EBITDA margin** came to **-24.1%.**

(in €m)	2019	2020	Change (as reported)	Change (like-for-like) [(1)]
HotelServices	741	(257)	(134.8)%	(132.8)%
Hotel Assets	216	3	(98.5)%	(77.5)%
New Businesses	(2)	(25)	N/A	N/A
Holding & Intercos	(129)	(112)	N/A	N/A
TOTAL	**825**	**(391)**	**(147.4)%**	**(140.2)%**

(1) Like for like: at constant scope of consolidation and exchange rates.

Down 134.8% as reported and 132.8% like-for-like, the **EBITDA of HotelServices came to –€257 million,**compared with €741 million in 2019, primarily due to the Sales, Marketing, Distribution and Loyalty (SMDL) division. For reference, this division is supposed to spend the equivalent of the fees received from hotel owners. However, against the background of the health crisis, costs did not fall in line with revenue resulting in negative EBITDA. The hotel payroll costs borne by the Group were repaid by the hotels and are included in HotelServices revenue (in application of IFRS 15).

New Businesses EBITDA came to –€25 million compared with –€2 million in 2019. This loss was limited having regard to the €68 million fall in revenue recorded in 2020. The businesses most impacted by the crisis are the ones most exposed to the travel industry and hotel booking services.

Hotel Assets & Others were in the black to the tune of €3 million, down 98.5% as reported and 77.5% like-for-like. The difference between these bases is due to the disposal of the Mövenpick leased hotels and the transformation of the model that saw the division refocus on Asia-Pacific and on the Strata businesses (room and apartment distribution and property management), Accor Vacation Club (timeshare business) and AccorPlus (discount card program).

Combined, the **Holding & Intercos lines,** which represent corporate overheads, reported slightly improved EBITDA thanks to the implementation of the cost cutting plan since March 2020.

EBIT

Consolidated **EBIT** came to **–€665 million** at December 31, 2020 compared with +€497 million at December 31, 2019.

(in €m)	2019	2020
Revenue	**4,049**	**1,621**
Personnel expenses	(1,939)	(1,115)
Rental expense	(62)	(12)
Other operating expenses	(1,223)	(885)
EBITDA	**825**	**(391)**
Depreciation, amortization and provisions	(328)	(274)
EBIT	**497**	**(665)**

Personnel expenses, which include hotel payroll costs reimbursed to Accor by partner hotel owners amounted to **€1,115 million** in 2020 versus €1,939 million in 2019, representing a decrease of 42%. This decline was mainly due to the effect of measures taken by the Group in response to the pandemic in addition to the reduction in costs recharged to the owners due to the closure of the hotels and government partial unemployment and job support measures received, primarily in Australia, Canada, Germany and France.

Rental expense, which is the variable portion of rents for hotel assets operated under leases amounted to **€12 million in 2020, compared with €62 million in 2019 as a result of the disposal of the Mövenpick leased hotels.**

Other operating expenses fell to €885 million versus €1,223 million in 2019. They mainly consist of marketing, advertising, promotional, distribution and IT costs, which fell as a result of the cost cutting measures taken by the Group as from March 2020.

Depreciation, amortization and provisions amounted to **€274 million** compared with €328 million at December 31, 2019.

Operating profit (loss)

The **operating profit** of €678 million in 2019 turned into an operating loss of **–€2,201 million.**

(in €m)	2019	2020
EBIT	**497**	**(665)**
Share of net profit (loss) of associates and joint ventures	3	(578)
Restructuring expenses	(8)	(167)
Asset impairment	(181)	(1,031)
Gains and losses on disposal	352	1
Other non recurring income and expenses	15	240
OPERATING PROFIT (LOSS)	**678**	**(2,201)**

- The **share of net profit (loss) of affiliates and joint-ventures came to –€578 million** stemming from the combination of operating losses and asset impairment. The main contributors were AccorInvest (€390 million), SBE (€66 million) and Huazhu (€21 million).
- **Restructuring expenses** totaled **€167 million,**resulting from a transformation plan designed to streamline the Accor Group structure to make it more efficient.
- **Asset impairment** amounted to **€1,031 million** compared with €181 million in 2019. These write-downs were the result of prospects of a return to pre-crisis RevPAR levels in 2024 and an increase in discounting rates owing to market volatility. They mainly relate to brands (€263 million), hotel management contracts (€189 million), goodwill of the Hotel Assets & Others segment (€122 million) and New Businesses (€60 million), the loan granted to the SBE entity prior to the takeover (€266 million) and associates and joint-ventures (€96 million), as indicated in Notes 2.1, 7 and 8.3 to the consolidated financial statements.
- **Gains and losses on disposal amounted to a mere €1 million.** For reference, a gain of **€352 million had been recognized in 2019** and specifically included the proceeds from the disposal of the 4.9% interest in Huazhu Group Ltd for €301 million.
- **Other non-recurring income and expenses** amounted to **€240 million** compared with €15 million in 2019. They included the positive impact of the repayment of the €254 million withholding tax paid over the 2002-2004 period. For reference, a **reversal of provisions for pensions of €37 million** was recognized in 2019, resulting from the freezing of the supplementary pension schemes applied in accordance with the provisions of France's Pacte law.

Net profit (loss), Group share

(in €m)	2019	2020
Operating profit (loss)	**678**	**(2,201)**
Net financial income (expenses)	(75)	(108)
Income tax	(138)	62
Net profit (loss) from discontinued operations	20	257
Consolidated net profit (loss)	485	(1,990)
NET PROFIT (LOSS), GROUP SHARE	**464**	**(1,988)**
EARNINGS PER SHARE *(in €)*	**1.55**	**(7.71)**
Net profit (loss), minority interests	21	(2)

Net financial expenses amounted to **–€108 million** at end-December 2020, compared with –€75 million at end-December 2019. This €33 million deterioration is mainly attributable to the following:

- A €6 million reduction in the cost of net debt;
- A €39 million increase in other financial expenses, including a €12 million change in translation losses;

The Group posted **income tax receipts** of **€62 million** compared with an expense of €138 million in 2019.

Profit (loss) from discontinued operations was **€257 million** compared with €20 million at December 31, 2019, primarily reflecting the gain on the disposal of Orbis.

Net profit (loss), Group share was **–€1,988 million compared with €464 million in 2019.** Based on a weighted average number of shares outstanding of 262,233,805 at December 31, 2020, earnings per share were –€7.71 at December 31, 2020, compared with €1.55 in 2019.

Recurring free cash flow

(in €m)	2019	2020
EBITDA	**825**	**(391)**
Cost of net debt	(73)	(66)
Income tax paid	(122)	16
Payment of lease liabilities	(137)	(84)
Non-cash revenue and expense included in EBITDA and other	104	160
Gross cash flow before non-recurring items	**597**	**(365)**
Recurring investment on existing assets and assets under development	(161)	(102)
Change in working capital requirement and contract assets	(2)	(260)
Recurring free cash flow	**434**	**(727)**
Cash conversion rate (1)	**77%**	**N/A**

(1) (EBITDA – recurring expenditure – payment of lease liabilities) / (EBITDA – payment of lease liabilities).

Funds from operations amounted to –€365 million at December 31, 2020, compared with €597 million at December 31, 2019, due to the significantly lower revenue in 2020 and EBITDA of –€391 million.

Recurring expenditure, which includes “key money” paid by HotelServices for its development and its digital and IT investments, was reduced to **€102 million** in 2020, versus €161 million in 2019. This reduction resulted from a review of expenditure planned for 2020 in connection with the measures rolled out in response to the Covid-19 crisis.

The change in **working capital and contract assets** stood at **–€260 million**versus –€2 million in 2019. This reflects extensions to payment deadlines granted to hotel owners tackling the health crisis, with many of them forced to temporarily close their establishments.

Recurring free cash flow was **–€727 million** at December 31, 2020, versus free cash flow of +€434 million in 2019.

Average monthly liquidity consumption was €61 million for full year 2020, down from €80 million in the first half of 2020 thanks to the cost-saving measures adopted by the Group to preserve its liquidity.

- A €60 million cut in central costs, freezing hiring and travel expenses and implementing partial unemployment for staff.
- A reduction in planned recurring investments for 2020 to around €100 million;
- Rationalization of distribution, marketing and IT costs;

Overall, the Group improved the sensitivity of EBITDA to RevPAR from €20 million in the first half of the year to €18 million in the second half.

Strengthening the Group's cash position

Accor strengthened its statement of financial position with the arrangement of a new €560 million revolving credit facility in May 2020. This facility, which does not have bank covenants, comes on top of the undrawn €1.2 billion facility signed in July 2018, for which the Group negotiated a postponement to the application of covenants out to June 2022.

By adding these two revolving credit facilities to existing cash resources (€2.5 billion), the Group had a strong cash position of over €4.0 billion at end-December 2020.

In November 2020, the Group also issued €500 million in convertible bonds in anticipation of the redemption of €550 million in bonds maturing in February 2021.

Swift roll-out of €200 million recurring cost savings plan in 2020

In parallel, Accor conducted an in-depth analysis of its organization to adapt it to the Group's asset-light model. A **€200 million recurring cost savings plan** was presented in August 2020 and is being implemented as anticipated. Its implementation carries a non-recurring cost of €300 million recognized under EBITDA, €168 million of which was booked in 2020 in other income and expenses in the income statement.

Cost savings are divided equally between wage and non-wage costs. 40% of these savings will be generated in the Management & Franchise and Holding segments and 60% in the Sales, Marketing, Distribution and Loyalty (SMDL) division. The positive impact expected on EBITDA in 2021 is over €70 million, as announced.

Dividend and payout ratio

For reference, the Board of Directors decided in 2020 not to propose a dividend to shareholders in respect of fiscal 2019 given the uncertainties that the Covid-19 pandemic has created for Accor's business.

In light of the current circumstances and continuing uncertainties, the Board of Directors has again proposed not to pay out dividends at the next Annual Shareholders' Meeting.

(in €m)	**2019**	**2020**
Recurring free cash flow [1]	**434**	**(727)**
Weighted average shares outstanding *(in millions of shares)*	272	262
Recurring free cash flow [1] per share *(in €)*	1.6	(2.8)
Ordinary dividend per share *(in €)*	**-** [2]	**-** [2]
Ordinary dividend	**-**	**-**
Payout ratio	-	-

(1) Corresponds to funds from operations, less 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 2019 or 2020 due to the health crisis.

Financial flows

(in €m)	2019	2020
Recurring free cash flow	**434**	**(727)**
Acquisitions and disposals of assets	109	914
Restructuring of SBE's debt	-	(255)
Sequana Loan	-	281
Change in lease liabilities	(548)	131
Dividends	(294)	(2)
Share buybacks	-	(300)
Hybrid financial instruments (net of issuance expenses) [1]	148	(161)
Others	(48)	126
CHANGE IN NET DEBT	**(199)**	**7**
Net debt	**1,353**	**1,346**

(1) Balance from two new perpetual hybrid bond issues for €500 million each, with coupons of 4.375% and 2.625%, respectively, as part of the partial €772 million redemption of the June 2014 €900 million perpetual hybrid bond issue.

In 2019, the €148 million represents the cash surplus from the partial redemption, minus the €42 million coupon paid to bondholders.

In 2020, the –€161 million represents the redemption of the residual outstanding amount, plus the €34 million coupon paid to bondholders.

Acquisitions and disposals of assets in 2020 totaled **€914 million,** and in particular included the disposal of Orbis for €1,051 million.

Lease liabilities fell **€131 million.**

Consolidated net debt at end-December 2020 stood at **€1,346 million**, versus €1,353 million at end-December 2019. This stability reflects the following:

- Negative free cash flow of €727 million;
- A cash outflow of €255 million for the restructuring of sbe debt ;
- The redemption of the final €300 million tranche of the share buyback program dating from 2018;
- The redemption of the hybrid bonds issued in 2014 and payment of a €161 million coupon;
- The disposal of the Orbis property portfolio for €1,051 million;
- The repayment of €307 million in respect of the withholding tax paid over the 2002-2004 period;
- The reclassification under held for sale liabilities of the debt arranged to acquire the Group's Paris headquarters for €281 million.

At December 31, 2020, the **Group's average cost of debt** came to **1.61%** with an **average maturity of 3.2 years,** with no major maturities before 2023.

Consolidated income by strategic business

The Group is organized around the three main strategic divisions presented below. The cost of central support functions (governance, finance, communication, human resources, legal, etc.) is presented separately in a dedicated section "Corporate & Intercos."

HOTELSERVICES	NEW BUSINESSES	HOTEL ASSETS & OTHER	HOLDING & INTERCOS
MANAGEMENT & FRANCHISE • Purchasing SERVICES TO HOTEL OWNERS • Sales, Marketing, Distribution • Shared services • Reimbursement of personnel expenses	• Onefinestay • D-Edge • VeryChic • John Paul • Gekko • Resdiary • Adoria	• Mantra hotels, owned or operated under fixed leases • Hotels operated under variable lease agreements based on EBITDAR in Brazil • Sofitel Gezirah/BelOmbre • AccorPlus • Strata • Timeshare	• Interco eliminations • Corporate functions

Global indicators by division

In 2020, Accor posted **EBITDA** of **–€391 million,**down 147.4% as reported and 140.2% like-for-like. The **EBITDA margin** fell 44.5 points to -24.1%.

(in €m)	HotelServices	New Businesses	Hotel Assets & Others	Holding & Intercos	Accor
2020 revenue	1,142	91	398	(9)	1,621
2020 EBITDA	**(257)**	**(25)**	**3**	**(112)**	**(391)**
2020 EBITDA margin	*(22.5)%*	*(28.0)%*	*0.8%*	*N/A*	*(24.1)%*
2019 revenue	2,894	159	1,077	(81)	4,049
2019 EBITDA	**741**	**(2)**	**216**	**(129)**	**825**
2019 EBITDA margin	*+25.6%*	*(1.2)%*	*+20.0%*	*N/A*	*+20.4%*

HotelServices

For reference, HotelServices encompasses the hotel manager and franchiser activities, which are presented separately:

- **Management & Franchise:** the hotel management and franchise business, based on the collection of management and franchise contract fees, as well as revenue generated by Procurement:
  - **Franchise agreements:** franchised hotels are operated by their owners. Accor provides various services to its franchisees, such as the use of its brands, first and foremost, and access to the Group's centralized booking system. The other services offered to owners include access to the centralized procurement system and to Accor Académie for employee training. Compensation takes the form of license payments, including brand licenses, distribution and marketing fees and, where appropriate, billing of additional services,
  - **Management contracts:** hotels under management contracts are similar to franchised hotels in that Accor only records the fees paid by the owner and not the hotel's revenue. However, these hotels are managed by Accor. Fees collected include franchise fees, as well as a revenue-indexed management fee and, in a number of cases, an owner-paid incentive fee representing a percentage of EBITDAR;
- **Services to Owners:** this comprises the various services on which the Group spends the sums received from the hotels: sales, marketing and distribution activities, loyalty program, shared services as well as re-billed costs incurred on behalf of hotels (such as the cost of employees working in them).

The Management & Franchise operations are divided into the following five operational regions:

- Europe;
- Middle East & Africa;
- Asia-Pacific;
- North America, Central America & the Caribbean;
- South America.

Revenue

HotelServices reported a business volume of €9 billion versus €22 billion in fiscal 2019, **and revenue of €1,142 million, down 59.8% like-for-like. Both reflect the deterioration in the RevPAR on the back of the Covid-19 pandemic and the restrictions introduced by governments worldwide.**

(in €m)	2019	2020
Business volume *(in billions of euros)*	22	9
Revenue	**2,894**	**1,142**
Management and franchise	1,026	292
Services to Owners	1,867	850
EBITDA	**741**	**(257)**
EBITDA margin	*25.6%*	*(22.5)%*

Management & Franchise revenue by region

Management & Franchise (M&F) fee revenue amounted to **€292 million**, down 71.4% like-for-like. The sharper decline in this item compared with RevPAR reflects the collapse in performance fees based on the hotel operating margin generated from management contracts.

(in €m)	2019	2020	Change (as reported)	Change LFL [1]
Europe	525	135	(74.4)%	(74.3)%
Asia-Pacific	214	76	(64.6)%	(63.8)%
Middle East & Africa	107	29	(72.9)%	(74.6)%
North America, Central America & the Caribbean	132	37	(71.8)%	(72.0)%
South America	49	15	(69.1)%	(65.3)%
TOTAL	**1,026**	**292**	**(71.6)%**	**(71.4)%**

(1) Like for like: at constant scope of consolidation and exchange rates.

2020 RevPAR [1] (excl. tax) by segment

	Occupancy rate		Average price		RevPAR	
	%	Chg pts LFL	€	Chg % LFL	€	Chg % LFL
Luxury & Upscale	24.6	(45.0)	154	(1.5)	38	(65.8)
Midscale	27.7	(43.9)	85	(11.0)	23	(65.7)
Economy	31.5	(40.4)	58	(10.9)	18	(61.0)
Europe	**29.4**	**(42.0)**	**76**	**(11.3)**	**22**	**(63.3)**
Luxury & Upscale	36.2	(28.8)	91	(18.1)	33	(54.5)
Midscale	40.5	(31.9)	63	(16.6)	25	(54.6)
Economy	45.9	(28.7)	33	(22.9)	15	(54.0)
Asia-Pacific	**40.3**	**(30.0)**	**62**	**(19.4)**	**25**	**(54.9)**
Luxury & Upscale	28.9	(36.6)	121	(13.3)	35	(62.3)
Midscale	40.1	(25.8)	60	(10.1)	24	(43.8)
Economy	31.3	(33.1)	46	(10.0)	14	(54.6)
Middle East & Africa	**31.4**	**(33.7)**	**92**	**(15.9)**	**29**	**(59.9)**
Luxury & Upscale	23.2	(49.7)	199	(17.1)	46	(73.5)
Midscale	24.6	(54.3)	115	(18.7)	28	(77.4)
Economy	25.7	(35.3)	33	(11.7)	9	(62.9)
North America, Central America & the Caribbean	**23.5**	**(49.0)**	**172**	**(18.5)**	**41**	**(73.9)**
Luxury & Upscale	19.4	(36.6)	92	(3.9)	18	(65.9)
Midscale	24.1	(36.0)	47	(5.7)	11	(62.6)
Economy	23.8	(32.5)	31	(4.8)	7	(59.2)
South America	**23.4**	**(33.9)**	**40**	**(7.3)**	**9**	**(61.9)**
Luxury & Upscale	29.9	(36.9)	120	(18.5)	36	(63.6)
Midscale	32.5	(38.7)	72	(14.6)	24	(61.9)
Economy	33.4	(36.7)	48	(14.5)	16	(59.9)
TOTAL	**32.1**	**(37.4)**	**73**	**(16.7)**	**24**	**(62.0)**

(1) RevPAR, or Revenue Per Available Room, is an indicator of business performance over a given period. It reflects the revenue generated per available room over a given period. It is calculated by multiplying the average room rate by the average occupancy rate.

Consolidated RevPAR was **down 62.0% overall** for 2020, and down 64.5% for the second half.

Management & Franchise revenue was down a sharp 74.3% like-for-like in Europe, reflecting a 63.3% decline in RevPAR that was generally consistent across all segments.

- In **France,** RevPAR was down 57.6% like-for-like in 2020. After a promising Q3 driven by the regional cities (RevPAR down 49.1% in 2020) compared with Paris and the Paris region (RevPAR down 68.9% in 2020), the RevPAR recovery stalled in Q4 with the second lockdown. The lack of foreign visitors continues to have a significant impact on France's capital city.
- In the **United Kingdom,** RevPAR fell 73.3% in 2020. RevPAR in London was down 78.5%, slightly harder hit than the rest of the country (-67.3%) where domestic activity was stronger. The United Kingdom was affected by longer lockdowns than the rest of Europe as the resurgence of the pandemic was more virulent there.
- In **Germany,** where lockdown measures were reinstated in Q4, RevPAR was down 64.7% in 2020.
- In Spain, RevPAR fell 74.9% in 2020.

Management & Franchise revenue in **Asia-Pacific** was down 63.8% like-for-like as a result of a 54.9% decline in RevPAR.

- In **China,** the recovery observed from Q2 onwards gathered pace quarter after quarter, resulting in a 44.2% decline in RevPAR over the year (-18.1% in Q4). The Luxury & Premium segment outperformed the Economy and Midscale segments, reflecting the deep desire among the Chinese population to travel again. The new travel restrictions in place since the beginning of 2021, notably for the Chinese New Year, nonetheless highlight the fragility of the health situation and its impact on the recovery.
- In **Australia,** where the health crisis has by and large been well managed, RevPAR fell 53.3% in full-year 2020. The recovery that began in December, the start of the summer season, continued. Although external borders remain closed there is sustained domestic demand. As seen in Europe in Q3, leisure destinations, and in particular the Mantra hotels, benefited from this demand.

The **Africa & Middle East** region reported Management & Franchise revenue down 74.6%, with RevPAR declining 59.9%. Business recovered gradually, particularly with a strong December for the United Arab Emirates thanks to the resumption of air travel.

North America, Central America & the Caribbean reported a 72.0% decrease in Management & Franchise revenue, in line with the fall in RevPAR of 73.9% in 2020. This sharp decline reflects the nature of Accor's portfolio, with its many business hotels targeting group guests and MICE (Meeting, Incentives, Conferences & Events).

Finally, activity in **South America** also enjoyed a gradual recovery, with RevPAR down 61.9% in 2020. Management & Franchise revenue was down 65.3%.

Services to Owners, which includes the Sales, Marketing, Distribution and Loyalty (SMDL) divisions, as well as shared services and the repayment of hotel payroll costs, fell 53% like-for-like to **€850 million,** versus €1,867 million in full-year 2019.

EBITDA

HotelServices' **Management & Franchise** division saw EBITDA down 97.0% like-for-like. Asia-Pacific reported EBITDA that is slightly ahead of other regions as a result of a faster recovery.

Overall, the sharper decline in EBITDA versus revenue can be attributed to the allocation of provisions for doubtful receivables as well as fixed costs.

Management & Franchise EBITDA by region

(in €m)	2019	2020	Change (as reported)	Change LFL [(1)]
Europe	416	4	(99.0)%	(98.8)%
Asia-Pacific	152	22	(85.8)%	(85.5)%
Middle East & Africa	82	(1)	(101.7)%	(103.1)%
North America, Central America & the Caribbean	92	4	(95.8)%	(93.5)%
South America	24	(4)	(115.5)%	(131.2)%
TOTAL	**765**	**25**	**(96.8)%**	**(97.0)%**

(1) Like for like: at constant scope of consolidation and exchange rates.

HotelServices performance

HotelServices **EBITDA** was **–€257 million** for full-year 2020. This performance breaks down as positive EBITDA of €25 million for Management & Franchise and a negative contribution from Services to Owners of –€282 million. The latter stems from high fixed costs coupled with a sharp decline in RevPAR for the Sales, Marketing, Distribution and Loyalty (SMDL) businesses. For reference, revenue from Services to Owners includes payroll costs incurred by HotelServices and reimbursed by the hotel owners.

The **EBITDA margin** fell 48.1 points.

(in €m)	M&F	Services to Owners	HotelServices
2020 Revenue	292	850	1,142
2020 EBITDA	**25**	**(282)**	**(257)**
2020 EBITDA margin	*8.4%*	*(33.2)%*	*(22.5)%*
2019 revenue	1,026	1,867	2,894
2019 EBITDA	**765**	**(24)**	**741**
2019 EBITDA margin	*+74.5%*	*(1.3)%*	*+25.6%*

- The **Management & Franchise EBITDA margin** was 8.4% versus **74.5% in 2019.** For reference, this division includes the management, brand and profit-sharing fees of hotels operated by the Group.
- **Services to Owners** is intended to spend all fees received from hotels on sales, marketing, distribution, loyalty (SMDL) and shared services. However, given the very sharp fall in RevPAR because of the health crisis, costs did not fall to the same extent as revenue (IT and sales force), thereby creating a **€282 million** imbalance. Repayments of payroll costs also declined as a result of hotel closures, which led to leave, technical unemployment and lay-offs decided from March. **The EBITDA margin** was –33.2% versus –1.3% in 2019.
- **Organic development** rose 1.9%, reaffirming the appeal of the Group's brands for owners despite the challenging climate. Accor opened 205 new hotels, with 28,942 rooms; it enjoys highly encouraging prospects, with a pipeline of 1,209 hotels and 212,000 rooms at end-December 2020. 43% of the openings were postponed to 2021 due to the poor conditions, but cancellations have been marginal.

New Businesses

For reference, this division encompasses the new businesses developed by the Group, mainly through acquisitions:

- Digital services, which offer digital solutions for independent hotels to foster the development of their direct sales (activity carried out by D-Edge) and restaurant owners to optimize table management and supplies (activities carried out by ResDiary and Adoria);
- Hotel booking services for companies and travel agencies with Gekko;
- Concierge services provided by John Paul;
- Digital sales, carried out by VeryChic, which offers exclusive private sales of luxury and upscale hotel rooms and breaks;
- Luxury home rentals operated by onefinestay, which has a portfolio of over 5,000 addresses worldwide.

(in €m)	2019	2020	Change (as reported)	Change (like-for-like) [1]
Revenue	159	91	(43.2)%	(42.9)%
EBITDA	**(2)**	**(25)**	**N/A**	**N/A**
EBITDA margin	*(1.2)%*	*(28.0)%*	*(26.8) pts*	*(26.9) pts*

(1) Like for like: at constant scope of consolidation and exchange rates.

New Businesses generated **revenue of €91 million** in 2020, down 42.9% like-for-like. This change masks disparities between the hard-hit businesses directly related to the Travel segment, such as onefinestay private luxury home rentals, and the digital businesses, such as D-Edge services.

New Businesses' EBITDA was –€25 million in 2020 versus –€2 million in 2019. As is true for revenue, EBITDA varies widely as each business is different in nature. The decision to restructure and rationalize onefinestay and John Paul in particular made it possible to contain operating losses in a challenging environment. VeryChic and Gekko have business models that were more exposed to the effects of the pandemic. VeryChic made use of credit notes for bookings owing to the halt to air transport. Moreover, Gekko suffered from significant cancellation charges.

Hotel Assets & Others

The Hotel Assets & Other division corresponds to the Group's owner-operator activities (owned and leased hotels). It encompasses hotels operated in Eastern Europe and the hotels of the Mantra and Mövenpick groups, as well as a number of other hotels, primarily in Brazil, operated under variable rent leases based on a percentage of EBITDAR.

Its business model aims to improve the return on assets and optimize the impact on the statement of financial position. The division spans all asset portfolio management activities, hotel design, construction, refurbishment and maintenance activities. This division also includes the following activities in Asia-Pacific: AccorPlus (discount card program), Accor Vacation Club (timeshare business) and Strata (room distribution and management of common areas).

(in €m)	2019	2020	Change (as reported)	Change (like-for-like) [1]
Revenue	1,077	398	(63.0)%	(45.8)%
EBITDA	**216**	**3**	**(98.5)%**	**(77.5)%**
EBITDA margin	20.0%	+0.8%	(19.2) pts	(18.2) pts

(1) Like for like: at constant scope of consolidation and exchange rates.

Hotel Assets & Other revenue was down 45.8% like-for-like to **€398 million.** This segment saw a more moderate decline in business than fluctuations in RevPAR, thanks to the delayed spread of the pandemic to Brazil and Australia. The Strata businesses in Australia also proved more resilient and benefited from leisure demand along the eastern coast of the country. The 63.0% decline in revenue as reported was exacerbated by the disposal of the Mövenpick leased hotels in March 2020.

Given the switch to an asset-light model, this division is now heavily driven by the Asia-Pacific region and by Brazil.

Hotel Assets & Other EBITDA came to **€3 million** in 2020 versus €216 million in 2019. The 77.5% decline like-for-like includes measures implemented to adjust the cost structure to limit losses. These measures comprise headcount reductions and/or use of partial unemployment in Europe and in Australia. In addition, the division enjoyed a strong season in Australia and saw its exposure limited in Brazil and Turkey thanks to variable leases. The 98.5% decline as reported was the result of the disposal of the Mövenpick leased hotels. **Hotel Assets & Other EBITDA margin** came to 0.8%.

The **Hotel Assets portfolio** contained 161 hotels and 29,102 rooms at December 31, 2020.

4.2 2020 parent company management report

Review of the Company's activities

Accor SA (hereafter "the Company") provides other Group companies with hotel management, procurement, cash management, IT and advertising services, as well as various advisory services, and assigns staff to them as required. Billings for these services 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, the Company manages a substantial portfolio of equity interests, receives dividends from subsidiaries and leads the Group's expansion.

The Company has two branches outside France, in Dubai and in Egypt. Their accounting losses contributed –€11.6 million to net Company earnings as of December 31, 2020.

The global spread of the Covid-19 virus as well as the measures taken by governments to slow its spread (in particular travel bans, border closures and lockdowns) seriously affected the tourism and hospitality sectors in 2020. The Company's operations were heavily impacted by the closure of close to 60% of the hotels operating under the Accor banner in April and May. Despite an upturn in the summer season, the contraction in leisure guest numbers since end-August along with further travel restrictions associated with the second wave of the pandemic, particularly in Europe, slowed the recovery in the second half of 2020. As of December 31, 2020, 18% of the Group's hotels were closed, primarily in Europe.

Review of 2020 results

The Company's **revenue** amounted to €530.6 million at end-December 2020, compared with €1,217.9 million at end-December 2019 across all operations. This 56.4% (i.e. €687.3 million) reduction was due to the lower level of fees from managed and franchised hotels. In 2020, the tourism industry was very significantly affected by the global spread of Covid 19.

Revenue includes hotel royalties, rental and business-lease revenue and service fees.

(in €m)	2019	2020
France	514	295
Outside France	704	236
REVENUE EXCL. TAX	**1,218**	**531**

In 2020, **own work capitalized, reversals of depreciation, amortization and provisions and expense transfers, and other income** amounted to €74.5 million versus €172.8 million as of December 31, 2019. This €98.3 million decrease is chiefly attributable to a €30.9 million reduction in the value of own work capitalized, and €66.2 million from reversals of depreciation, amortization and provisions and transfers of charges.

Operating expenses stood at €1,009.9 million as of December 31, 2020, compared with €1,446.1 million as of December 31, 2019. This €436.2 million reduction is mainly due to the €344.1 million fall in other external purchases and charges and in particular the €202.9 million in the external service and fee line items following the freezing of projects in 2020, €52.8 million in advertising, €50.7 million in rebates and discounts, €40.7 million in bank fees for the bank refinancing partly offset by the €32.1 million increase in sponsorship owing to the start of a contract in the middle of fiscal 2019.

Putting some staff on part-time in 2020 and the reduction in variable compensation helped reduce wages and salaries by €52 million. Operating provisions were down €14.3 million, comprising a €31.9 reduction in provisions for contingencies and charges and increases of €7.5 million in provisions for receivables, €7 million for depreciation and amortization and €3.1 million in impairment for management contracts. Other operating expenses were down €14.3 million including €30 million in Soluxury fees offset by a loss on a minimum guaranteed payment of €18.1 million.

Operating loss in 2020 amounted to €404.9 million, compared with €55.4 million in 2019, representing a decrease in the loss of €349.5 million.

Net financial expenses came to –€947.3 million in 2020, compared with +€274.4 million in 2019, a €1,221.7 million decrease mainly reflecting the decline in dividend payments from subsidiaries, the increased impairment and provisions of investments in subsidiaries along with the reduced dividend payments from these subsidiaries.

At end-December 2020, dividend income amounted to €79.9 million compared with €238.8 million at end-December 2019. The decline is mainly due to the context of the health crisis in which dividend payments were suspended.

Changes in financial provisions represented a net expense of €958.7 million at end-2020, compared with net income of €87.1 million at end-2019. Changes in financial provisions mainly related to impairment of investments in subsidiaries. The largest increases involved investments in Accor Invest Group for €480.2 million, Mövenpick Hotels Resort for €79.8 million, AAPC Australia for €59.5 million and Actimos for €50.4 million.

Recurring income before tax came to –€1,352.2 million in 2020, compared with +€219.4 million in 2019.

Net non-recurring income totaled €294.2 million in 2020, versus net non-recurring expenses of €30.3 million in 2019. This income for the year was largely attributable to (i) trading in equity investments with the disposal of the securities of Orbis, which generated a gain of €446.8 million, the contribution of the securities of Accor Polska to Accor Services Poland, which generated a gain of €16.5 million, partly offset by a loss upon the liquidation of Turambar of €70.7 million (offset by a company dividend payment of €71 million outlined in financial income from equity investments), (ii) the recognition of €307 million in income from the repayment of the withholding tax for which a provision for contingencies of €53 million was booked on December 31, 2020, (iii) a loss of €258.5 million in respect of the loan agreed with its American subsidiary, SBE Ent Holdings and (iv) restructuring expenses of €89 million, mainly linked to Accor's transformation project and restructuring plan initiated in 2020 with a view to completing its transition to an asset-light model.

In 2020, **income tax** broke down into group relief of €1.7 million and an income tax benefit of €1.8 million, compared with group relief of €13.2 million and an income tax expense of €6 million in 2019.

The Company ended 2020 with a net loss of €1,054.5 million, versus a profit of €208.4 million in 2019.

Details of the other directorships and positions held by the Company's directors and corporate officers, as well as their compensation, are provided in the Corporate Governance section of the Universal Registration Document.

Supplier payment periods

Invoices received and past due at December 31, 2020 (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	2,038	130	78	33	447	688
Total amount of invoices	130,753,960	3,402,855	820,625	3,708,260	27,481,286	35,413,026
Percentage of total purchases for the period (excl. tax)	17.70%	0.46%	0.11%	0.50%	3.72%	4.79%
Percentage of revenue for the period (excl. tax)						
(B) Invoices excluded from (A) relating to disputed or unrecognized payables and receivables						
Number of invoices excluded	N/A					
Total amount of invoices excluded	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 December 31, 2020

	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	6,010	1,783	1,535	1,135	13,995	18,448
Total amount of invoices	124,769,766	13,811,225	16,853,048	10,090,877	111,717,146	152,472,296
Percentage of total purchases for the period (excl. tax)						
Percentage of revenue for the period (excl. tax)	23.52%	2.60%	3.18%	1.90%	21.06%	28.74%
(B) Invoices excluded from (A) relating to disputed or unrecognized payables and receivables						
Number of invoices excluded	N/A					
Total amount of invoices excluded	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					

The Company's operations in 2020

On March 11, 2020, the Company disposed of its holding in Orbis to AccorInvest for €992 million. This transaction generated a gain of €446.8 million.

On November 24, 2020, and December 15, 2020, FRHI Holdings Limited repaid the Company issue premiums totaling €241.1 million.

On November 24, 2020, the subsidiary, Accor SBE Acquisition Corp, which is fully owned by the Company, increased its share capital by €268.3 million in cash.

In November 2020, Devimco, whose share capital is fully owned by the Company transferred all of its assets and liabilities as part of a merger with the Company. The transaction resulted in a non-material merger gain, which was fully recognized under financial income.

In December 2020, Soparfi decided to dissolve early without liquidation, resulting in the transfer of all assets and liabilities to its sole shareholder, the Company. The transaction resulted in a merger gain of €1.4 million, which was fully recognized under financial income.

Transactions in the Company's shares

On April 2, 2020, the Board of Directors announced that it had withdrawn its proposal to pay the planned €280 million dividend for fiscal 2019.

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 Financial Markets 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 January 2020, the Company signed a €300 million share buyback contract with Natixis. On March 24, 2020, this buyback program was completed with the buyback of 10,175,309 of the Company's shares for €300 million. On June 30, 2020, the Company reduced its share capital by canceling 10,175,309 shares bought back for a total of €300 million.

Overall, the equity changed as a result of the issue of 625,687 new shares and the cancellation of 10,175,309 shares. These transactions reduced the share capital by €28.7 million.

Financing and placements

As of December 31, 2020, Accor SA had the following bank debts:

- €900 million worth of 2.625% seven-year bonds, comprising an initial €750 million issue carried out in February 2014 and a €150 million tap issue carried out in September 2014 (i.e. €900 million). In February 2019, Accor SA made a partial redemption of €350 million, breaking down as €150 million on the additional tranche and €200 million on the initial tranche. The balance of this bond was €550 million at the end of the fiscal year;
- A CHF150 million (€138 million as of December 31, 2020) 1.750% eight-year bond issue placed on the Swiss market in June 2014;
- 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 ;
- A €600 million, 1.25% seven-year bond issue carried out in January 2017;
- 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.

In addition, in June 2015, Accor SA purchased interest-rate swaps from Société Générale and Natixis for €300 million. These swaps are to hedge the €900 million in bonds issued in February 2014 and maturing in February 2021. The purpose of this transaction was to swap fixed-rate interest streams (2.625%) for floating rate streams at the six-month Euribor plus a spread.

Accor SA also has other equity capital 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;

In addition, on May 18, 2020, Accor SA announced it had signed an agreement with a consortium of banks for a €560 million revolving credit facility (RCF), which does not include a covenant. This comes on top of the €1,200 million credit facility arranged in June 2018 and strengthens Accor's cash position. With regard to the latter, Accor SA has obtained a suspension to its covenant application until June 2021. On February 8, 2021, further discussions with the banks led to the extension of the covenant suspension until June 2022 (see note 29 of the parent company financial statement notes in subsequent events). As of December 31, 2020, the Company had not drawn on these credit facilities.

In addition, as of December 31, 2020, the Company had €740 million in term deposits and €1,186 million in cash. The Company also has €498.5 million invested in mutual funds.

Information about subsidiaries

The Company has a 50% or higher interest in 77 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 2020, the Company acquired an additional 10.03% in the capital of Mama Shelter, increasing its stake to 35.38%. In parallel, the Company acquired an additional 18.36% in the capital of Town and Shelter, increasing its stake to 63.36%.

Subsequent events

The various subsequent events are discussed in sub-section 4.4.

4.3 Material contracts

In fiscal 2020, material contracts (other than contracts entered into in the ordinary course of business) corresponded to agreements signed in relation to disposals, acquisitions, organic growth and real estate transactions, as described in Notes 3 and 6 to the consolidated financial statements, pages 337 and 353.

4.4 Subsequent events

On November 24, 2020, Accor announced that it had entered into exclusive negotiations with Ennismore, a London-based hotel operator, with respect to an asset merger designed to create the largest Lifestyle hotel operator globally. Positioned in a fast growing market segment, the new entity would have a portfolio of 73 existing hotels operating under 12 brands and over 150 restaurants and bars. This deal, which will be subject to employee consultation and the usual regulatory clearance, should take place in the first half of 2021.

On January 15, 2021, the Group signed an agreement to acquire the remaining 50% interest in 25 hours, a company that was accounted for under the equity method in the Group's financial statements at December 31, 2020, for €61 million. This deal is consistent with the Group's development strategy for the Lifestyle segment. The company would in fact be transferred to the new entity that will be created with Ennismore. The deal is subject to conditions precedent, resulting in the takeover of 25 hours when the deal with Ennismore closes.

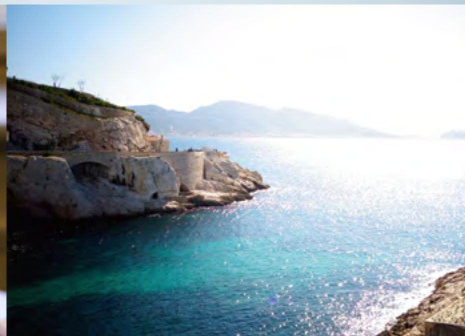
On January 14, 2021, the Extraordinary Shareholders' Meeting of AccorInvest approved a capital increase for an amount of €150 million, subscribed almost fully by shareholders in line with their shareholdings, i.e. €45 million for Accor. Furthermore, an additional capital increase for an amount of €327 million (of which €109 million for Accor) was approved by the company's Extraordinary Shareholders' Meeting held on March 1, 2021. These transactions are part of the restructuring of AccorInvest's bank borrowing which also includes a French government-backed loan which was granted on March 19, 2021.

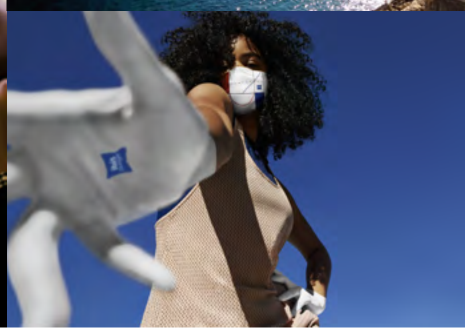
On February 5, 2021, Accor redeemed the maturing €550 million outstanding amount of a €900 million bond issued in February 2014. In 2019, this bond had been partially repurchased in the amount of €350 million. This redemption has been funded through the issuance of bonds convertible and/or exchangeable into new and/or existing shares (OCEANEs) on December 7, 2020.

On February 8, 2021, Accor was granted an extension to the covenant suspension, extended until June 2022, for the €1,200 million revolving credit facility, agreed in June 2018 with a bank consortium. As a result, the covenant will not be tested at the next two test dates on June 30 and December 31, 2021.

On February 18, 2021, Accor disposed of a portion of its interest in Huazhu Group Ltd, representing around 1.5% of the company's share capital, for $289 million (€239 million). Following this deal, the Group's remaining interest stood at 3.3%.

SECTION 5





FINANCIAL STATEMENTS

5.1 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.

5.1.1 Consolidated income statement

(in millions of euros)	Notes	2019	2020
REVENUE	4	4,049	1,621
Operating expenses	4	(3,224)	(2,012)
EBITDA	4	825	(391)
Depreciation, amortization and provision expenses		(328)	(274)
EBIT		497	(665)
Share of net profit of associates and joint-ventures	6	3	(578)
EBIT INCLUDING PROFIT OF ASSOCIATES AND JOINT-VENTURES		501	(1,243)
Other income and expenses	7	177	(958)
OPERATING PROFIT		678	(2,201)
Financial result	11	(75)	(108)
Income tax	12	(138)	62
PROFIT FROM CONTINUING OPERATIONS		465	(2,247)
Profit from discontinued operations	3	20	257
NET PROFIT OF THE YEAR		**485**	**(1,990)**
• Group		464	(1,988)
• from continuing operations		447	(2,244)
• from discontinued operations		17	257
• Minority interests		21	(2)
• from continuing operations		18	(2)
• from discontinued operations		3	0
Basic earnings per share *(in euros)*			
Earnings per share from continuing operations		1.49	(8.69)
Earnings per share from discontinued operations		0.06	0.98
Basic earnings per share		**1.55**	**(7.71)**
Diluted earnings per share *(in euros)*			
Diluted earnings per share from continuing operations		1.49	(8.69)
Diluted earnings per share from discontinued operations		0.06	0.98
Diluted earnings per share	**13**	**1.55**	**(7.71)**

5.1.2 *Consolidated statement of comprehensive income*

(in millions of euros)	Notes	2019	2020
NET PROFIT OF THE YEAR		**485**	**(1,990)**
Currency translation adjustments	13	153	(310)
Effective portion of gains and losses on hedging instruments	13	1	(28)
Currency translation adjustments from discontinued operations	13	1	(10)
Items that may be reclassified subsequently to profit or loss		**155**	**(348)**
Changes in the fair value of non-consolidated investments	13	4	(27)
Actuarial gains and losses on defined benefit plans	13	(20)	3
Actuarial gains and losses from discontinued operations	13	(0)	0
Items that will not be reclassified to profit or loss		**(16)**	**(24)**
Other comprehensive income, net of tax		**139**	**(372)**
TOTAL COMPREHENSIVE INCOME OF THE PERIOD		**624**	**(2,362)**
• Group share		607	(2,357)
• Minority interests		17	(5)

5.1.3 *Consolidated statement of balance sheet*

Assets

(in millions of euros)	Notes	Dec. 2019*	Dec. 2020
GOODWILL	8	1,947	1,879
OTHER INTANGIBLE ASSETS	8	3,130	2,668
PROPERTY, PLANT & EQUIPMENT	8	632	242
RIGHT-OF-USE ASSETS	9	531	377
Investments in associates and joint-ventures	6	1,841	1,166
Other non-current financial assets	11	383	170
NON-CURRENT FINANCIAL ASSETS		2,224	1,335
Deferred tax assets	12	218	157
Contract assets	4	216	201
Other non-current assets		4	3
Non-current assets		**8,903**	**6,862**
Inventories	4	20	21
Trade receivables	4	649	534
Other current assets	4	264	222
Current financial assets	11	61	38
Cash and cash equivalents	11	2,279	2,474
Current assets		**3,274**	**3,289**
Assets classified as held for sale	3	1,761	395
TOTAL ASSETS		**13,937**	**10,546**

* *Restated amounts following the finalization of purchase price allocation of Rixos acquired in 2019 (see note 8.1).*

Liabilities and shareholders' equity

(in millions of euros)	Notes	Dec. 2019*	Dec. 2020
Share capital	13	813	784
Additional paid-in capital and reserves	13	4,419	4,296
Net profit of the year		464	(1,988)
ORDINARY SHAREHOLDERS' EQUITY		5,695	3,092
Perpetual subordinated bonds	13	1,127	1,000
Shareholders' equity – Group share		**6,822**	**4,092**
Minority interests	13	153	66
Shareholders' equity	**13**	**6,975**	**4,158**
Long-term financial debt	11	2,840	2,473
Long-term lease debt	9	461	314
Deferred tax liabilities	12	621	513
Non-current provisions	10	89	132
Non-current contract liabilities	4	26	23
Non-current liabilities		**4,037**	**3,456**
Trade payables	4	441	327
Current liabilities	4	703	579
Current provisions	10	316	423
Current contract liabilities	4	228	205
Short-term financial debt	11	306	969
Short-term lease debt	9	87	102
Current liabilities		**2,080**	**2,606**
Liabilities associated with assets classified as held for sale	3	845	326
TOTAL EQUITY AND LIABILITIES		**13,937**	**10,546**

* *Restated amounts following the finalization of purchase price allocation of Rixos acquired in 2019 (see note 8.1).*

5.1.4 Consolidated statement of cash flows

	(in millions of euros)	Notes	2019	2020
+	EBITDA	4	825	(391)
+	Cost of net debt	11	(73)	(66)
+	Income tax paid		(122)	16
-	Non-cash revenue and expenses included in EBITDA		19	152
-	Reversal of provisions included in net financial expenses and non-recurring taxes		(0)	(0)
+	Dividends received from associates and joint-ventures		86	8
+	Funds from operations of discontinued operations	3	47	12
=	FUNDS FROM (USED IN) OPERATIONS		782	(269)
+	Decrease (increase) in operating working capital	4	(32)	(270)
+	Decrease (increase) in operating working capital of discontinued operations	3	31	(24)
+	Decrease (increase) in contract assets and liabilities	4	(12)	(35)
=	NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES (BEFORE NON-RECURRING ITEMS)		769	(598)
+	Cash received (paid) on non-recurring items (incl. related taxes)		(126)	135
+	Cash received (paid) on non-recurring items of discontinued operations	3	(3)	(1)
=	NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES (A)		641	(463)
-	Renovation and maintenance expenditure	8	(119)	(58)
-	Development expenditure	8	(200)	(117)
+	Proceeds from disposals of assets		678	1,067
+	Net cash flows used in investing activities of discontinued operations	3	(28)	(7)
=	NET CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES (B)		330	885
+	Proceeds from issue of perpetual subordinated bonds	13	986	-
-	Repayment of perpetual subordinated bonds	13	(796)	(127)
+	Increase (decrease) of rights granted over share capital		21	61
-	Dividends paid		(294)	(2)
-	Coupons on perpetual subordinated bonds	13	(42)	(34)
-	Repayment of long-term debt		(355)	(255)
+	New long-term debt		546	442
=	INCREASE (DECREASE) IN LONG-TERM DEBT		65	85
+	Share buy-back program		(489)	(300)
+	Purchase of Orbis' non-controlling interests	3	(339)	-
+	Increase (decrease) in short-term debt		(215)	69
+	Repayment of lease liability		(136)	(83)
+	Net cash flows used in financing activities of discontinued operations	3	(11)	1
=	NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES (C)		(1,123)	(229)
+	Effect of changes in exchange rates (D)		13	(34)
+	Effect of changes in exchange rates on discontinued operations (D)	3	2	(30)

(in millions of euros)		Notes	2019	2020
=	**NET CHANGE IN CASH AND CASH EQUIVALENTS (E) = (A) + (B) + (C) + (D)**		**(136)**	**129**
-	Cash and cash equivalents at beginning of the year		2,837	2,236
-	Effect of changes in fair value of cash and cash equivalents		3	(2)
-	Reclassification of cash and cash equivalents from discontinued operations		(462)	-
-	Reclassification of cash and cash equivalents from assets held for sale		(6)	1
-	Net change in cash and cash equivalents for discontinued operations			54
+	Cash and cash equivalents at end of the year		2,236	2,419
=	**NET CHANGE IN CASH AND CASH EQUIVALENTS**		**(136)**	**129**

5.1.5 Consolidated statement of changes in shareholders' equity

(in millions of euros)	Number of shares	Share capital	Additional paid-in capital	Currency translation reserve	Retained earnings	Equity Group share	Minority interests	Total Equity
BALANCE AT DECEMBER 31, 2018	282,607,800	848	2,378	(321)	3,423	6,328	115	6,443
Restatements IFRIC 23	-	-	-	-	(38)	(38)	-	(38)
RESTATED BALANCE AT JANUARY 1, 2019	282,607,800	848	2,378	(321)	3,385	6,290	115	6,405
Capital increase	(11,675,450)	(35)	(435)	-	491	21	0	21
Dividends paid	-	-	-	-	(283)	(283)	(12)	(294)
Share-based payments	-	-	-	-	29	29	-	29
Perpetual subordinated bonds	-	-	-	-	148	148	-	148
Effects of scope changes*	-	-	-	-	14	14	33	46
Other movements	-	-	-	-	(4)	(4)	0	(4)
Transactions with shareholders	**(11,675,450)**	**(35)**	**(435)**	**-**	**395**	**(75)**	**21**	**(54)**
Net profit of the year	-	-	-	-	464	464	21	485
Other comprehensive income	-	-	-	158	(15)	143	(4)	139
Total comprehensive income	**-**	**-**	**-**	**158**	**449**	**607**	**17**	**624**
BALANCE AT DECEMBER 31, 2019	270,932,350	813	1,943	(163)	4,229	6,822	153	6,975
BALANCE AT JANUARY 1, 2020	270,932,350	813	1,943	(163)	4,229	6,822	153	6,975
Capital increase	(9,549,622)	(29)	(268)	-	(2)	(299)	(0)	(299)
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	-	-	-	-	11	11	(80)	(69)
Transactions with shareholders	**(9,549,622)**	**(29)**	**(268)**	**-**	**(76)**	**(373)**	**(82)**	**(455)**
Net 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**	**(480)**	**2,113**	**4,092**	**66**	**4,158**

* *Restated amounts following the finalization of price purchase allocation of Rixos acquired in 2019 (see note 8.1).*

** *OCEANE bonds are a hybrid instrument composed partially of debt and partially of equity component (see note 11.2.1).*

5.1.6 *Notes to the Consolidated Financial Statements*

NOTE 1 BASIS OF PREPARATION

The consolidated financial statements of Accor Group for the year ended December 31, 2020 were authorized for issue by the Board of Directors on February 23, 2021. They will be submitted to shareholders for final approval at the Annual General Meeting on April 29, 2021.

The consolidated financial statements comprise the financial statements of Accor SA (« the Company ») and its subsidiaries (collectively « the Group ») as well as the Group's interests in entities accounted for under the equity method (associates and joint-ventures).

1.1 Accounting framework

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (« IASB ») and adopted for use in the European Union at December 31, 2020. These standards can be consulted on the European Commission's website [(1)].

New accounting standards adopted

At December 31, 2020, the Group applied the same accounting policies and measurement methods as were applied in its consolidated financial statements for the year ended December 31, 2019, except for changes required to meet new IFRS requirements applicable from January 1, 2020 and, if any, changes resulting from the option to early apply a new standard at that date.

The adoption of following amendments had no material impact on the Group's consolidated financial statements:

- amendment to IFRS 3 – *Definition of a Business*, which provides a new guidance to determine whether an acquisition shall be accounted for as a business combination or as an asset(s) acquisition. It clarifies that, to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs;
- amendments to IAS 1 and IAS 8 – *Definition of Material*, which refine the definition of material for the purpose of preparing financial statements. They clarify that the omission or a misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users of the financial statements;
- amendments to References to the Conceptual Framework in the IFRS standards, pursuant to the release by the IASB of its revised Conceptual Framework, which introduces some new concepts and provides updated definitions and recognition criteria for assets and liabilities.

Besides, the Group early applied the amendment to IFRS 16 – *Leases Covid-19 Related Rent Concessions* issued by the IASB on May 28, 2020 and endorsed by the European Union on October 9, 2020. This amendment, which is effective for annual periods beginning on or after June 1, 2020, is applicable retrospectively, without restatement of comparative periods. It provides relief to lessees from assessing whether a rent concession obtained as a result of the Covid-19 pandemic, such as deferral of lease payments and payment holidays, is a lease modification under IFRS 16 – *Leases*. The Group applied this practical exemption to all qualifying rent concessions, leading to the recognition of a €4 million profit presented as variable lease payments in the consolidated income statement for the year 2020.

Future standards, amendments and interpretations

The Group has not opted for the early application of any other standards, amendments or interpretations applicable to financial years beginning after January 1, 2020 regardless of whether they were adopted by the European Union.

1.2 Foreign currency translation

The presentation currency is the 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 euros as follows:

- assets and liabilities are translated at the closing exchange rate;
- income and expenses are translated at the average exchange rate for the period, unless the use of the average rate for a period 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 period and accompanying disclosures. Management also needs to exercise judgement in applying the Group's accounting policies. Ultimate results may differ from these estimates, due changes in facts and circumstances.

The estimates and assumptions used are reviewed on an on-going basis, based on historical experience and all other

(1) *http://ec.europa.eu/finance/accounting/ias/index.fr.htm*

factors considered to be decisive given the environment and circumstances.

The uncertainty created by the Covid-19 health crisis has made the use of estimates more critical for the preparation of the consolidated financial statements for the year ended December 31, 2020. In this context, 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 of the fair value of consideration transferred and intangible assets acquired in a business combination;
- the measurement of the recoverable amounts 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.

NOTE 2 SIGNIFICANT EVENTS IN THE CURRENT PERIOD

2.1 Impacts of the Covid-19 health crisis

The spread of the Covid-19 pandemic across the world and related containment measures initiated by the governments (including travel bans, border closings and stay-at-home directives) sharply affected the travel and hospitality industries over the year 2020. The Group's operations were heavily impacted with around 60% of Accor branded hotels closed in April and May. Despite a rebound in activity during summer season, the decline in leisure customers from end of August, combined with the implementation of new travel restrictions due to the second wave of the pandemic, notably in Europe, slowed down the recovery over the second semester. At December 31, 2020 the portion of closed hotels represented 18% of the Group's network, mainly in Europe. In average, the portion of closed hotels was 24% over the year 2020.

Consolidated revenue for the year 2020 amounted to €1,621 million, down by 60% compared to reported revenue of €4,049 million for the year 2019 (see note 4.1.1).

Cash management and going concern basis

In this unprecedented situation, Accor implemented mitigation measures to adapt its variable costs to the sharp drop in business and preserve its liquidity position, including furloughing and partial unemployment measures, decrease in some variable components of employee compensation, reduction in sales and marketing expenses and recurring investments. The Group benefited from government supports in relation to furloughing, partial employment and job retainer measures in some countries (mainly in Australia, Canada, Germany and France), which are presented as a reduction in staff costs in the income statement of the year, in accordance with IAS 20 – *Government grants*.

Besides, on March 24, 2020 the Group decided to suspend its share buy-back programs, after completion of the program launched in January 2020 for an amount of €300 million. On April 2, 2020 the Board of Directors announced its decision to withdraw the proposal for the 2019 dividend payment of €280 million.

In order to optimize its financial structure, Accor issued bonds convertible and/or exchangeable into new and/or existing shares (OCEANE) for an amount of €500 million on December 7, 2020 (see note 11.2.1). This new financing enabled the redemption of the €550 million bond maturing in February 2021 (see note 14.3 on post-closing events).

Accor has a strong financial position, with net cash and cash equivalent totaling €2,445 million at December 31, 2020. Considering the expected maturities of financial liabilities, and assuming a level of operating cash outflows equivalent to the one of the year 2020, the net cash and cash equivalent position of the Group is more than sufficient to cover at least 12 months of operations, and thus face a potential prolongation of the crisis.

In addition, the Group has undrawn credit facilities of €1,760 million, following the negotiation of an additional revolving credit facility of €560 million with a bank consortium in May. This new credit line is covenant free, and the Group obtained a covenant holiday for the already existing credit facility of €1,200 million until June 2021. Further discussions were engaged with the banks resulting, on February 8, 2021, in an extension of this covenant holiday until June 2022 (see note 14.3 on post-closing events).

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 of the consolidated financial statements at December 31, 2020, the Group concluded that there was no material uncertainty that may cast significant doubt on its ability to continue to operate as a going concern for, at least, the next twelve months.

Impairment test of non-financial assets

The Covid-19 health crisis adversely affected all the regions in which Accor is operating, with particularly material impacts. Therefore, the Group determined that indicators of impairment existed at December 31, 2020 and conducted impairment tests to assess the recoverability of all its non-current assets.

On this basis, the Group recognized impairment losses of €764 million, presented in the line "Other income and expenses" in the consolidated income statement, on following non-financial assets:

- brands (€263 million);
- management contracts (€189 million);
- goodwill (€182 million, of which €101 million on the room distribution and management of hotel common areas activity operated in Australia, €19 million on a hotel property in Egypt, €47 million on the Hotel booking services activity and €13 million on the concierge services activity);
- PP&E (€33 million on hotel properties);
- and equity-accounted investments (€96 million).

Details on the impairment tests conducted are presented in note 8.3.

Credit losses on financial assets

The Group considered the impacts of the Covid-19 health crisis in assessing the expected credit losses on its financial assets measured at amortized cost, mainly on trade receivables and loans. This resulted in the recognition of a €104 million loss allowance on trade receivables, presented in operating expenses (see note 4.4.1) and a €266 million loss allowance on the loan granted sbe, prior to its takeover, presented in other income and expenses (see note 11.2.3).

Deferred tax assets

The Group assessed the recoverability of its deferred tax assets in light of the current situation, based on revised future taxable profit projections covering a 5-year period, consistently with the business assumptions retained in the Group's business plan. On this basis, a €66 million loss was recognized over the year in relation to the US and Germany (see note 12).

Transformation plan and restructuring plan

Operating in a market undergoing profound changes, particularly competitive for several years, and facing a health crisis of an unprecedented scale, Accor has launched 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 project involves structural organizational changes, a rationalization of IT solutions, a reduction in administrative expenses and the cut of approximately 1,000 jobs across the world.

In this context, Accor initiated plans to adapt its workforce in many countries. In that respect, the Group recognized a restructuring charge of €168 million, presented in other income and expenses in the consolidated income statement for the year 2020, mainly consisting in severance costs, of which €35 million of costs incurred over the year.

Other non-current expenses

On April 2, 2020, Accor announced its decision to contribute to global solidarity initiatives to address the current health crisis with the launch of the « All Heartist » initiative. The purpose is to assist the employees of the Group's network by paying for their Covid-19 related medical expenses and, on a case-by-case basis, furloughed employees and individual partners in financial distress. The Group allocated a maximum envelope of €70 million, corresponding to 25% of the planned withdrawn dividend for the year 2019. In 2020, the expense incurred in that respect amounted to €18 million, and is presented in other income and expenses in the consolidated income statement (see note 7). The Group considers that this initiative, which is driven by an extraordinary situation, is not related to its current operating performance.

2.2 Other significant events

Other significant events that occurred during the year are:

- the disposal of Orbis and Mövenpick's hotel assets on March 2020 (see note 3.1.3);
- the completion of the share buy-back program initiated in January 2020 for €300 million in March 2020 (see note 13.1.5);
- the redemption of the €127 million remaining balance of the €900 million perpetual subordinated bonds issued in June 2014 (see note 13.1.4);
- the takeover of sbe, previously accounted for as an equity-accounted investment, in November 2020 (see note 3.1.1);
- a €307 million refund received in July 2020 in relation to the "Précompte" dividend withholding tax paid over the period 2002-2004 (see note 14.2).

NOTE 3 GROUP STRUCTURE

3.1 Changes in the scope of consolidation

The list of main consolidated companies at December 31, 2020 is presented in note 15.3.

Accounting policy

1. 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. In particular, in 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 of 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 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 applied to investments accounted for using the equity method are presented in note 6.

Investments in non-consolidated companies

Where 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.

2. 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 12-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. Where 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.

3. 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 sold subsidiary, the remaining investment is reclassified under "Investments in associates and joint ventures" or "Investments in non-consolidated companies" as appropriate and remeasured at fair value through profit or loss. The total gain or loss recognized on the date when control is lost corresponds to the sum of the gain or loss realized on the sold interest and the gain or loss arising from remeasurement at fair value of the residual interest.

3.1.1 Acquisitions for the period

On November 24, 2020 Accor took control over 100% of sbe's hotel management business, following a reorganization of the company. sbe operates a portfolio of 22 hotels under several brands, including SLS, Mondrian and The House of Originals. This takeover allows Accor to strengthen its footprint on the fast-growing luxury lifestyle segment, notably on the American market.

This transaction meets the definition of a business combination under IFRS 3 – *Business Combinations* and is accounted for using the acquisition method. The consideration transferred amounts to US$45 million (€38 million). It comprises a cash payment of US$15 million and the remeasurement to fair value of the previously held equity investment contributed in exchange for the takeover. This remeasurement leads to the recognition of a US$30 million (€26 million) gain in the consolidated income statement for the year 2020, presented in other income and expense.

Besides, Accor made a US$303 million payment to complete sbe's debt restructuring. This cash-out is analyzed as a separate transaction that is not part of the business combination.

These transactions resulted in a total outflow (net of the cash acquired) of US$313 million (€275 million) in the Group's consolidated statement of cash flows for the year.

The provisional goodwill amounts to US$233 million (€196 million) based on a negative net asset acquired of US$187 million (€158 million), including the restructured debt for US$288 million (€243 million). The purchase price allocation will be completed within the 12-month measurement period following the acquisition date.

Sbe's contribution to the Group's consolidated revenue and net profit from acquisition date is not material.

3.1.2 Equity-accounted investments

On January 21, 2020 Accor acquired an additional stake in the company that developed the Fairmont Ghirardelli Square residence in San Francisco, then increasing its ownership to 80% of the share capital and voting rights. This transaction has no impact on the consolidation method, considering the governance rules implemented.

On March 10, 2020, Accor acquired an additional stake of 20.1% in Mama Shelter, increasing its ownership to 70% of the share capital and voting rights. The in-depth assessment of governance arrangements carried out over the second semester led the Group to conclude that the criteria to achieve control under IFRS 10 – *Consolidated financial statements* were not met. Accordingly, the investment in Mama Shelter was maintained under the equity method at December 31, 2020.

On December 31, 2020 Kasada, the investment fund dedicated to hospitality, accounted for as an equity-investment in the Group's consolidated financial statements, closed its first transaction through the acquisition of eight hotels in Senegal, Ivory Coast and Cameroon from AccorInvest. This investment was funded by its shareholders in proportion to their equity interest (that is 70% for Katara Hospitality and 30% for Accor) and by additional bank financing. Kasada thus becomes one of the largest hotel owner in West Africa.

The total cost for these three investments amounts to €64 million.

3.1.3 Disposals over the period

Disposal of Orbis' Hotel Assets business

On March 11, 2020 Accor completed the disposal of its 85.8% stake in the share capital of its subsidiary Orbis to AccorInvest. Following the acquisition by Accor of Orbis' hotels management and franchise business on October 31, 2019, this transaction allows the Group to pursue the transformation of its business model to "Asset-light". Orbis' portfolio comprises 73 owned and leased hotel assets.

On December 16, 2019, the Group entered into a binding agreement to sell its stake in Orbis to AccorInvest at a price of PLN115 per share, corresponding to proceeds for Accor of PLN4.55 billion, by way of a public tender offer. On December 17, 2019 AccorInvest filed its tender offer to the Polish Financial Supervision Authority for all of the shares in Orbis' share capital.

On February 19, 2020 the antitrust clearance from the European Commission was obtained. On February 24, 2020 Accor irrevocably tendered its 85.8% stake in Orbis to the public tender offer, whose subscription period ended on March 5, 2020. The settlement and delivery of shares occurred on March 11, 2020.

At this date, the assets and liabilities of Orbis, which were classified as held for sale in the Group's consolidated financial statements from June 30, 2019 in accordance with IFRS 5 – *Non-current assets held for sale and Discontinued operations*, were derecognized. Orbis' net result until completion date is reported separately under "Profit from discontinued operations".

The transaction being a sale of a subsidiary to an associate ("downstream" transaction under IAS 28 – *Investments in associates and Joint Ventures*), which resulted in loss of exclusive control, the Group applied the principles of IFRS 10 – *Consolidated financial statements*, which require to recognize a full gain on disposal.

The pre-tax capital gain on disposal amounts to €280 million, and is computed as the difference between:

- on one hand, the sale proceeds for the 85.8% stake of €1,051 million, adjusted by the changes in fair value of hedging instruments subscribed to hedge the risk of unfavourable change in Euro/PLN exchange rate on the selling price (representing a €8 million gain) and the recycling in the income statement of the Group's share in cumulative exchange losses previously recognized in other comprehensive income for €(43) million, and increased by the €79 million carrying amount of non-controlling interests;
- and, on the other hand, the carrying amount of Orbis' net assets, as recognized in the Group's financial statements on completion date for €815 million.

In the Group's consolidated financial statements, the €260 million profit from discontinued operations comprises the capital gain on disposal net of tax and other direct related costs (€257 million) and Orbis' net profit until completion date (€3 million).

The transaction resulted in a cash inflow of €1,060 million in the consolidated statement of cash flows for the year.

Orbis' contribution to the Group's consolidated net profit and cash flows until the loss of control is detailed below.

Income statement

(in millions of euros)	2019	2020
Revenue	**338**	**49**
Operating expenses	(234)	(45)
EBITDAR	**103**	**4**
Property rents	(3)	(0)
EBITDA	**101**	**4**
Depreciation, amortization and provision expense	(26)	0
EBIT	**74**	**4**
Other income and expenses	12	(2)
Net financial expense	(11)	(1)
Income tax	(54)	1
NET PROFIT	**20**	**3**

Amortization and depreciation of non-current assets have ceased in accordance with IFRS 5 – *Non-current assets held for sale and Discontinued operations.*

Cash flows

(in millions of euros)	**2019**	2020
Net cash flows from operating activities	76	(13)
Net cash flows from investing activities	(28)	(7)
Net cash flows from financing activities	(11)	1
Effect of exchange rates changes	2	(30)
NET CASH FLOWS	**39**	**(49)**

Disposal of Mövenpick leased hotels

On March 2, 2020 Accor completed the disposal of 70% of the share capital and voting rights of Hospitality Swiss PropCo AG, its subsidiary which holds the portfolio of Mövenpick's leased hotels, to the German private fund HR Group. The transaction was previously approved by the German merger control competition authority on February 11, 2020. Accor retains a 30% residual interest in the entity and becomes the manager of the hotels, which continue to be operated under the Mövenpick brand, through the implementation of management agreements.

In accordance with the principles of IFRS 10 – *Consolidated Financial Statements*, this transaction leads to a loss of control of Hospitality Swiss PropCo AG, insofar as the rights held by Accor (voting rights retained combined with contractual rights resulting from the management agreements) will not give it the power to unilaterally direct its relevant activities, *i.e.* hotels operation and strategic management of hotel portfolio.

Accordingly, the assets and liabilities of the entity, which were classified as assets held for sale in the consolidated financial statements at December 31, 2019 in accordance with IFRS 5 – *Non-current assets held for sale and Discontinued Operations*, were derecognized on completion date. The retained residual interest held by Accor is recorded under the equity method in the consolidated financial statements, as a result of the significant influence exercised by the Group.

The gain on disposal amounts to €3 million and is reported in other income and expenses in the consolidated income statement for the year (see note 7).

The transaction resulted in a cash inflow of €10 million (net of the cash sold) in the consolidated statement of cash flows for the year.

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 (or disposal groups) held for sale and associated liabilities 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.

At December 31, 2020 assets and liabilities classified as held for sale are as follows:

	Dec. 2019		Dec. 2020	
(in millions of euros)	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Orbis	1,222	357	-	-
Mövenpick	470	459	-	-
John Paul	68	27	-	-
SCI Sequana	-	-	392	307
Others	1	3	4	19
TOTAL	**1,761**	**845**	**395**	**326**

As aforementioned, the assets and liabilities related to Orbis and Mövenpick's Hotel Assets business have been disposed of over the year (see note 3.1.3 for more details).

Nevertheless, the discussions initiated with potential investors at year-end 2019 with a view to dispose of John Paul's control did not result in an agreement in a highly uncertain environment. At December 31, 2020 the Group considers that the criteria required by IFRS 5 – *Non-current assets held for sale and Discontinued operations* are no longer met. Accordingly, at this date, the company's assets and liabilities have been reclassified to their initial line item in the statement of financial position. This reclassification has no material impact on their carrying amount.

In June 2020, discussions were engaged with potential investors in order to sell the shares of the SCI Sequana entity, which owns the Group's head office building located in Issy-les-Moulineaux and associated financial debt. At June 30, 2020, the assets and liabilities of the company were classified as held for sale, in accordance with IFRS 5. This reclassification was based on the assumption that the contemplated transaction will result in a loss of control of the asset. The discussions with potential investors were pursued over the second semester. At December 31, 2020, completion of the transaction is considered as highly probable. At this date, the comparison of the carrying value of the disposal group with its fair value less costs to sell did not reveal any impairment.

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..

The Group is organized around three strategic businesses

HotelServices

This segment corresponds to the Group's core business as hotel manager and franchisor, and is split in two businesses:

- **Management & Franchise**: Hotel management and franchise business based on the collection of fees, as well as revenue generated by purchasing;
- **Services to owners**: Activity gathering all the services rendered to hotel owners (sales, marketing and distribution, loyalty program, shared services as well as reimbursement of costs incurred on behalf of hotel owners).

The Management & Franchise business is organized around the five following operating regions:

- Europe;
- Middle East & Africa;
- Asia-Pacific;
- North America, Central America & the Caribbean;
- South America.

Hotel assets & others

This segment corresponds to the hotel owner-operator business, comprising the Group's owned and leased hotels. Its business model aims to improve the return on assets and optimize the statement of financial position. It spans all asset portfolio management activities, hotel design, construction, refurbishment and maintenance activities. This segment also comprises 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).

New Businesses

This segment corresponds to new activities developed by the Group, mainly through external growth transactions:

- **Digital services,** which consists in offering digital solutions to independent hotel owners to drive growth in their direct sales (activity operated by D-edge) and to restaurant owners to optimize table management and supply (activities operated by ResDiary and Adoria);
- **Private luxury home rentals,** operated by onefinestay, with over 5,000 addresses worldwide;
- **Digital sales,** operated by VeryChic, which offers exclusive private sales with luxury and high-end partners;
- **Hotel booking services** for corporates and travels agencies with Gekko;
- **Concierge services** provided by John Paul.

The cost of central support functions (governance, finance, communication, human resources, legal…) is presented separately in a dedicated section « Corporate & Intercos ».

4.1.1 Reporting by strategic business

The Group's performance by strategic business is as follows:

			Variation *(in %)*	
(in millions of euros)	**2019**	**2020**	**Actual**	**L/L [1]**
HotelServices	2,894	1,142	(60.5)%	(59.8)%
• of which Management & Franchise	1,026	292	(71.6)%	(71.4)%
• of which Services to owners	1,867	850	(54.5)%	(53.4)%
Hotel Assets & others	1,077	398	(63.0)%	(45.8)%
New Businesses	159	91	(43.2)%	(42.9)%
Corporate & Intercos	(81)	(9)	N/A	N/A
REVENUE	**4,049**	**1,621**	**(60.0)%**	**(54.8)%**
HotelServices	741	(257)	(134.8)%	(132.8)%
• of which Management & Franchise	765	25	(96.8)%	(97.0)%
• of which Services to owners	(24)	(282)	N/A	N/A
Hotel Assets & others	216	3	(98.5)%	(77.5)%
New Businesses	(2)	(25)	N/A	N/A
Corporate & Intercos	(129)	(112)	N/A	N/A
EBITDA	**825**	**(391)**	**(147.4)%**	**(140.2)%**

(1) L/L: Like-for-like change (excl. perimeter effects and foreign exchange changes).

The line « Corporate & Intercos » includes the elimination of the flows realized with Orbis prior to its disposal in March 2020, consistently with consolidation principles.

Revenue recognized in France amounted to €203 million in 2020 and €473 million in 2019.

4.1.2 Detailed information for Management & Franchise

A. Management & Franchise revenue

			Variation *(in %)*	
(in millions of euros)	**2019**	**2020**	**Actual**	**L/L (1)**
Europe	525	135	(74.4)%	(74.3)%
Middle East & Africa	107	29	(72.9)%	(74.6)%
Asia-Pacific	214	76	(64.6)%	(63.8)%
North America, Central America & Caribbean	132	37	(71.8)%	(72.0)%
South America	49	15	(69.1)%	(65.3)%
TOTAL	**1,026**	**292**	**(71.6)%**	**(71.4)%**

(1) L/L: Like-for-like change (excl. perimeter effects and foreign exchange changes).

Management & Franchise revenue mainly comprises trademark royalty fees and management fees invoiced to hotel owners. In 2020, these fees include c. 15% of incentive fees based on hotel's profitability.

B. Management & Franchise EBITDA

			Variation *(in %)*	
(in millions of euros)	**2019**	**2020**	**Actual**	**L/L (1)**
Europe	416	4	(99.0)%	(98.8)%
Middle East & Africa	82	(1)	(101.7)%	(103.1)%
Asia-Pacific	152	22	(85.8)%	(85.5)%
North America, Central America & Caribbean	92	4	(95.8)%	(93.5)%
South America	24	(4)	(115.5)%	(131.2)%
TOTAL	**765**	**25**	**(96.8)%**	**(97.0)%**

(1) L/L: Like-for-like change (excl. perimeter effects and foreign exchange changes).

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 managed and franchised hotels for marketing, distribution, IT and other services…

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 revenues

It corresponds to all the revenues received from guests by owned and leased hotels. The services rendered (including room sales, food and beverage sales and other ancillary services) are distinct performance obligations, for which prices invoiced to the guests are representative of their stand-alone selling prices. These obligations are fulfilled over time when they relate to room sales, along the stay in the hotel, and at a point in time for other goods or services, when they have been delivered or rendered.

The disaggregation of revenue is outlined in the note 4.1 above.

4.3 Operating expenses

(in millions of euros)	2019	2020
Cost of goods sold	(107)	(49)
Personnel expenses	(1,056)	(714)
Personnel expenses recharged to owners	(883)	(402)
Property rents	(62)	(12)
Energy, maintenance and repairs	(70)	(41)
Taxes	(60)	(41)
Other operating expenses	(986)	(753)
OPERATING EXPENSES	**(3,224)**	**(2,012)**

Staff costs incurred on behalf of owners as part of hotel management (and recharged to them) decreased over the year due to hotels closures. The reduction in staff costs is explained by the effect of the mitigation measures implemented by the Group to face the Covid-19 health crisis and of government supports obtained in relation to furloughing, partial employment and job retainer measures mainly in Australia, Canada, Germany and France (see note 2.1).

Property rents expense corresponds to the variable part of rents for hotel properties operated under lease contracts, which are contractually based on their performance, hence strongly decreasing in 2020.

Other operating expenses, mainly composed of marketing, advertising, promotional, selling and information systems costs, decreased as a result of cost reduction measures (see note 2.1).

Operating expenses includes the effect of the elimination of intragroup flows with Orbis (classified as discontinued operation) over 2019 and 2020 until its disposal.

4.4 Working capital

The working capital breaks down as follows:

(in millions of euros)	Dec. 2019	Cash items	Non-cash items	Dec. 2020
Inventories	20	1	(1)	21
Trade receivables	649	(17)	(98)	534
Other current assets	264	(50)	7	222
Current assets	**933**	**(65)**	**(92)**	**776**
Trade payables	441	(186)	72	327
Other current liabilities	703	(149)	26	579
Current liabilities	**1,144**	**(335)**	**98**	**907**
WORKING CAPITAL	**210**	**(270)**	**190**	**131**

4.4.1 Current assets

Accounting policy

Trade receivables are measured at amortized cost. They are impaired based on their lifetime expected credit losses, using the simplified approach under IFRS 9 – *Financial instruments*. The loss allowance is measured on an individual basis considering the risk profile of the counterparty, historical probabilities of default and estimated losses for receivables, for which a credit event has been identified.

Trade receivables break down as follows:

(in millions of euros)	Dec. 2019	Dec. 2020
Gross value	720	703
Loss allowance	(71)	(169)
TRADE RECEIVABLES, NET	**649**	**534**

In 2020, the Group recognized a loss allowance of €104 million, reflecting an increase in expected credit losses on its hotel operator customers, in a context marked by the Covid-19 health crisis.

Other current assets break down as follows:

(in millions of euros)	Dec. 2019	Dec. 2020
Recoverable VAT	88	56
Income tax and other taxes receivable	12	11
Other receivables	143	104
Prepaid expenses	28	61
Gross value	**271**	**232**
Loss allowance	(7)	(10)
OTHER CURRENT ASSETS, NET	**264**	**222**

4.4.2 Current liabilities

Other current liabilities break down as follows:

(in millions of euros)	Dec. 2019	Dec. 2020
VAT payable	63	36
Wages, salaries and payroll tax payables	219	167
Income tax and other tax payables	161	68
Other payables	193	232
Deferred income	66	76
OTHER CURRENT LIABILITIES	**703**	**579**

4.5 Contract assets and liabilities

Accounting policy

In accordance with IFRS 15 – *Revenue from Contracts with Customers*, the Group recognizes assets and liabilities on its contracts with customers:

- contract assets represent a right for the Group to receive consideration in exchange for goods or services already transferred to a customer, when that right is conditioned on something other than the passage of time. They mainly include amounts paid to hotel owners to secure management and franchise contracts (« key moneys ») and, when applicable, expected value of payments under performance guarantees provided to hotel owners. They are subsequently recognized as a reduction to revenue over the life of the contract;
- contract liabilities represent the Group's obligation to transfer goods or services, for which the customer has already paid a consideration, or when the amount is unconditionally due from the customer. They mainly correspond to loyalty fees invoiced to hotel owners that are deferred in the statement of financial position and, subsequently, recognized in revenue upon redemption or expiry of rewards points and other advantages (net of the amount to be paid to hotel owners and partners, who rendered the service). This category also comprises entrance fees that are invoiced upon signing of management and franchise contracts.

Contract assets and liabilities are as follows:

(in millions of euros)	Dec. 2019	Dec. 2020
Advance payments to hotel owners	216	201
Contract assets	**216**	**201**
Loyalty program deferred fees	228	205
Other deferred fees to hotel owners	26	23
Contract liabilities	**254**	**229**
NET CONTRACT ASSETS AND LIABILITIES	**(38)**	**(27)**

NOTE 5 PERSONNEL EXPENSES AND EMPLOYEE BENEFITS

5.1 Headcount

The Group's headcount is as follows:

	2019	2020
Average employees	17,819	15,247

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 associates and joint-ventures are not included. The decrease over the year is notably due to the disposal of the Mövenpick hotels operated under leases in March 2020 (see note 3.1.3).

5.2 Personnel expenses

Accounting policy

Group employees are entitled to short-term benefits such as paid annual leave, paid sick leave, bonuses and profit-shares payable within twelve months of the end of the period in which the corresponding services are rendered. These benefits are recorded in current liabilities and expenses when the service is rendered by the employee.

Employees are also entitled to various long-term benefits, including:

- post-employment benefits payable after the employee leaves the Group, such retirement termination benefits and pension benefits;
- other long-term benefits payable during employment, such as long-service bonuses, loyalty bonuses and seniority bonuses.

Benefit plans depend on local legislation and on collective bargaining in force in each of the Group's countries. Post-employment benefits are broken down into two categories:

- defined contribution plans, under which the Group pays periodic contributions to external organizations that are responsible for the administrative and financial management of the plans. The Group has legal or constructive obligation to pay further contributions. These are recognized as expenses for the period to which they relate;
- defined benefit plans, under which the Group guarantees a contractually future level of benefits. The Group's obligation is recognized as a liability in the consolidated statement of financial position.

Equity-settled long-term incentive plans have also been set up for executive officers and certain employees. The accounting treatment of these plans is presented in note 5.4.

The personnel expenses are analyzed as follows:

(in millions of euros)	2019	2020
Salaries and social security charges	(1,028)	(682)
Salaries and social security charges recharged to owners	(883)	(402)
Share-based payments	(28)	(32)
PERSONNEL EXPENSES	**(1,939)**	**(1,115)**

5.3 Pensions and other employee benefits

Accounting policy

The provision for pensions 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. 2019	Dec. 2020
Pension plans	72	71
Other long-term benefits	4	3
Provision	**75**	**74**
Surplus on pension plans	4	3
Pension asset	**4**	**3**
NET COMMITMENT	**71**	**70**
• of which net provisions for pensions	68	68
• of which net provisions for other benefits	4	3

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 located in France (34% of the obligation), in the United Kingdom (28% of the obligation) and in Canada (24% 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 separate 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. 2020	Dec. 2019	Dec. 2020	Dec. 2019
France	0.3%	0.5%	3% – 4%	3% – 4%
Canada	2% – 2.5%	2.8% – 3.0%	2.8%	3.0%
United Kingdom	1.25%	1.9%	NA	NA
Belgium	0.3%	0.5%	2.8%	2.8%
Switzerland	0.1%	0.1%	1.0%	1.0%
United States	2.3%	2.3%	NA	3.0%

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

At December 31, 2020, pension obligations break down by country as follows:

(in millions of euros)	France	Canada	United Kingdom	Belgium	Switzerland	Others	Total
Present value of obligations	73	52	59	17	4	10	215
Fair value of plan assets	(34)	(37)	(63)	(9)	(3)	(3)	(149)
Irrecoverable surplus	-	1	-	-	-	(0)	1
NET OBLIGATION	**39**	**16**	**(3)**	**8**	**1**	**7**	**68**

The movements in the net obligation for pensions over the period are as follows:

(in millions of euros)	Present value of obligation	Fair value of plan assets	Irreco-verable surplus impact	Net
At January 1, 2020	**215**	**(151)**	**4**	**68**
Current service cost	5	-	-	5
Interest expense/(income)	3	(3)	-	1
Others	(1)	0	-	(0)
Total recognized in profit or loss	**8**	**(2)**	**-**	**6**
Actuarial gains/(losses) related to experience adjustments	7	(10)	-	(3)
Actuarial gains/(losses) related to changes in demographic assumptions	3	-	-	3
Change in irrecoverable surplus (excluding net interest)	-		(2)	(2)
Actuarial (gains)/losses	**10**	**(10)**	**(2)**	**(2)**
Benefits paid	(11)	8	-	(2)
Exchange differences and others	(8)	6	(0)	(2)
AT DECEMBER 31, 2020	**215**	**(149)**	**1**	**68**

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.

At December 31, 2020, the breakdown of plan assets is as follows:

(in millions of euros)	Canada	France	United Kingdom	Belgium	Others	Total
Bonds	28	26	-	-	1	55
Shares	9	4	-	-	1	15
Insurance contracts	-	-	-	9	3	12
Real Estate	-	2	-	-	1	3
Liquidity	-	1	3	-	-	4
Others	-	-	59	-	-	60
PLAN ASSETS	**38**	**34**	**62**	**9**	**6**	**149**

The expected long-term return on plan assets is aligned with the discount rate.

5.3.6 Sensitivity analysis

At December 31, 2020, the sensitivity of provisions for pensions to a change in discount rate is as follows:

(in millions of euros)	Impact on obligation
Impact of increase in discount rate by 0.5 pt	(3)
Impact of decrease in discount rate by 0.5 pt	3

5.3.7 Expected cash flows

The following table shows expected cash outflows for the coming years, without taking into account any cash inflows generated by plan assets:

(in millions of euros)	2021	2022	Hereafter	Total
Expected benefits payments	10	10	80	**99**

5.4 Share-based payments

Accounting policy

Performance share plans

Performance share plans are set up regularly for Group managers. 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 taken into account 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 at December 31, 2020 were equity-settled plans.

The dilutive effect of plans that have not yet vested is reflected in diluted earnings per share calculations.

In 2020, the expense recognized in respect of share-based plans amounts to €32 million:

(in millions of euros)	2019	2020
2016 plans	1	-
2017 plans	10	5
2018 plans	8	6
2019 plans	7	12
2020 plans	-	8
Performance shares plans	**26**	**32**
Employee share plans	**2**	**-**
TOTAL	**28**	**32**

5.4.1 Performance share plans

The movements over the period are as follows:

(in number of shares)	2019	2020
Performance shares at beginning of the year	**3,503,637**	**3,819,606**
Shares granted	1,312,795	1,834,941
Shares cancelled or expired during the year	(152,576)	(1,491,686)
Shares vested during the year	(844,250)	(531,219)
Performance shares at end of the year	**3,819,606**	**3,631,642**

New plans

On May 28, 2020, the Group granted 1,796,551 performance shares to its employees, subject to a three-year vesting period. At this date, the fair value of the performance share was €21.89, corresponding to the share price of €25.87 less the discounted present value of dividends not received during the vesting period and the effect of external conditions.

The shares will vest provided that the grantee remains with the Group until the end of the three-year vesting period, and the following performance conditions are fulfilled over the years 2020 to 2023:

- internal conditions (70% weighting): for 2020, level of achievement of the cost savings compared to the budget and, for 2021 and 2022, EBITDA margin compared to the budget and level of free cash flows, excluding disposal proceeds and external growth, including changes in operating working capital compared to the budget;
- external condition (30% weighting): change in Accor's Total Shareholder Return (TSR) compared with that of other international hospitality groups. The estimated probability of this performance condition being fulfilled was taken into account to determine the fair value of the performance shares at grant date.

On October 21, 2020, the Group set up a plan of 38,390 performance shares with similar characteristics to the May plan, whose fair value was €21.89.

The fair value of these plans amounts to €40 million and will be recognized on a straight-line basis over the vesting period under employee benefits expenses with a counterpart in equity. The expense recognized in respect of these plans amounted to €8 million in 2020.

Plans modifications

On May 14, 2020, the Board of Directors modified the internal conditions attached to the plans granted on May 31 and October 25, 2019. In order to assess the operating performance for the year 2020, the criteria related to the level of EBITDA and free cash flows, excluding disposals proceeds and external growth, and including operating working capital compared to the budget have been replaced by a condition related to the level of achievement of cost savings compared to the budget.

For the plans granted on June 26 and October 17, 2018 the approach for assessing the operating performance for the year 2020 has been modified. Accordingly, the achievement of the conditions related to EBIT margin and the level of free cash flows, excluding disposals proceeds and external growth, and including operating working capital will be assessed compared to the revised budget (and no longer to the budget).

The Group considered these modifications in the estimate of the probable number of shares that are expected to be vested.

5.4.2 Stock options plans

The movements over the year are as follows:

	December 31, 2019		December 31, 2020	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding at beginning of the year	**459,051**	**€29.05**	**190,777**	**€26.60**
Options cancelled or expired during the year	(9,330)	€31.72	(86,309)	€26.41
Options exercised during the year	(258,944)	€30.75	(94,468)	€26.41
Options outstanding at end of the year	**190,777**	**€26.60**	**10,000**	**€30.13**
Options exercisable at end of the year	**190,777**	**€26.60**	**10,000**	**€30.13**

At December 31, 2020, the 10,000 outstanding options were granted in September 2013 with a maturity in September 2021.

5.5 Compensation of key management personnel

Key management personnel include the members of the Executive Committee and the smembers of the Board of Directors. At December 31, 2020 the Executive Committee had seventeen members (fifteen at December 31, 2019).

The compensation received by the members of the Executive Committee is as follows:

(in millions of euros)	2019	2020
Short-term employee benefits	21	18
Share-based payments	9	8
Termination benefits	2	11
Post-employment benefits	(15)	2
TOTAL COMPENSATION	**16**	**38**

In 2019, post-employment benefits included a reversal of provision related to the freeze of supplementary pension plans in application of the "PACTE Law" in France.

Members of the Board of Directors do not receive any compensation, they only receive attendance fees. The amount of attendance fees paid in 2020 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;
- 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.

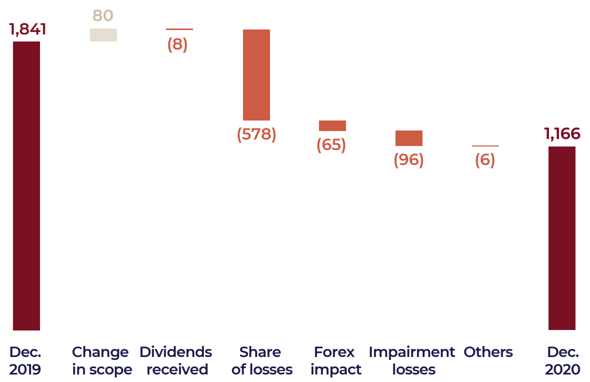
6.1 Share of net results of equity-accounted companies

The main contributions of associates and joint-ventures are as follows:

(in millions of euros)	2019	2020
AccorInvest	34	(390)
Huazhu Group Ltd	9	(21)
Others	3	(69)
Associates	**45**	**(480)**
sbe	(46)	(66)
Other	4	(32)
Joint ventures	**(42)**	**(98)**
SHARE OF NET RESULTS OF ASSOCIATES AND JOINT-VENTURES	**3**	**(578)**
• of which share of result before taxes	35	(630)
• of which share of taxes	(32)	52

6.2 Carrying value of equity-accounted investments

(in millions of euros)	Déc. 2019	Déc. 2020
AccorInvest	1,056	621
Huazhu Group Ltd	113	84
Others	529	417
Associates	**1,698**	**1,122**
sbe	62	0
Others	81	44
Joint ventures	**142**	**44**
CARRYING VALUE	**1,841**	**1,166**



As mentioned in note 2.1, indicators of impairment were identified on the Group's equity-investments in the context of the Covid-19 health crisis. Impairment tests carried out led to the recognition of impairment losses for €96 million for associates presented in the line "Others", of which €55 million on Interglobe Hotels Privated Limited, a company operating ibis hotels in India. Impairment losses are presented as other income and expenses in the consolidated income statement (see note 7).

The dividend payments primarily concern Huazhu Group Ltd for €5 million.

6.3 Summarized financial information

The following associates are material to the Group:

- AccorInvest, hotel owner-operator (30% interest);
- Huazhu Group Ltd, Chinese Hospitality group listed on the Nasdaq (5% interest), on which the Group exercises a significant influence through its seat on the Company's Board of Directors.

Key financials on a 100% basis for these two entities are as follows:

	Dec. 2020	Sep. 2020
(in millions of euros)	AccorInvest	Huazhu Group Ltd
Balance sheet		
Current assets	631	1,605
Non-current assets	6,958	6,651
Assets held for sale	116	-
Current liabilities	5,795	1,863
Non-current liabilities	2,579	5,144
Liabilities associated with assets held for sale	3	-
NET ASSETS	**(672)**	**1,249**
Group's share in %	30%	5%
Group's share in net assets	(202)	66
Goodwill	822	18
CARRYING AMOUNT OF EQUITY INVESTMENT	**621**	**84**
Income statement		
Revenue	1,254	1,276
Net profit/(loss)	**(1,299)**	**(403)**
Other comprehensive income	(147)	31
Total comprehensive income	**(1,445)**	**(373)**
Dividends received by the Group	-	5

In the Group's consolidated financial statements, the share in Huazhu Group Ltd's net profit is based on the 12-month period ending at September 2020. The company issues its financial statements after Accor's publication deadlines.

At December 31, 2020, 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, beyond impairment losses already recognized in AccorInvest's income statement as reported in the Group's accounts.

At December 31, 2020, the joint ventures are individually immaterial.

NOTE 7 OTHER INCOME AND EXPENSES

Accounting policy

In order to facilitate assessment of the Group's underlying performance, unusual items of income and expenses that are material at the level of the Group and income and expense items which, by definition, do not contribute to the Group's operating performance, are presented separately in the income statement on the line "Other income and expenses". This caption is used primarily to report restructuring costs, impairment losses recognized following impairment tests, gains and losses on disposals of non-current assets as well as the impacts related to scope changes (transaction costs, gains and losses arising on disposals of assets and remeasurement of any previously hold interest).

(in millions of euros)	2019	2020
Impairment losses	(181)	(1,031)
Reversal of pension provision	37	-
Restructuring expenses	(8)	(167)
Gains and losses on disposal	352	1
Other non-recurring income and expenses	(22)	240
OTHER INCOME AND EXPENSES	**177**	**(958)**

At December 31, 2020, other income and expenses mainly include:

- impairment losses for €(1,031) million mainly recognized on following assets:
  - €(668) million on intangible assets and property, plant and equipment as part of the impairment tests (see note 8.3),
  - €(266) million on the loan granted to sbe prior to its takeover (see note 11.2.3),
  - €(96) million on equity-accounted investments (see note 6.2);
- restructuring costs for €(167) million primarily related to the transformation plan initiated by the Group (see note 2.1);
- other income and expenses for €240 million mainly comprising:
  - €254 million gain recognized following the refund received in relation to "précompte" dividend withholding tax paid over the period 2002-2004 (see note 14.2),
  - Deal and integration costs for €(21) million,
  - Costs related to the "All Heartist" initiative as part of the Covid-19 health crisis support for €(18) million (see note 2.1).

In 2019, other income and expenses mainly included impairment losses on hotel assets for €(150) million, gains on disposals for €352 million, including €301 million on the disposal of 4.9% of Huazhu Group Ltd's capital, and a €37 million reversal of a provision resulting from the freeze of supplementary pension plans in application of the "PACTE law" in France.

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 attributable 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 of time 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 attributable 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 components 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
Equipments	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 breakdown as follows:

(in millions of euros)	Goodwill	Trademarks	Contracts	Licences, software	Others	Total
GROSS VALUE						
At January 1, 2019	**2,358**	**1,769**	**1,129**	**351**	**259**	**5,866**
Additions*	43	99	60	24	53	277
Disposals/reclassifications	(3)	(0)	(10)	(11)	(0)	(24)
Exchange differences	40	56	33	2	1	133
Others	-	2	(6)	(4)	(14)	(22)
Assets held for sale	(142)	(7)	-	(15)	(97)	(261)
At December 31, 2019*	**2,295**	**1,917**	**1,207**	**347**	**202**	**5,969**
Additions	196	91	72	20	19	398
Disposals/reclassifications	(7)	-	(7)	(0)	(0)	(14)
Exchange differences	(84)	(81)	(66)	(3)	(1)	(236)
Others	(2)	0	16	6	(16)	4
Assets held for sale	88	6	-	10	37	140
AT DECEMBER 31, 2020	**2,486**	**1,933**	**1,221**	**379**	**240**	**6,260**
DEPRECIATION AND IMPAIRMENT						
At January 1, 2019	**(290)**	**(51)**	**(126)**	**(222)**	**(56)**	**(745)**
Depreciation	-	(1)	(53)	(47)	(18)	(120)
Impairment loss	(174)	-	0	0	-	(174)
Disposals/reclassifications	-	0	-	8	-	8
Exchange differences	(1)	0	(2)	(1)	-	(4)
Others	(1)	(2)	2	-	2	1
Assets held for sale	118	2	-	11	12	143
At December 31, 2019	**(348)**	**(52)**	**(179)**	**(251)**	**(61)**	**(891)**
Depreciation		(3)	(61)	(47)	(23)	(134)
Impairment loss	(182)	(263)	(189)	-	(0)	(634)
Disposals/reclassifications	-	-	1	0	0	1
Exchange differences	(3)	7	16	2	1	23
Others	0	(0)	2	5	3	10
Assets held for sale	(75)	-	-	(6)	(7)	(88)
AT DECEMBER 31, 2020	**(608)**	**(310)**	**(410)**	**(298)**	**(88)**	**(1,714)**
NET BOOK VALUE						
At December 31, 2019*	1,947	1,866	1,028	96	141	5,078
AT DECEMBER 31, 2020	**1,879**	**1,622**	**811**	**81**	**153**	**4,547**

* *Restated amounts following the finalization of purchase price allocation of Rixos acquired in 2019.*

As mentioned in note 3.2, intangible assets of John Paul previously classified as assets held for sale were reclassified in the line “Intangible assets” in the statement of financial position at December 31, 2020 for a net book value of €52 million.

Goodwill

Breakdown of goodwill is as follow:

	Dec. 2019*	Dec. 2020		
(in millions of euros)	Net book value	Gross value	Impairment loss	Net book value
Europe	360	349	(4)	346
Mediterranean, Middle East & Africa	283	272	(4)	267
Asia-Pacific	487	479	(22)	457
North/Central America & Caribbean	288	263	-	263
South America	68	68	-	68
HOTELSERVICES	1,486	1,431	(30)	1,400
HOTELASSETS & OTHERS	348	511	(290)	221
NEW BUSINESSES	113	353	(288)	66
NOT ALLOCATED	-	191	-	191
TOTAL	**1,947**	**2,486**	**(608)**	**1,879**

* *Restated amounts following the finalization of purchase price allocation of Rixos acquired in 2019.*

In 2020, the Group recognized a US$233 million provisional goodwill in relation to the takeover of sbe, which will be allocated in 2021 (see note 3.1).

The purchase price of Rixos Hospitality, acquired on July 19, 2019, and its allocation, were completed over the year. The final goodwill recognized, using the partial goodwill approach, amounted to €43 million. It corresponds to the difference between:

- on one hand, the €119 million acquisition price (including the fair value of the 50% previously held interest) and minority interests measured at their share in the net assets' fair value for €42 million; and
- on the other hand, the €118 million net assets acquired. It mainly comprises the Rixos brand for €100 million, management and franchise contracts with hotel owners for €50 million, financial debts for €49 million and deferred tax liabilities for €19 million.

Goodwill was allocated to HotelServices Mediterranean, Middle East & Africa (€40 million) and Europe (€2 million).

In accordance with IFRS 3 – *Business combinations*, the values resulting from the final purchase price allocation have been adjusted in the restated statement of financial position at December 31, 2019. The impact of this price allocation to depreciations and its effect on income tax in the consolidated income statement for the year 2019 is not material. As a result, the consolidated income statement, statement of comprehensive income and statement of cash flows have not been restated accordingly.

Besides, impairment losses were recognized during the year for €182 million (see note 8.3) in relation to:

- HotelAssets & others: mainly the room distribution and management of hotel common areas activity in Australia for €101 million and a hotel asset in Egypt for €19 million;
- New Businesses: mainly on the hotel booking services activity for €47 million and Concierge services activity for €13 million.

Brands

The carrying amount of brands breaks down as follows:

	Déc. 2019*	Déc. 2020		
(in millions of euros)	Net book value	Gross value	Impairment loss	Net book value
Fairmont	1,035	965	(136)	830
Swissôtel	248	249	(65)	184
Raffles	152	138	(25)	113
Mövenpick	135	135	-	135
Mantra	124	123	(27)	96
Rixos	99	99	-	99
sbe	-	86	-	86
Orient-Express	40	40	-	40
Other brands	34	98	(58)	40
BRANDS	**1,866**	**1,933**	**(310)**	**1,623**

* *Restated amounts following the finalization of purchase price allocation of Rixos acquired in 2019.*

Over the year, the Group's brands were impaired for €263 million, as part of impairment tests conducted (see note 8.3).

Contracts

They relates 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 acquired in 2018 and Mövenpick in 2019. They were impaired for €189 million over the year (see note 8.3).

8.2 Property, plant & equipment

Property, plant & equipment break down as follows:

(in millions of euros)	Land	Buildings	Leasehold improv.	Equipment, furniture	Assets in progress	Total
GROSS VALUE						
At January 1, 2019	**73**	**1,267**	**371**	**332**	**57**	**2,100**
Additions	0	9	20	14	23	66
Disposals/reclassifications	-	(14)	(20)	(41)	(0)	(76)
Exchange differences	(0)	10	3	3	(0)	16
Others	0	8	11	14	(29)	4
Assets held for sale	(49)	(636)	(193)	(186)	(33)	(1,098)
At December 31, 2019	**25**	**643**	**192**	**135**	**17**	**1,012**
Additions	-	4	6	54	5	69
Disposals/reclassifications	-	-	(3)	(1)	(1)	(4)
Exchange differences	(2)	(13)	(4)	(6)	(2)	(27)
Others	(0)	(2)	4	(11)	(4)	(13)
Assets held for sale	(4)	(411)	(6)	(2)	0	(423)
AT DECEMBER 31, 2020	**19**	**221**	**188**	**169**	**15**	**614**
DEPRECIATION AND IMPAIRMENT						
At January 1, 2019	**(5)**	**(454)**	**(227)**	**(226)**	**(6)**	**(918)**
Depreciation	-	(33)	(24)	(26)	-	(83)
Impairment loss	(0)	1	1	1	(0)	2
Disposals/reclassifications	-	13	18	16	-	47
Exchange differences	-	(5)	(5)	-	-	(9)
Others	-	(0)	-	-	-	(0)
Assets held for sale	-	334	110	132	3	580
At December 31, 2019	**(5)**	**(144)**	**(126)**	**(104)**	**(2)**	**(380)**
Depreciation	-	(16)	(16)	(15)	-	(48)
Impairment loss	(1)	(27)	(3)	(1)	(2)	(33)
Disposals/reclassifications	-	-	1	1	-	2
Exchange differences	1	9	3	4	0	17
Others	0	3	(2)	11	0	12
Assets held for sale	4	45	6	3	-	58
AT DECEMBER 31, 2020	**(1)**	**(129)**	**(137)**	**(101)**	**(4)**	**(372)**
NET BOOK VALUE						
At December 31, 2019	20	500	66	32	15	632
AT DECEMBER 31, 2020	**18**	**92**	**52**	**68**	**12**	**242**

As at December 31, 2020, the decrease in the carrying amount of property, plant and equipment is mainly explained by the reclassification of SCI Sequana as assets held for sales (see note 3.2).

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 criteria considered as indicators of a possible impairment are the same for all businesses:

- 15% drop in revenue, excluding perimeter effects and foreign exchange differences; or
- 30% drop in EBITDA, excluding perimeter effects and foreign exchange differences.

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:

- HotelServices: at the level of the regions as presented in the segment information in note 4.1;
- HotelAssets & others: at the level of the property for Hotel assets and at the level of the activity for other activities conducted in Asia-Pacific (room distribution and management of hotel common areas, timeshare);
- New Businesses: at the level of the business lines (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 5 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 values are first estimated using fair values calculated based on a standard EBITDA multiple. For hotel properties, this method is considered as the most appropriate approach to 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 multiples 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. At December 31, 2020, the multiples retained by the Group are comprised between 8 and 12. If the recoverable value is less than the carrying amount, the recoverable value is recalculated using the discounted cash flows method.

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*, Accor is required to assess, at each closing date, whether there is an indication that an asset may be impaired and, if so, estimate the recoverable amount of this asset. As indicated in note 2, the Covid-19 health crisis has led to a sudden deterioration in the travel and hospitality industries. Given the impacts on its business, the Group has determined that indicators of impairment existed in all its businesses and markets.

Accordingly, it conducted specific impairment tests at December 31, 2020 on all its non-current assets:

- HotelServices: brands, hotels management contracts, contract assets as well as groups of CGUs and associated goodwill by region;
- Hotel Assets & Others: individual hotel assets as well as the room distribution and management of hotel common areas and timeshare activities;
- New Businesses: digital services and hotel booking services activities.

8.3.1 Impairment

At December 31, 2020, the impairment tests conducted by the Group led to recognize impairment losses for €764 million presented as other income and expenses in the consolidated income statement for the year (see note 7) in relation to following assets:

- brands for €263 million;
- HotelServices management contracts for €189 million;
- The room distribution and management of hotel common areas activity in Australia (€101 million fully allocated to goodwill);
- Hotel properties for €54 million (including €30 million for a hotel in Egypt), of which €21 million is allocated to goodwill and €33 million to property, plant & equipment;
- the hotel booking services and concierge service activities (€47 million and €13 million respectively, fully allocated to goodwill);
- and equity accounted investments for €96 million, including €55 million on the company Interglobe Hotels Private Limited, which operates ibis hotels in India.

In total, impairment losses on goodwill amounted to €182 million, of which €122 million for the segment Hotel Assets & Others and €60 million for New Businesses.

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, at closing date, of the expected impacts of the health crisis and the economic conditions for recovery. The Group prepared a 5-year business plan, based on a central scenario assuming a return to a "RevPAR" level (revenue per available room) equivalent to that of 2019 in 2024, consistently with available external data at the date on which the consolidated financial statements were issued.

The revenue forecasts were based, on one hand, on the 2021 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 2022-2025 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 flows beyond 5 years based on normative inflation rates by region (perpetuity growth rate) impacted, over a limited period, by development assumptions.

The discount rate retained corresponds to the Group's weighted average cost of capital at December 31, 2020 based on available market data at that date and considering the specific risks of each region. This update led to an increase in the industry beta retained (5-year average based on a sample of comparable companies), reflecting an increased volatility in the hospitality industry on the markets. For New Businesses, the weighted average cost of capital is calculated using a specific industry beta.

The main key assumptions used are detailed below:

	Perpetual growth rate		Discount rate	
	Dec. 2019	Dec. 2020	Dec. 2019	Dec. 2020
HotelServices Europe	+1.5%	+0.9%	+6.9%	+8.2%
HotelServices Middle East and Africa	+3.0%	+2.0%	+9.7%	+10.3%
HotelServices Asia-Pacific	+2.0%	+2.5%	+7.8%	+10.0%
HotelServices North America, Central America & Caribbean	+3.0%	+1.9%	+7.7%	+8.6%
HotelServices South America	+4.0%	+3.6%	+12.6%	+13.1%
New Businesses Digital services	+2.0%	+2.5%	+8.0%	+10.1%
New Businesses Hotel booking services	+2.0%	+5.0%	+12.0%	+10.6%

8.3.3 Sensitivity of recoverable values

The Group carried out sensitivity analyses, notably regarding the central recovery assumption retained. Thus, at December 31, 2020:

- 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 at December 31, 2020 an additional impairment loss of c. €71 million, of which:
  - €61 million related to HotelServices (€46 million on brands and €15 million on management contracts),
  - €10 million related to Hotel Assets & others on the room distribution and management of hotel common areas activity and on 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 €42 million, of which €23 million on brands, €13 million on management contracts and €6 million on the room distribution and management of hotel common areas activity and hotel assets in Australia.

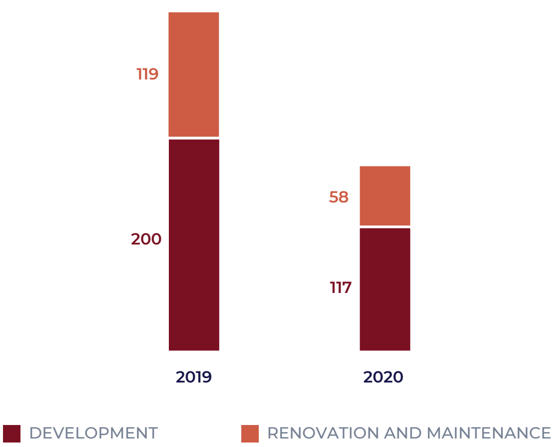
Besides, in order for recoverable values to become equal to the carrying amounts, one or the other of the main financial assumptions used at December 31, 2020 should be modified as follows (in number of basis points):

	Discount rate	Perpetual growth rate
HotelServices Europe	+3,086	N/A
HotelServices Middle East and Africa	+518	N/A
HotelServices Asia-Pacific	+1,242	N/A
HotelServices North America, Central America & Caribbean	+142	(480)
HotelServices South America	+94	(359)
New Businesses Digital services	+139	(186)
New Businesses Hotel booking services	+162	(238)

8.4 Renovation and maintenance and development expenditure

Accounting policy

- Renovation and maintenance expenditure correspond to capitalized costs for maintaining or improving the quality of assets held by the Group at the beginning of each year as a condition of their continuing operation.
- "Development expenditure" comprise the acquisition of subsidiaries (amount net of net cash or debt acquired), investments in equity accounted entities, acquisitions of non-current assets and construction of new assets.



In 2020, main development expenditure includes:

- acquisition of additional stakes in equity-accounted investments Kasada, Fairmont Ghirardelli Square Residence and Mama shelter for €64 million in total (see note 3.1.2);
- a cash-out of €9 million (net of cash acquired) for the takeover of sbe (see note 3.1.1).

In 2019, development expenditure mainly comprised the acquisition of additional stakes in Ken Group, Rixos and 25hours (€80 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 property 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 that are exercisable only by the Group. 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 practice 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 considered to be 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:

	Right-of-use assets			
(in millions of euros)	Buildings	Other property assets	Vehicles	Total
At December 31, 2019	**451**	**73**	**8**	**531**
Additions	6	0	0	7
Derecognitions	(54)	(3)	-	(57)
Depreciation expense	(90)	(4)	(1)	(94)
Impairment loss	(1)	-	-	(1)
Exchange differences	(9)	(0)	(0)	(9)
AT DECEMBER 31, 2020	**304**	**66**	**8**	**377**

9.2 Lease liability

At December 31, 2020, changes in the lease liability are analyzed as follows:

(in millions of euros)	
At December 31, 2019	**548**
Additions	5
Derecognitions	(57)
Accretion of interest	12
Payments	(83)
Foreign exchange impacts	(8)
AT DECEMBER 31, 2020	**416**

The maturity analysis of lease payments (before discounting impact) is as follows:

(in millions of euros)	2020
Less than 1 year	110
1 to 5 years	225
More than 5 years	113
TOTAL	**448**

9.3 Amounts recognized in the income statement

In 2020, following amounts were recognized in the Group's consolidated income statement in relation to leases:

(in millions of euros)	2019	2020
Rent expense for variable lease payments	(62)	(14)
Covid-19 related rents concessions	-	4
Rent expense for short-term leases and low-value assets	(5)	(2)
Depreciation expense and impairment of right-of-use assets	(148)	(94)
Interest expense on lease liabilities	(17)	(12)
TOTAL	**(232)**	**(119)**

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 2020 was €107 million of which:

- €83 million presented in cash flows from financing activities for the repayment of lease liability; and
- €24 million presented in cash flows from operating activities for the payment of interests on lease liability (€12 million) and the payment for leases not recognized in the statement of financial position (€12 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 recorded when the Group has a detailed formal plan for the restructuring and the plan's main features have been announced to those affected by it as of the period end. Other provisions are intended to cover specifically identified risks and claims and litigation arising in the normal course of business.

Movements in provisions over 2020 can be analyzed as follows:

(in millions of euros)	Dec. 2019	Global result	Allowance	Reversal Utilizations	Reversal Unused provisions	Translation adjust. and other	IFRS 5 reclass	Dec. 2020
Pensions and other benefits	75	(2)	7	(3)	(1)	(3)	-	74
Litigation and others	294	-	80	(6)	(25)	(2)	1	341
Restructuring	36	-	132	(14)	(15)	(1)	2	140
PROVISIONS	**405**	**(2)**	**219**	**(23)**	**(41)**	**(6)**	**3**	**555**
• of which non-current	89	(2)	61	(4)	(9)	(4)	-	132
• of which current	316	-	158	(19)	(33)	(2)	3	423

Litigation provisions mainly include a provision covering risks associated with guarantees provided as part of AccorInvest disposal for €208 million and a provision recorded on the period for €53 million related to the dividend withholding tax litigation (see note 14.2).

Changes in restructuring provisions are primarily explained by a €124 million allowance as part of the transformation plan initiated by the Group (cf. note 2.1).

NOTE 11 FINANCING AND FINANCIAL INSTRUMENTS

11.1 Financial result

Accounting policy

Cost of net debt includes interests paid on debts and borrowings, the gain and losses arising from the ineffective portion of related hedges, 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 other hedges, 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 financial result is analyzed as follows:

(in millions of euros)	2019	2020
Interests on bonds and bank borrowings	(60)	(60)
Interests on loans and securities	19	19
Interests on lease debt	(17)	(12)
Cost of net debt	**(58)**	**(52)**
Other financial income and expenses	(17)	(56)
NET FINANCIAL RESULT	**(75)**	**(108)**

Other financial income and expenses include the following items:

(in millions of euros)	2019	2020
Hedging	(19)	(20)
Exchange gains/(losses)	(2)	(14)
Change in fair value of non-current financial assets	0	(9)
Dividend income	5	1
Others financial expenses	(1)	(14)
OTHER FINANCIAL INCOME AND EXPENSES	**(17)**	**(56)**

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 investment. 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

At December 31, 2020, the Group net financial debt amounts to €1,346 million and is analyzed as follows:

	Dec. 2019*			Dec. 2020		
(in millions of euros)	Curent	Non current	Total	Curent	Non current	Total
Bonds	-	2,416	2,416	550	2,305	2,856
Negociable commercial paper	200	-	200	296	-	296
Bank overdraft	3	-	3	29	-	29
Other bank borrowings	12	281	293	(1)	50	49
Bonds and bank borrowings	**215**	**2,697**	**2,912**	**875**	**2,355**	**3,230**
Other financial debts	42	143	186	58	118	177
Derivative financial instruments	48	-	48	36	-	36
Gross financial debt	**306**	**2,840**	**3,146**	**969**	**2,473**	**3,442**
Lease liability	87	461	548	102	314	416
Total financial debt	**393**	**3,301**	**3,694**	**1,071**	**2,787**	**3,859**
Cash and cash equivalents	2,279	-	2,279	2,474	-	2,474
Other current financial assets	54	-	54	28	-	28
Derivative financial instruments	8	-	8	10	-	10
Financial assets	**2,341**	**-**	**2,341**	**2,513**	**-**	**2,513**
NET FINANCIAL DEBT	**(1,948)**	**3,301**	**1,353**	**(1,441)**	**2,787**	**1,346**

* *Restated amounts following the finalization of price purchase allocation of Rixos acquired in 2019 (see note 8.1).*

Changes in financial debt

Over the year 2020, changes in financial debt were as follows:

			Other changes					
(in millions of euros)	Dec. 2019*	Cash flows	Scope effects	Exchange differences	Fair value	Others	IFRS 5	Dec. 2020
Bonds	2,416	440	-	0	-	-	-	2,856
Negociable commercial paper	200	96	-	-	-	-	-	296
Bank borrowings	296	(200)	291	(13)	-	5	(301)	78
Other financial debts	186	5	1	(4)	-	(11)	(1)	177
Derivative financial instruments	48	(8)	-	-	17	-	(21)	36
Gross financial debt	**3,146**	**332**	**292**	**(16)**	**17**	**(6)**	**(323)**	**3,442**
Lease liability	548	(83)	4	(8)	-	(42)	(2)	416
TOTAL DEBT	**3,694**	**250**	**296**	**(25)**	**17**	**(48)**	**(325)**	**3,859**

* *Restated amounts following the finalization of price purchase allocation of Rixos acquired in 2019 (see note 8.1).*

The mortgage loan negotiated in October 2018 to fund the acquisition of the Group's head office and related derivative instruments have been reclassified as liabilities held for sale since June 30, 2020 (see note 3.2).

On December 7, 2020, Accor issued 10,390,689 bonds convertible into new shares and/or exchangeable into new and/or existing shares (OCEANE) maturing on December 7, 2027 for a nominal amount of €500 million, with an annual coupon of 0.7%. The nominal value per bond is €48.12, reflecting a conversion premium of 65%. This issue will enable the redemption of the €550 million bond issued in February 2014 and maturing in February 2021.

This convertible bond is analyzed as a compound instrument containing a liability and an equity component. On the issue date, the amount reported in financial debt, was measured at €434 million, after deduction of allocated costs, corresponding to the present value of contractual payments using a market rate. The effective interest rate of the debt component is 2.79%.

The conversion option recorded in equity, determined by the difference between the nominal value and the financial debt, was measured at €60 million, or €44 million after deferred tax effect.

The scope effects mainly correspond to the restructuring of sbe's financial debt (see note 3.1.1).

Breakdown of bonds

At December 31, 2020, bonds break down as follows:

Nominal *(in local currency)*	Local currency	Nature	Date of issuance	Maturity	Interest rate *(%)* nominal	Interest rate *(%)* effective	Carrying amount Dec. 2019	Carrying amount Dec. 2020
900	EUR	Bond	02/14	02/21	2.63%	2.83%	552	550
150	CHF	Bond	06/14	06/22	1.75%	1.83%	138	138
60	EUR	Bond	12/14	02/22	1.68%	1.72%	60	60
500	EUR	Bond	09/15	09/23	2.38%	2.41%	491	493
600	EUR	Bond	01/17	01/24	1.25%	1.43%	595	596
600	EUR	Bond	02/19	02/26	1.75%	2.83%	580	583
500	EUR	OCEANE	12/20	12/27	0.70%	2.79%	-	435
BONDS BORROWINGS							**2,416**	**2,856**

11.2.2 Current financial assets

At December 31, 2020, current financial assets break down as follows:

(in millions of euros)	Dec. 2019	Dec. 2020
Cash	227	1,143
Fixed-term deposits	1,528	803
Mutual funds units	525	529
Cash and cash equivalents	**2,279**	**2,474**
Short-term loans	54	28
Other current financial assets	**54**	**28**
Derivative instruments	8	10
CURRENT FINANCIAL ASSETS	**2,341**	**2,513**

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.

At December 31, 2020, non-current financial assets break down as follows:

(in millions of euros)	Dec. 2019	Dec. 2020
Long-term loans	240	33
Security deposits	35	23
Financial assets at amortized cost	**275**	**56**
Investments in non-consolidated companies	66	47
Other non-curent financial assets	42	66
Financial assets at fair value	**109**	**113**
TOTAL	**383**	**170**

Over the year, the Group fully depreciated the loan granted to sbe, prior to its takeover, for €266 million (of which €163 million classified as non-current financial assets and €103 million classified as current financial assets) given the risks then identified on its recoverability.

The impairment loss is presented in other income and expenses in the Group's income statement.

Changes in fair value of financial assets measured at fair value were recognized in other comprehensive income for €(27) million and in financial result 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.

At December 31, 2020, derivatives financial instruments are as follows:

	Dec. 2019		Dec. 2020	
(in millions of euros)	**Assets**	**Liabilities**	Asset	Liabilities
Interest rate hedges	8	16	5	(0)
Foreign currency hedges	-	32	4	36
DERIVATIVES FINANCIAL INSTRUMENTS	**8**	**48**	**10**	**36**

11.2.5 Breakdown of financial assets and liabilities

(in millions of euros)	By class of instrument: At amotized cost	Fair value through equity	Fair value through P&L	Derivatives qualified as hedges	Dec. 2020
Long-term loans	33	-	-	-	33
Deposits	23	-	-	-	23
Investments in non-consolidated companies	-	47	-	-	47
Others non-current financial assets	-	-	66	-	66
Trade receivables	534	-	-	-	534
Cash and cash equivalents	1,945	-	529	-	2,474
Others current financial assets	28	-	-	-	28
Derivative instruments	-	-	4	5	10
FINANCIAL ASSETS	**2,564**	**47**	**599**	**5**	**3,216**
Bonds	2,856	-	-	-	2,856
Negociable commercial paper	296	-	-	-	296
Bank borrowings	78	-	-	-	78
Other financial debt	177	-	-	-	177
Trade payables	327	-	-	-	327
Derivative instruments	-	-	9	27	36
FINANCIAL LIABILITIES	**3,734**	**-**	**9**	**27**	**3,769**

(in millions of euros)	By class of instrument: At amotized cost	Fair value through equity	Fair value through P&L	Derivatives qualified as hedges	Dec. 2019*
Long-term loans	240	-	-	-	240
Deposits	35	-	-	-	35
Investments in non-consolidated companies	-	66	-	-	66
Others non-current financial assets	-	-	42	-	42
Trade receivables	649	-	-	-	649
Cash and cash equivalents	1,754	-	525	-	2,279
Others current financial assets	54	-	-	-	54
Derivative instruments	-	-	-	8	8
FINANCIAL ASSETS	**2,732**	**66**	**568**	**8**	**3,373**
Bonds	2,416	-	-	-	2,416
Negociable commercial paper	200	-	-	-	200
Bank borrowings	296	-	-	-	296
Other financial debt	186	-	-	-	186
Trade payables	441	-	-	-	441
Derivative instruments	-	-	33	15	48
FINANCIAL LIABILITIES	**3,539**	**-**	**33**	**15**	**3,587**

* *Restated amounts following the finalization of price purchase allocation of Rixos acquired in 2019 (see note 8.1).*

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:

	Dec. 2020	Hierarchy		
(in millions of euros)	Fair value	Level 1	Level 2	Level 3
Investments in non-consolidated companies	47	30	-	17
Other non-current financial assets	66	-	-	66
Mutual funds units	529	529	-	-
Derivative instruments – assets	10	-	10	-
FINANCIAL ASSETS	**652**	**559**	**10**	**83**
Derivatives – liabilities	36	-	36	-
FINANCIAL LIABILITIES	**36**	**-**	**36**	**-**

	Dec. 2019	Hierarchy		
(in millions of euros)	Fair value	Level 1	Level 2	Level 3
Investments in non-consolidated companies	66	43	-	23
Other non-current financial assets	42	-	-	42
Mutual funds units	525	525	-	-
Derivative instruments – assets	8	-	8	-
FINANCIAL ASSETS	**641**	**568**	**8**	**66**
Derivatives – liabilities	48	-	48	-
FINANCIAL LIABILITIES	**48**	**-**	**48**	**-**

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 quoted on an active market, or to an estimate, for unquoted 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 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 €3,001 million at December 31, 2020.

11.3 Financial risk management

11.3.1 Foreign exchange risk

Bonds and bank borrowings by currency

	Before hedging			After hedging		
(in millions of euros)	Amount	Rate	% of total debt	Amount	Rate	% of total debt
Euro	3,045	2%	94%	1,340	1%	41%
US dollar (USD)	47	3%	1%	673	1%	21%
Australian dollar (AUD)	-	-	-	588	2%	18%
Swiss franc (CHF)	138	2%	4%	319	1%	10%
Pound sterling (GBP)	-	-	-	83	1%	3%
Chinese yen (CNY)	-	-	-	71	2%	2%
Hungarian Florint (HUF)	-	-	-	52	0%	2%
Japanese yen (JPY)	-	-	-	34	1%	1%
UAE Dirham (AED)	-	-	-	29	1%	1%
Canadian dollar (CAD)	-	-	-	27	1%	1%
Other currencies	-	-	-	14	-	0%
BONDS AND BANK BORROWINGS	**3,230**	**2%**	**100%**	**3,230**	**1%**	**100%**

Foreign currency hedges

At December 31, 2020, characteristics of the foreign currency hedges are as follows:

	Dec. 2020								
(in millions of euros)	Hedging maturity	Accounting classification	AUD	USD	CHF	GBP	Others currencies	Nominal	Fair value
Currency swaps	< 1 year	Trading	21	(39)	(165)	78	9	(96)	(7)
Currency swaps	< 1 year	Cash Flow Hedge	-	-	(7)	-	-	(7)	(0)
Cross currency swaps	2028	Cash Flow Hedge	561	-	-	-	-	561	(27)
Financing operations			**582**	**(39)**	**(171)**	**78**	**9**	**458**	**(34)**
Commercial operations	**< 1 year**	**Trading**	**(1)**	**12**	**0**	**6**	**16**	**32**	**0**
Trading operations	**< 1 year**	**Trading**	**-**	**193**	**-**	**-**	**-**	**193**	**2**
TOTAL			**581**	**166**	**(171)**	**83**	**25**	**683**	**(32)**

Sensitivity analysis

Accor's policy is to hedge balances in the statement of financial position related to financing. Hence, the sensitivity to the foreign exchange risk on such balances is not material. It should be noted that the external debt in swiss franc (CHF 157 million as of December 31, 2020) is not hedged but is documented as Net Investment Hedge (NIH) of Group's operations in Switzerland.

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). Most of the trade balances are hedged at December 31, 2020, and the corresponding foreign currency derivatives are qualified as trading instruments.

11.3.2 Interest rate risk

Bonds and bank borrowings by interest rate

	Current		Non-current		Dec. 2020	
(in millions of euros)	Fixe	Variable	Fixe	Variable	Fixe	Variable
Bonds and bank borrowings	847	29	2,313	41	3,160	70
Cash and cash equivalents	(1,765)	(710)	-	-	(1,765)	(710)
Net exposure before hedging	**(918)**	**(681)**	**2,313**	**41**	**1,395**	**(639)**
Hedging derivative instruments	(300)	300	-	-	(300)	300
Net exposure with derivatives	**(1,218)**	**(381)**	**2,313**	**41**	**1,095**	**(339)**

At December 31, 2020, 72% of bonds and bank borrowings was at fixed rate, with an average rate of 1.1%, and 28% was with variable rate, with an average rate of 2%. The fixed rate debt is denominated primarily in Euro (41%).

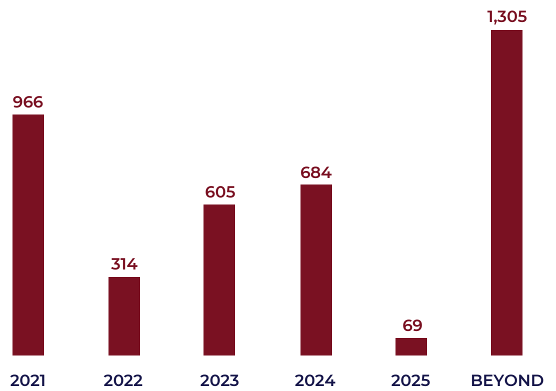
Interest rate hedges

At December 31, 2020, the portfolio mainly comprises interest rate swaps converting part of the Group's bonds into variable rates, for a nominal of €300 million. The fair value of these instruments, which are designated as fair value hedge, is €5 million.

11.3.3 Liquidity risk

Debt profile

The debt profile (corresponding to contractual undiscounted cash-flows) is one of the indicators used to assess the Group's liquidity position. At December 31, 2020, maturities of long-term and short-term debt were as follows:



Credit lines

On May 18, 2020, the Group signed an agreement with a consortium of 5 banks for a new €560 million revolving credit facility. The new facility has a 12 months tenor with two six-months extension options in the hands of Accor and is covenant free.

At December 31, 2020, the Group has a total long-term revolving credit facility of €1,760 million, comprising the respectively €1,200 million existing facilities, negotiated in June 2018 maturing in June 2025 and the €560 million facility maturing in May 2022.

Besides Accor has a short-term financing program in the form of commercial paper (NEU CP) capped at €500 million. At December 31, 2020, the program is drawn for €296 million. It is not guaranteed and ranks as a senior bond.

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 (€2,421 million among the €3,230 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 contains 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 Covid-19 health crisis, Accor obtained a first covenant holiday until June 2021, which was extended on February 8, 2021, until June 2022 (see note 14.3).

Regarding the €300 million mortgage debt negotiated in October 2018 to fund the acquisition of the Group's head office (reclassified as a liability held for sale in the statement of financial position at December 31, 2020), 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.

Finally, 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 Counterparty risk

Financial investments are diversified. They relate to first rank securities and are negotiated with banks, themselves first rank. The Accor Group subscribes over-the-counter derivatives with first-class banks under agreements which provide for offsetting the 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 subsidiary, 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

(in millions of euros)	2019	2020
Current tax	(136)	16
Deferred tax	(2)	46
INCOME TAX	**(138)**	**62**

In 2020, the deferred tax income of €46 million mainly includes:

- A reversal of deferred tax liabilities on intangible assets for €116 million resulting from impairment losses recognized as part of impairment tests of non-financial assets (see note 8.3);
- A loss allowance deferred of €(66) million on the United States in relation to tax loss carryforwards and in Germany due to deductible temporary differences on intangible assets.

At December 31, 2020, the Group did not recognize any significant tax income in relation to losses incurred over the year.

12.1.2 Income tax expense analysis

(in millions of euros)		2019	2020
PROFIT BEFORE TAX	(A)	603	(2,309)
Non-deductible impairment losses		174	237
Tax on share of profit (loss) of equity investments		32	(52)
Others		6	1
TOTAL PERMANENT DIFFERENCES	(B)	212	186
UNTAXED PROFIT ON PROFIT TAXED AT A REDUCED RATE	(C)	(444)	(94)
Profit taxed at standard rate	**(D) = (A) + (B) + (C)**	**371**	**(2,218)**
STANDARD TAX RATE IN FRANCE	(E)	+34.4%	+32.0%
THEORETICAL TAX AT STANDARD FRENCH TAX RATE	(F) = (D) X (E)	(128)	710
• differences in foreign tax rates		8	(218)
• unrecognized tax losses for the year		(40)	(296)
• utilization of tax loss carryforwards		24	1
• share of profit (loss) of equity investments		32	(51)
• net charges to/reversals of provisions for tax risks		(2)	2
• company value-added contribution (CVAE)		(6)	(2)
• changes in tax rates		(1)	9
• other items		(25)	(92)
TOTAL EFFECTS ON TAX AT STANDARD FRENCH TAX RATE	(G)	(10)	(647)
INCOME TAX (EXPENSE)/INCOME	**(H) = (F) + (G)**	**(138)**	**62**

At December 31, 2020, the income tax rate is at 32.02%, including “contribution sociale de solidarité” tax of 3.3% based on the standard tax rate in France of 31%.

12.2 Deferred taxes

The main natures of deferred tax assets and liabilities are the following:

(in millions of euros)	Dec. 2019*	Dec. 2020
Intangible assets	(586)	(468)
Property, plant and equipment	(14)	(13)
Recognized tax losses	67	29
Provision for employee benefits	33	30
Provision for risks and contingencies	63	62
Impairment losses	5	3
Others	30	3
TOTAL NET DEFERRED TAX	**(402)**	**(356)**
• Deferred tax assets	218	157
• Deferred tax liabilities	(621)	(513)

* *Restated amounts following the finalization of purchase price allocation of Rixos acquired in 2019 (see note 8.1).*

Deferred taxes liabilities on intangible assets mainly concern assets recognized in the frame of FRHI Hotels & Resort group acquisition in 2016.

Deferred tax assets recognized on provision for risks and contingencies are mainly related to the provision of €201 million set up to cover the future risks associated with the guarantees provided on AccorInvest disposal.

12.3 Unrecognized deferred tax

Unrecognized deferred tax assets amount to €803 million at December 31, 2020 (€439 million at December 31, 2019). They mainly correspond to evergreen tax loss carryforwards in France (€296 million), in the US (€226 million), in Luxembourg (€92 million) and in Belgium (€84 million).

Unrecognized deferred tax assets will expire in the following periods if not utilized:

(in millions of euros)	Deductible temporary differences	Tax loss carryforwards	Total
From 2020 to 2023	-	42	42
2024 and beyond	147	23	170
Evergreen	16	575	591
TOTAL	**163**	**640**	**803**

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, instruments that are redeemable at the Group's initiative and that entitle holders to a dividend are classified in shareholders' equity.

13.1 Share capital

13.1.1 Shareholders

At December 31, 2020, Jin Jiang is Accor' leading shareholder with 13% of the share capital corresponding to 17% of voting rights. Moreover, following the acquisition of the FRHI Group, whose capital was held by Qatar Investment Authority (QIA) and Kingdom Holding Company (KHC), these companies became shareholders of Accor SA in July 2016 and respectively hold 11.3% and 6.3% of the Company's share capital, representing 17.3% and 9.7% of voting rights.

Harris Associates also holds 8.3% of the Company's share capital and 6.4% of voting rights.

Finally, China Lodging Group (Huazhu) holds 6.2% of the Company's share capital and 4.8% of voting rights.

13.1.2 Changes in share capital

At December 31, 2020, Accor SA's share capital was made up of 261,382,728 shares with a par value of €3 each, all fully paid. Changes in the number of outstanding shares during 2020 were as follows:

In number of shares	2020
Number of issued shares at January 1, 2020	**270,932,350**
Performance shares vested	531,219
Employee ownership plan	0
Shares issued on exercise of stock options	94,468
Shares cancelled	(10,175,309)
NUMBER OF ISSUED SHARES AT DECEMBER 31, 2020	**261,382,728**

13.1.3 Distribution of dividends

No dividend was paid over the period. As mentioned in note 2.1, on April 2, 2020, the Board of Directors decided to withdraw its proposal for the 2019 dividend payment (€280 million) to complete management's measures implemented in response to the Covid-19 health crisis.

13.1.4 Perpetual subordinated notes

On January 24, 2019, Accor issued a €500 million perpetual subordinated bond with a 4.375% coupon. On October 23, 2019, the Group issued a second €500 million perpetual subordinated bond with a coupon of 2.625%.

These two bond issues enabled the Group to partially repurchase €772 million on the €900 million perpetual subordinated bond issued in June 2014. The €127 million remaining balance was redeemed on June 30, 2020 through the exercise of the first call option.

In accordance with the provisions of IAS 32 – *Financial Instruments*, these bonds are recorded as an equity instrument in the Group's consolidated financial statements. Accor has an unconditional right to avoid delivering cash: principal is redeemable at its sole discretion and payment of coupons is subject to events under its control, such as a decision to pay dividends to ordinary shareholders.

In 2020, coupons paid to holders amounted to €34 million. These payments are analyzed as a profit distribution, directly deducted from equity.

13.1.5 Share buy-back program

As authorized by the Annual General meeting on April 30, 2019, the Group implemented a share buy-back program, through investment services providers, covering up to a maximum number of shares representing 10% of the share capital. The subscription period started on January 20, 2020 and ended on March 24, 2020.

Upon completion, the Group acquired 10,175,309 shares at an average price of €29.4831 per share for a total of €300 million. These shares were cancelled by way of a capital decrease completed on June 30, 2020.

13.1.6 Consolidated reserves

Items recognized directly in shareholders' equity Group share are the followings:

(in millions of euros)	Dec. 2019	Change	Dec. 2020
Currency translation reserve	(163)	(318)	(480)
Changes in fair value of financial Instruments	(25)	(54)	(79)
• of which non-consolidated investments	(11)	(26)	(37)
• of which derivative instruments	(15)	(28)	(43)
Reserve for actuarial gains/losses	(114)	3	(111)
Share based payments	268	31	299
Retained earnings and others	4,100	(2,096)	2,005
RESERVES – GROUP SHARE	**4,066**	**(2,433)**	**1,633**

13.1.7 Currency translation reserve

The currency translation reserve breaks down as follows:

(in millions of euros)	2019	Change	2020
British sterling (GBP)	(121)	3	(118)
Brazilian real (BRL)	(93)	(10)	(103)
United States dollar (USD)	81	(165)	(84)
Chinese yuan (CNY)	(33)	(20)	(53)
Canadian dollar (CAD)	12	(63)	(50)
Australian dollar (AUD)	(10)	(8)	(18)
Polish zloty (PLN)	25	(25)	0
Other currencies	(30)	(32)	(62)
CURRENCY TRANSLATION RESERVE	**(168)**	**(320)**	**(488)**
• translating foreign operations, Group share	(163)	(317)	(480)
• translating foreign operations, minority interests	(5)	(3)	(8)

Exchange differences on 2020 represent a negative impact of €320 million, mainly explained by the depreciation of the US Dollar (€165 million) and the Canadian Dollar (€63 million).

The period-end euro/local currency exchange rates applied to prepare the consolidated financial statements were as follows:

	GBP	BRL	USD	CNY	CAD	AUD	PLN
December 2019	0.8571	4.5220	1.1075	7.7652	1.4577	1.6008	4.2609
December 2020	0.8980	6.3608	1.2193	7.9624	1.5656	1.6039	4.5022

For the period presented. the Group has no significant subsidiaries in hyper-inflationary economies.

13.2 Minority interests

13.2.1 Breakdown of minority interests

Minority interests break down as follows:

(in millions of euros)	Dec. 2019*	Change	Dec. 2020
Orbis Group	79	(79)	-
Rixos Hotels & Resorts	30	(6)	24
Orient-Express	17	(0)	17
Others minority interests	27	(2)	25
MINORITY INTERESTS	**153**	**(87)**	**66**

* *Restated amounts following the finalization of price purchase allocation of Rixos acquired in 2019 (see note 8.1).*

The change over the period is mainly explained by the derecognition of Orbis' minority interests for €79 million, as a result of the disposal of the subsidiary in March 2020 (see note 3.1.3).

At December 31, 2020, minority interests are individually not significant.

To the best of the Group's knowledge, no minority shareholders have any particular protective rights that could materially affect Accor' ability to use and dispose of its subsidiaries' assets or use and settle their liabilities.

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). Stock options are considered as potentially dilutive if they are in the money. The adjustment is performed using the treasury stock method.

Earnings per share are calculated as follows:

(in millions of euros)	2019	2020
Net profit, Group share	**464**	**(1,988)**
Coupons on perpetual subordinated bonds	(42)	(34)
Adjusted Net profit, Group share	**422**	**(2,021)**
Weighted average number of ordinary shares	271,823,856	262,233,805
Fully diluted weighted average number of shares	272,289,941	-
EARNINGS PER SHARE *(in euros)*	**1.55**	**(7.71)**
DILUTED EARNINGS PER SHARE *(in euros)*	**1.55**	**(7.71)**

At December 31, 2020, the weighted average number of ordinary shares is computed as follows:

Outstanding shares	**261,382,728**
Effect of share issued	(272,211)
Effect for stock option plans exercised during the period	(17,540)
Cancellation of shares	5,032,052
Weighted average number of ordinary shares	**266,125,029**
Average number of own shares	(3,891,223)
Weighted average number of ordinary shares excluding own shares	**262,233,805**

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. At December 31, 2020, 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

Undiscounted off-balance sheet commitments given at December 31, 2020 break down as follows:

(in millions of euros)	Less than 1 year	1 to 5 years	Beyond 5 years	Total
Commitments given in the normal course of business	70	75	73	219
Commitments increasing net debt	46	34	152	232
Commitments related to development	2	8		10
COMMITMENTS GIVEN	**118**	**117**	**225**	**460**

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.

Commitments increasing net debt mainly relate to rents guarantees given on behalf of joint-ventures.

14.1.2 Commitments received

Undiscounted off-balance sheet commitments received at December 31, 2020 break down as follows:

(in millions of euros)	Less than 1 year	1 to 5 years	Beyond 5 years	Total
Guarantees received in the normal course of business	5	1	5	11
COMMITMENTS RECEIVED	**5**	**1**	**5**	**11**

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 wholly 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.

In 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 issued, and all necessary provisions were set aside 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.

The main outstanding litigation relates to the "précompte" dividend withholding tax presented below.

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 his right and has brought an action for State liability at the Paris Administrative Court, which is expected to be reviewed in 2021.

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 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.

Therefore, at December 31, 2020 the Group considers it highly probable that Accor will be definitely entitled to up to €254 million on the refund received in July 2020 (€149 million of principal and €105 million of late interests). Accordingly, a gain was recognized in the income statement of the year, presented in other income and expenses (see note 7).

14.3 Subsequent Events

Exclusive negotiations with Ennismore

On November 24, 2020, Accor announced that it has entered into exclusive negotiations with Ennismore, a London-based hotel operator, with a view to complete a merger through asset contributions and form the world's leading lifestyle operator in the hospitality sector. Focusing on one of the fastest growing segments in the industry, the combined entity would operate a portfolio of 73 existing hotels under 12 brands and over 150 destination restaurant and bars. Completion of the transaction, which will be subject to the employee consultation process and customary regulatory authorizations, is expected to occur in the first half of 2021.

Besides, on January 15, 2021, Accor acquired the remaining 50% stake in 25 hours, investment currently accounted for under the equity method in Group's consolidated financial statements, for €61 million. This transaction is subject to conditions precedent, that would lead to a takeover of 25 hours upon closing of the transaction with Ennismore.

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 all shareholders in proportion to their ownership, representing €45 million for Accor. Besides, a second tranche amounting to €327 million (including €109 million for Accor) is expected to be proposed for approval to the Extraordinary General Meeting that will be held on March 1, 2021, subject to a subscription by all shareholders.

Redemption of bond

On February 5, 2021 Accor redeemed the maturing €550 million outstanding amount of the €900 million bond issued in February 2014. In 2019, this bond had been partially repurchased in the amount of €350 million. This redemption has been funded through the issuance of bonds convertible and/or exchangeable into new and/or existing shares (OCEANE) on December 7, 2020 (see note 11.2.1).

Covenant holidays

On February 8, 2021, Accor obtained a one-year extension of the covenant holiday for the €1,200 million revolving credit facility, concluded on June 2018 a bank consortium. The covenant will not be tested on the next two test dates on June 30 and December 31, 2021.

Disposal of Huazhu Group Ltd shares

On February 18, 2021, Accor sold a part of its share in Huazhu Group Ltd which represent 1.5% of share capital of the company for €239 million. After completion of this transaction, the Group retains a 3.3% residual interest in the share capital.

NOTE 15 OTHER INFORMATION

15.1 Related parties

Companies that exercise significant influence over Accor

At December 31, 2020, the following companies Qatar Investment Authority (QIA) and Kingdom Holding Company of Saudi Arabia (KHC), which respectively acquired 11.3% and 6.3% of the Company's capital (representing 17.3% and 9.7% of the voting rights) following the acquisition of FRHI Group by Accor exercise significant influence over the Company. Pursuant to the agreements signed at the time of this transaction, QIA has two seats on the Board of Directors and KHC has one seat.

The following agreements are considered related party agreements:

- agreement concluded over the second semester 2018 with Katara Hospitality, subsidiary of QIA, with a view to set-up an investment fund (Kasada Capital Management) dedicated to Hospitality in Africa;
- agreement concluded on February 21, 2019 with SASP Paris Saint Germain Football, owned by Qatar Sport Investment (QSI), subsidiary of QIA, in order to become the principal partner and official jersey sponsor of Paris-Saint-Germain from the 2019/2020 season.

Fully consolidated companies and all 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 with AccorInvest recognized in 2020 represent 9% of the total revenue of the Group. At December 31, 2020, receivables towards AccorInvest amounted to €203 million in the consolidated statement of financial position.

Besides, as mentioned in note 3.1.3, on March 11, 2020 the Group's stake of 85.8% in Orbis was sold to AccorInvest by way of a public tender offer for €1,051 million. This transaction was concluded on an arm's length basis in the normal course of business operations.

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 income statements in 2020 and prior year:

	2019			2020		
(in millions of euros)	**PwC**	**EY**	**Total**	**PwC**	**EY**	**Total**
FEES RELATED TO CERTIFICATION OF ACCOUNTS						
Issuer	0.7	1.2	1.9	1.3	1.3	2.6
Fully consolidated subsidiaries	1.3	1.7	3.0	1.5	1.9	3.4
Subtotal	**1.9**	**2.9**	**4.9**	**2.8**	**3.2**	**5.9**
FEES FOR SERVICES OTHER THAN CERTIFICATION OF ACCOUNTS						
Services required by laws and regulations	0.0	0.1	0.2	0.0	-	0.0
Due diligence services	0.6	-	0.6	0.3	-	0.3
Tax services*	0.7	0.6	1.3	0.4	0.5	0.9
Others services**	0.6	0.2	0.8	0.9	0.4	1.3
Subtotal	**1.9**	**0.9**	**2.8**	**1.6**	**0.9**	**2.5**
TOTAL	**3.8**	**3.9**	**7.7**	**4.4**	**4.0**	**8.4**

* *Tax services mainly relate to compliance assignments performed for foreign subsidiaries.*

** *These services mainly relate to assignments performed in France and abroad by members of respective auditors' networks.*

15.3 Main consolidated companies

The main subsidiaries and associates represent at least 75% of consolidated revenue and EBITDA. The other subsidiaries and associates are not significant for these two aggregates.

To the best of the Group's knowledge, there are no material restrictions on the use and sale by Accor of the assets of subsidiaries controlled by the Group at December 31, 2020.

The Group consolidates under the appropriate method the entirety of its subsidiaries.

ACCOR SA

EUROPE			
ACADEMIE FRANCE	France	FC	100%
IBIS BUDGET	France	FC	98%
SH DEFENSE GRANDE ARCHE	France	FC	100%
MAMA SHELTER FRANCE	France	EI	70%
ACCOR HOTELS SWITZERLAND SA	Switzerland	FC	100%
SWISSOTEL MANAGEMENT GMBH	Switzerland	FC	100%
MÖVENPICK HOTELS & RESSORTS MANAGEMENT AG	Switzerland	FC	100%
SOGEMCO SA	Switzerland	EI	30%
FRHI HOTELS & RESORTS S.A.R.L.	Luxembourg	FC	100%
MP HOTELS DEUTSCHLAND GMBH	Germany	FC	100%
ACCOR HOTELBETRIEBS GMBH	Austria	FC	100%
ACCOR HOTELS BELGIUM	Belgium	FC	100%
OU SWISSOTEL ESTONIA	Estonia	FC	100%
LEISURE HOTELS - HOTEL AND TOURISTIC ENTERPRISES SA	Greece	FC	100%
ACCOR HOTELS ITALIA S.R.L	Italy	FC	100%
ACCOR HOTELS & COMMUNITY SERVICES SPAIN S.L.	Spain	FC	100%
ACCOR HOTELS UK	United Kingdom	FC	100%
ACCOR HOTELS SERVICES NETHERLANDS	Netherlands	FC	100%
RUSSIAN MANAGEMENT HOTEL COMPANY	Russia	FC	100%
TAMARIS TURIZM TRY	Turkey	FC	100%
ACCOR SERVICES POLAND	Poland	FC	100%
ACCOR HOTEL SERVICES MAGYAORSZAG KFT.	Hungary	FC	100%

SOUTH AMERICA			
HOTELARIA ACCOR BRASIL SA	Brazil	FC	100%
ACCOR HOTELS ARGENTINA SA	Argentina	FC	100%
ACCOR HOTELS CHILE SPA	Chili	FC	100%
SOCIEDAD ANONIMIA DE GESTION HOTELERA DE COLOMBIA	Colombia	FC	100%
ACCOR HOTELS PERU SA	Peru	FC	100%

AFRICA & MIDDLE EAST			
RIXOS CONSULTANCY FZE	United Araab Emirates	FC	70%
ACCOR AFRIQUE	Africa Structures	FC	100%
ACCOR GESTION MAROC	Morocco	FC	78%
ACCOR HOTEL SAE	Egypt	FC	100%
ACCOR MIDDLE EAST AND AFRICA FZ-LLC	United Araab Emirates	FC	100%
BELLE RIVIERE HOTEL	Mauritius	FC	100%
KASADA HOSPITALITY FUND LP	Mauritius	EI	30%
EL GEZIRAH HOTELS TOURISM CY	Egypt	FC	66%
FRH GULF MANAGEMENT FZ-LLC	United Araab Emirates	FC	100%
RISMA	Morocco	EI	33%
SAUDI FRENCH COMPANY HOTEL MGT	Saoudi Arabia	FC	100%
MÖVENPICK HOTELS & RESORTS MANAGEMENT	United Araab Emirates	FC	100%

ASIA-PACIFIC			
AAPC SINGAPORE PTE LTD	Singapore	FC	100%
AAPC INDIA HOTEL MANAGEMENT PRIVATE LIMITED	India	FC	51%
AAPC PROPERTIES PTY LTD	Australia/NZ	FC	100%
AAPC HONG-KONG CO LTD	Hong-Kong	FC	100%
HUAZHU GROUP LTD	China	EI	5%
MANTRA	Australia/NZ	FC	100%

NORTH, CENTRAL AMERICA & CARIBBEAN			
ACCOR CANADA INC	Canada	FC	100%
SI HOTELERA DE MEXICO	Mexico	FC	100%
ACCOR MANAGEMENT CANADA INC	Canada	FC	100%
ACCOR MANAGEMENT US INC	United States	FC	100%
21C MUSEUM HOTELS	United States	FC	85%
SBE ENTERTAINMENT GROUP	United States	FC	100%

NEW BUSINESSES			
VERYCHIC	France	FC	100%
D-EDGE	France	FC	100%
D-EDGE HOSPITALITY SOLUTIONS PTE LTD	Singapore	FC	100%
JOHN PAUL	France	FC	100%
LIFEALIKE LTD	United Kingdom	FC	100%
GEKKO	France	FC	100%
RESIDIARY	Singapore	FC	100%

ACCOR INVEST			
ACCOR INVEST GROUP	Luxembourg	EI	30%

FC : Fully consolidation
EI : Equity Investment
The percentages correspond to the Group's percentage interest.

5.2 Statutory auditors' report on the consolidated financial statements

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users. This statutory auditors' report includes information required by European regulations and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Year ended December 31, 2020

To the Annual General Meeting of Accor,,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Accor for the year ended December 31, 2020.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2020 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 and Risk 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 those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of 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, 2020 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in 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 (Code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Measurement of intangible assets

Risks identified	Our response
As at December 31, 2020, the net carrying amount of intangible assets amounts to M€ 4,547 namely 43% of total assets excluding assets held for sale. These fixed assets comprise goodwill (M€ 1,879), brands (M€ 1,623) and contracts (M€ 811) mainly recognized on external growth transactions, as well as other intangible fixed assets (M€ 234). An impairment loss of M€ 684 has been recognized for these intangible assets as at December 31, 2020. As described in Note 8.3 "Impairment tests" to the consolidated financial statements, these 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. 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 assumptions of the way out of the health crisis. The recoverable value determination and its sensitivity to the main information and assumptions are based on several judgement and important estimations from Management. As at December 31, 2020, and in accordance with IAS 36 – Impairments of assets, Management considered the indicators of a possible impairment notably the consequences of the Covid-19 health crisis (sudden deterioration in the travel and hospitality industries). In addition, Management performed an impairment test of all intangible assets as at December 31, 2020. Given the measurement of intangible assets, their significance in the group's consolidated accounts, the sensitivity of impairment tests to the used data and Management's judgement as well as major assumptions in a complex and evolving context of the Covid-19 health crisis, we have considered the valuation of the intangible assets recoverable value to be a key audit matter.	Our work notably consisted in: • familiarizing ourselves with the process implemented by Management to assess the intangibles assets' valuation and assessing the CGUs (Cash-Generating Unit) or groups of CGUs to which the intangible assets belong; • analyzing the goodwill at the level of a group of CGUs as tested by Management and assessing their consistency with the Group's internal organization, the expenditures follow-up and the internal reporting; • substantiating the existence of indicators of impairment identified by Management as at December 31, 2020; • assessing with the support of our valuation experts, the relevance of the valuation models used, the long-term growth rates and the discount rates applied, based on market practices, and verifying their arithmetical accuracy and their consistency with the main source data., • assessing the consistency of the cash flow projections with the Management business plans, considering the consequences of the Covid-19 health crisis, the way out of the pandemic and the recovery scenario, and performing, when applicable, sensitivity analysis on impairment tests; • assessing the appropriateness of the information disclosed in Note 8.3 "Impairment tests" to the consolidated financial statements.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information relating to the Group given 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 consolidated non-financial statement required by Article L. 225-102-1 of the French Commercial Code *(Code de commerce)* is included in the information relating to the Group given in the management report OR is included in the Group management report, it being specified that, in accordance with Article L. 823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information has been reported on by an independent third party.

Report on Other Legal and Regulatory Requirements

Format of presentation of the consolidated financial statements intended to be included in the annual financial report

In accordance with Article 222-3, III of the AMF General Regulation, the Company's management informed us of its decision to postpone the presentation of the consolidated financial statements in compliance with the European single electronic format as defined in the European Delegated Regulation No 2019/815 of December 17, 2018 to years beginning on or after January 1, 2021. Therefore, this report does not include a conclusion on the compliance with this format of the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (Code monétaire et financier).

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Accor by the annual general meeting held on April 30, 2019 for PricewaterhouseCoopers Audit and on June 16, 1995 for ERNST & YOUNG et Autres .

As at December 31, 2020, PricewaterhouseCoopers and ERNST & YOUNG et Autres were the second year and in the twenty-sixth yearof total uninterrupted engagement.

Prior to ERNST & YOUNG et Autres (formerly Barbier Frinault et Autres), Barbier Frinault et Associés had been statutory auditor since 1970.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from 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 is expected to liquidate the Company or to cease operations.

The Audit, Compliance and Risk Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives 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 from 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 of users taken on the basis of these consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (Code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his 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.
- Obtains an understanding of internal control 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.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the consolidated financial statements.
- Assesses 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 his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains 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 auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit, Compliance and Risk Committee

We submit to the Audit, Compliance and Risk Committee a report 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, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit, Compliance and Risk Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit, Compliance and Risk 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 such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code (Code de commerce) and in the French Code of Ethics (code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit, Compliance and Risk Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine and Paris-La Défense, March 31, 2021

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit		ERNST & YOUNG et Autres	
Olivier Lotz	Cédric Haaser	Jean-Christophe Goudard	François-Guillaume Postel

5.3 Parent company financial statements and notes

5.3.1 Balance sheet at end-December 2020

Assets

(in millions of euros)	Notes	December 2019 net	December 2020 net
Licenses, trademarks, rights and similar assets	(2-3-4-7)	106	74
Goodwill	(2-3-4-7)	22	25
Other intangible assets	(2)	83	97
INTANGIBLE ASSETS		211	196
Land	(2-4)	3	3
Buildings	(2-3-4)	13	12
Machinery, equipment and tools	(2-4)	3	2
Other items of property, plant & equipment	(2-4)	17	14
Prepayments to suppliers of property and equipment	(2)	0	0
PROPERTY, PLANT & EQUIPMENT		36	31
Equity investments	(2-6-7-19)	7,384	6,074
Receivables from equity investments	(2-7-11-18-19)	1,398	1,281
Other long-term securities	(2-6-7-19)	56	60
Loans	(2-7-11-18)	235	0
Other non-current financial assets	(2-7-18)	1,005	1,005
NON-CURRENT FINANCIAL ASSETS		10,078	8,420
Non-current assets		**10,325**	**8,647**
Advances and downpayments paid to suppliers	(5)	28	29
Receivables			
Trade receivables	(5-7-11-20-21)	557	362
Other receivables	(5-7-11-18-20-21)	261	395
Other			
Other marketable securities	(8-11)	965	1,239
Cash and cash equivalents	(11)	1,119	1,187
Current assets		**2,930**	**3,212**
Forward contracts		**-**	**10**
Accrual accounts			
Prepaid expenses	(9-20)	10	44
Deferred expenses	(9)	49	44
Bond redemption premiums		5	4
Translation adjustments, assets	(10)	31	27
Accrual accounts		**95**	**119**
ASSETS	**(1)**	**13,350**	**11,988**

Liabilities and equity

(in millions of euros)	Notes	December 2019 net	December 2020 net
Share capital	(13-14)	813	784
Additional paid-in capital	(13-14)	1,732	1,465
Statutory reserve	(13)	87	87
Regulated reserves	(13)	9	9
Other reserves	(13-14)	9	7
Retained earnings	(13)	3,033	3,242
Net profit (loss) for the year	(13)	208	(1,055)
Equity		**5,891**	**4,539**
Proceeds of the issue of equity instruments	(15)	1,120	994
Other equity		**1,120**	**994**
Provisions for contingencies	(7)	78	133
Provisions for charges	(7)	209	253
Provision for contingencies and charges		**287**	**386**
Convertible bonds	(12-16-17)	-	500
Other bonds	(12-16-17)	2,483	2,485
Bank borrowings	(12-17-18)	221	293
Miscellaneous borrowings and debt	(12-17-19)	2,706	2,261
Advances and downpayments received from customers	(17)	-	1
Trade payables	(12-17-21)	474	325
Tax and social security liabilities	(12-17-26)	106	73
Payables to fixed asset suppliers	(17)	12	17
Other liabilities	(12-17)	23	47
Liabilities		**6,025**	**6,002**
Forward contracts		**-**	**20**
Prepaid income	(9-17)	4	10
Translation adjustments, liabilities	(10)	23	37
Accrual accounts		**27**	**47**
LIABILITIES AND EQUITY	**(1)**	**13,350**	**11,988**

5.3.2 P&L

(in €m)	Notes	December 2019 net	December 2020 net
Goods and services sold		1,218	531
NET REVENUE	(22)	1,218	531
Capitalized production		57	27
Reversal/depreciation, amortization and provisions, reclassification of expenses	(7)	114	47
Other income		2	-
Operating income		**1,391**	**605**
Other external purchases and expenses		1,083	739
Taxes, duties and other levies		19	11
Wages and salaries	(23)	144	92
Social security expenses		55	51
Amortization, depreciation and provisions			
• Non-current assets: depreciation and amortization	(4)	62	69
• Non-current assets: provisions	(7)	-	3
• Current assets: provisions	(7)	6	14
• Contingencies and charges: provisions	(7)	38	6
Other expenses	(23)	39	25
Operating expenses		**1,446**	**1,010**
EBIT		**(55)**	**(405)**
Profit appropriated or loss transferred		-	-
Loss borne or profit transferred		-	-
Joint ventures		**-**	**-**
Financial income from equity investments	(21)	276	119
Income from other marketable securities and receivables from non-current assets		15	14
Other interest income	(21)	44	29
Reversal of provisions and reclassification of expenses	(7)	265	21
Positive exchange differences		40	250
Net proceeds from the disposal of marketable securities		0	2
Financial income		**640**	**435**
Amortization and provisions	(7)	178	979
Interest expenses	(21)	150	148
Negative exchange differences		37	255
Net expenses on the disposal of marketable securities		1	-
Financial expenses		**366**	**1,382**
NET FINANCIAL INCOME (EXPENSES)	**(24)**	**274**	**(947)**
RECURRING INCOME BEFORE TAX		**219**	**(1,352)**
Non-recurring income on management transactions		1	307

(in €m)	Notes	December 2019 net	December 2020 net
Non-recurring income on capital transactions		13	1,065
Reversal of provisions and reclassification of expenses	(7)	44	98
Non-recurring income		**58**	**1,470**
Non-recurring expenses on management transactions		0	31
Non-recurring expenses on capital transactions		77	1,033
Depreciation, amortization and provisions	(7)	11	112
Non-recurring expenses		**88**	**1,176**
NET NON-RECURRING INCOME (EXPENSES)	**(25)**	**(30)**	**294**
Income tax	(26)	(19)	(3)
TOTAL INCOME		**2,089**	**2,510**
TOTAL EXPENSES		**1,881**	**3,565**
PROFIT OR (LOSS)		**208**	**(1,055)**

5.3.3 Notes to the annual financial statements

The annual financial statements of Accor SA are prepared in line with generally accepted accounting principles in France and in accordance with the General Chart of Accounts. The financial statements are presented in millions of euros.

The information hereafter form the Notes to the annual financial statements. At December 31, 2020, the balance sheet total stood at €11,988 million and the income statement showed a loss €1,055 million.

The year runs for 12 months, from January 1, 2020 to December 31, 2020.

The annual financial statements of Accor SA are consolidated into Accor Group's consolidated financial statements.

In preparing the financial statements, the Company is required to use estimates and assumptions that may affect the carrying amounts of certain assets and liabilities, income and expenses, as well as the information disclosed in the notes. Management determines these estimates and assumptions based on past experience, the current economic situation and other factors considered reasonable in the circumstances. At each reporting date, these assumptions and estimates may be revised if the underlying circumstances change or new information is obtained by Management.

The main estimates and judgments used by Management in preparing the financial statements relate to the measurement of non-current financial assets, the amount of provisions for contingencies and litigation as well as the assumptions underpinning pension commitments and commitments under the ALL loyalty program.

The main assumptions used by the Company are discussed in the relevant sub-sections of the notes to the financial statements.

Accor SA's business activities in 2020 were impacted by:

- The global spread of the Covid-19 virus as well as the measures taken by governments to slow its spread (in particular travel bans, border closures and lockdowns) seriously affected the tourism and hospitality sectors in 2020. The Company's operations were heavily impacted by the closure of close to 60% of the hotels operating under the Accor banner in April and May. Despite an upturn in the summer season, the contraction in leisure guest numbers since end-August along with further travel restrictions associated with the second wave of the pandemic, particularly in Europe, slowed the recovery in the second half of 2020. As of December 31, 2020, 18% of the Group's hotels were closed, primarily in Europe.
- the disposal of shares held in Orbis to AccorInvest on March 11, 2020 for €992 millions. This transaction generated a gain of €446.8 million, recognized under non-recurring income;
- The Company completed the third tranche of the share buyback program, buying back 10,175,309 of its own shares at an average price of €29.4831 per share. These shares were canceled by way of a €300 million capital reduction completed on June 30, 2020;
- In December 500, Accor SA successfully placed €500 million in convertible bonds maturing in 2027 with a 07% coupon in December 2020.
- payment of €307 million in July 2020 (€180 millions euros and €127 million in interest) as a refund of the *précompte* for 2002-2004;
- the recording of a €89 million restructuring expense booked to exceptional items mainly related to staff departure costs of which €30 million for the current year;
- decision to dissolve the Spanish company Turambar. This transaction, which was preceded by a dividend payout of €71 millions booked to the "Income from investments in subsidiaries and affiliates" line, generated a capital loss of €165.5 million partially offset by a writeback from provisions for impairment of investments of €94.8 million, i.e. a net impact of €0.3 million recorded in the income statement for the year;
- The merger of Devimco, which is involved in the purchase, sale, leasing of all forms of equipment, fixtures and products and goods for hotels-restaurants and bars. On November 30, 2020, 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 non-material merger gain being recorded in the accounts of Accor SA, fully recognized in financial income;

Notes 1 to 30 below form an integral part of the annual financial statements.

NOTE 1 ACCOUNTING POLICIES

The annual accounts of Accor SA were drawn up in compliance with the provisions of the French Commercial Code (Articles L. 123-12 to L. 123-28), French accounting standards authority regulation ANC 2014-03 of June 5, 2014 including the various additional regulations applicable as of the date of preparation.

The accounting conventions were applied fairly, in adherence to the principle of prudence, in accordance with the underlying assumptions intended to give a true and fair view of the company's assets, liabilities, financial position and results:

- Going concern;
- Consistency of accounting policies from one year to the next;
- Matching principle;
- Materiality.

And in accordance with the general rules governing the preparation and presentation of annual financial statements.

The basic method used to measure balance sheet assets is the historical cost or contribution value, as appropriate.

Only material information is provided. Unless stated otherwise, the amounts presented are in millions of euros, rounded to the nearest million.

a) Intangible assets

Intangible assets that are acquired are carried on the balance sheet at acquisition cost less accumulated amortization and any impairment losses.

Intangible assets with a definite useful life are amortized on a straight-line basis over their expected life:

- software: 2-5 years;
- licenses: 3-5 years.
- management contracts over the term of the contract, generally between 10 and 20 years.

Leasehold rights, goodwill and trademarks with indefinite useful lives are not amortized.

Development costs for new projects are capitalized provided the following criteria are fully satisfied:

- The project is clearly identifiable;
- The related costs can be split out and reliably estimated;
- The project's technical feasibility has been established and the Company intends and has the financial resources to complete the project and use it;
- It is probable that the project developed will generate future economic benefits that will flow to the Company.

Development costs that fail to satisfy these criteria are expensed in the period in which they are incurred.

Capitalized projects are amortized over a period typically of between 2 and 5 years from the date of their commissioning.

b) Property, plant & equipment

Property, plant & equipment are measured at acquisition cost. The acquisition cost is the sum of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management as well as borrowing costs that are directly attributable to the construction or production of the assets.

Depreciation is calculated on a straight-line basis over the following estimated useful lives:

- Buildings: 35-50 years;
- Fittings and fixtures: 7-25 years;
- Other items of property, plant and equipment: 5-15 years.

a et b II) Carrying amount of non-current assets

At each reporting date, the company assesses whether there are any indications that the property, plant and equipment and intangible assets have been impaired. Indications of impairment: obsolescence, physical deterioration, significant changes in how it is used, performance lagging forecasts, declines in revenue and other external indicators. If any of these are present, the Company determines the present value of the assets and compares this against the net carrying amount to determine any impairment loss.

The present value is the higher of the monetary value or the value in use.

c) Non-current financial assets

Equity investments are recognized on the balance sheet 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:

- Average EBITDA over the previous two years times a multiplier;
- 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.

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 2005, 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 billing of payments under leases and management leases as well as fees for sureties for lease payments and borrowings.

Sales of goods are recognized upon delivery and transfer of title. Services are, for their part, recognized when the service is provided.

As of December 31, 2019:

- income from leases and management leases are recognized on a straight-line basis over the lease;
- fees charged to subsidiaries and unaffiliated companies are recognized over the term of the agreement;
- fees for sureties are recognized on a straight-line basis over the term of the surety provided;
- income derived from other services is recognized when the service is provided.

This revenue includes fees billed to all managed and franchised hotels for the management of the ALL loyalty program.

h) Provision for contingencies and charges

A provision is recognized when the Company has a present obligation towards a third party and it is probable or certain that an outflow of resources embodying economic benefits will be required to said third party to settle the obligation, and no inflow of resources of at least an equivalent amount is expected.

As part of the ALL loyalty program, a provision for charges was recognized for the discount entitlements or benefits in kind granted to clients with loyalty cards when selling overnight stays. This provision is calculated on the basis of the production cost of the benefit granted to the customer, using:

- the number and value of the entitlements granted in the form of points;
- the conversion percentage of these points, measured by an actuary at the reporting date.

i) Provisions for pensions and similar commitments

The Company recognizes a provision for all pension and similar commitments. The plans applicable to the Company are defined benefit plans, in particular length-of-service awards unique to France. The Company recognizes all commitments , determined in an actuarial manner, on a straight-line basis over their vesting period, while factoring in the probability that employees would leave the company before retirement. The amount recognized under provisions for charges is equal to the present value of the defined benefits commitment. In fact, the actuarial gains and losses are expensed in the year in which they occur.

In addition to this mandatory plan, 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).

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 balance sheet positions

In accordance with regulation ANC 2015-05, Accor SA applies hedge accounting principles to all clearly identified and documented symmetrical foreign exchange positions that are intended to reduce the risk arising from exchange rate fluctuations. Trade receivables and payments denominated in foreign currencies are remeasured at the closing rate through translation adjustments. Foreign currency hedges (forward purchases and sales) related to these trade receivables and payables are also remeasured in the balance sheet at the closing rate through translation adjustments. Payables, receivables and currency derivatives not included in symmetrical hedging positions are accounted for as an overall currency position, by currency, in accordance with Article 420-6 of France's General Accounting Plan. A provision for foreign exchange losses is funded for the amount of any unhedged unrealized losses. This position is calculated currency by currency.

Accor manages a foreign currency position that includes monetary assets and liabilities in currencies linked to the Company's financial activities. Gains and losses on foreign currency derivatives makes it possible to offset the remeasurement at closing rates of balance sheet position denominated in foreign currencies (loans, borrowings, current accounts, bank accounts).

Premiums/discounts on foreign currency derivatives put in place to hedge balance sheet positions denominated in foreign currencies are staggered in net financial expenses over the term of the instrument.

Hedges of future transactions

Accor also uses foreign currency derivatives to hedge future transactions denominated in foreign currencies (purchases and sales of equity investments, coupons, dividends, fee budget). Foreign currency gains and losses associated with these derivatives are recognized in income symmetrically with the hedged items.

Derivatives for individual open positions

In principle, Accor only uses derivatives for hedging purposes. In certain exceptional cases where derivatives do not satisfy the criteria for classification as hedges, they are classified under "individual open positions" and are recognized as follows:

- The market value is recognized on the balance sheet under Financial instruments, through accrual accounts in the balance sheet.
- Provisions are funded for derivatives with unrealized losses.
- Any realized gains and losses are recognized under net financial expenses.

As of December 31, 2020, there was no individual open position.

n) Interest rate hedges

To hedge interest rate risks, Accor may use interest rate swaps and options.

Financial income and expenses relating to interest rate derivatives are recognized in profit or loss symmetrically with the recognition of expenses and income generated by the hedged item.

Premiums paid on interest rate options are staggered in net financial expenses over the hedged period.

o) Income tax paid

Accor benefits from the tax consolidation regime defined by the Act of December 31, 1987. This regime allows for the offsetting, subject to certain conditions, of the taxable profits of profit-making companies against the losses of other companies. The applicable regime is the one defined in Articles 223 A et seq. of the French General Tax Code.

Each consolidated Accor subsidiary pays its own corporate income tax. The gain or loss arising from tax consolidation is wholly recorded in the balance sheet of Accor SA.

p) Stock option plans and performance share grants

Each year, Accor SA establishes stock option plans for certain Group employees. Since 2006, Accor SA had established multiple such plans each year, subject to performance and continued employment. The plans have vesting periods of between two and four years. In this respect, the Company anticipates awarding shares that will need to be newly issued. As a result, no provision was funded in the parent company financial statements as of December 31, 2020.

NOTE 2 STATEMENT OF NON-CURRENT ASSETS AS OF DECEMBER 31, 2020

(in €m)	Gross value at January 1, 2020	Acquisitions and inter-item transfers	Retirements and disposals and inter-item transfers	Others	Gross value at December 31, 2020
Trademarks, rights and similar assets	59	2	-	-	61
Licenses, software	264	6	(10)	-	260
Goodwill	37	11	-	(2)	46
Other intangible assets	62	50	(4)	-	108
Intangible assets in progress	63	16	(32)	(4)	43
Advances and downpayments	-	-	-	-	-
Intangible assets	**485**	**85**	**(46)**	**(6)**	**518**
Land	3	-	-	-	3
Buildings	23	2	-	-	25
Machinery, equipment and tools	7	-	-	-	7
Other items of property, plant & equipment	74	2	-	-	76
Property, plant & equipment	**107**	**4**	**-**	**-**	**111**
Equity investments [a]	9,268	455	(973)	12	8,762
Receivables from equity investments [b]	1,498	331	(442)	(5)	1,382
Other long-term securities [a]	57	30	(3)		84
Loans	237	44	(272)	(7)	2
Other non-current financial assets [c]	1,005	-	-	-	1,005
Non-current financial assets	**12,065**	**860**	**1,690**	**-**	**11,235**
NON-CURRENT ASSETS	**12,657**	**949**	**1,736**	**(6)**	**11,864**

(a) Breakdown of variations indicated in Note 6.

(b) 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.

(c) 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 the goodwill of booking call center and 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, 2020

(in €m)	At January 1, 2020	Additions	Reversals	Others	At December 31, 2020
Trademarks, rights and similar assets	0	-	-	-	0
Licenses, Software	193	31	(1)	-	223
Goodwill	5	3	-	(1)	7
Other intangible assets	40	16	(1)	-	55
Intangible assets	**238**	**50**	**(2)**	**(1)**	**285**
Land	0	-	-	-	0
Buildings	11	2	-	-	13
Machinery, equipment and tools	4	1	-	-	5
Other items of property, plant & equipment	56	6	-	-	62
Property, plant & equipment	**71**	**9**	**-**	**-**	**80**
NON-CURRENT ASSETS	**309**	**59**	**(2)**	**(1)**	**365**

NOTE 5 RECEIVABLES [1] AS OF DECEMBER 31, 2020

(in €m)	2019 gross	2020 gross
Advances and downpayments paid to suppliers	**28**	**29**
Trade receivables	**563**	**380**
Other receivables	**316**	**462**
Of which trade payables	1	4
Of which staff	-	1
Of which State	70	45
Of which Group and associates	168	342
Of which sundry debtors	77	63
Including accrued interest not due on swaps	-	7
TOTAL	**907**	**871**

(1) Including advances and downpayments paid to suppliers.

NOTE 6 CHANGES IN EQUITY INVESTMENTS AND OTHER LONG-TERM SECURITIES IN 2020

Acquisition or subscription of new equity investments	Number of shares acquired	Amounts *(in €m)*	% holding as of 12/31/2020
TRAVELSIFY	1,312	3	21.92%
ACQUISITIONS		**3**	

Further acquisitions	Number of shares acquired	% acquisition	Amounts *(in €m)*	% holding as of 12/31/2020
ACCOR SBE ACQUISITION CORP	-	0.00%	268	100.00%[1]
ACCORHOTELS DEUTSCHLAND GMBH	-	0.00%	125	100.00%[1]
KASADA	-	0.00%	30	30.00%
OTHERS (Town and Shelter, Mama Shelter, Rixos, Energy Observer, Travelsify, Hotel Homes, Travel Keys)	21,028	-	29	-
FURTHER ACQUISITIONS			**452**	

Bond subscriptions	Number of shares acquired	% acquisition	Amounts *(in €m)*	% holding as of 12/31/2020
PARIS SOCIETY	170,000	100.00%	17	100.00%
OTHER BONDS (Ken Group, Travelsify, Properly)	5,200,240	-	5	-
BONDS			**22**	

Subscriptions in investment funds	Number of shares acquired	% acquisition	Amounts *(in €m)*	% holding as of 12/31/2020
DAPHNI YELLOW	8,000	13.28%	8	13.28%
INVESTMENT FUNDS			**8**	

Disposal of equity investments	Number of shares sold	% disposal	Carrying amount derecognized *(in €m)*	% holding as of 12/31/2020
Disposals				
ORBIS	37,246,682	80.84%	(545)	0.00%[2]
FRHI Hotel & Resorts	-	0.00%	(241)	100.00%[3]
OTHER (Travelsify, TPC, Hospitality Swiss Proco)	(1,563,333)	-	(5)	-
Liquidations				
TURAMBAR	(2,000,000)		(181)	0.00%[4]
OTHER (Tamaris Hotelopoulos, Scapa)	(10,409,765)		(4)	-
DISPOSALS			**(976)**	

Other changes	(in number of shares)	% transactions	Amounts *(in €m)*	% holding as of 12/31/2020
CONTRIBUTION				
Contribution of ACCOR POLSKA securities to ACCOR SERVICES POLAND SP Z.O.O			16	
MERGER				
DEVIMCO	(40,000)		(3)	
TRANSFER OF ALL ASSETS AND LIABILITIES				
SOPARFI	(31,250)		(2)	
TOTAL OTHER CHANGES			**11**	
TOTAL ACQUISITIONS			**485**	
TOTAL DISPOSALS, LIQUIDATIONS			**(976)**	
TOTAL OTHER CHANGES			**11**	
TOTAL CHANGES IN EQUITY INVESTMENTS			**(479)**	

(1) Capital increase in value.

(2) Sale of Orbis shares to AccorInvest. This transaction generated a capital gain of €447 millions recognized in net non-recurring income and expenses.

(3) Repayment of issue premium

(4) Decision to dissolve Turambar. This transaction generated a net impact of €0.3 millions in the income statement.

NOTE 7 STATEMENT OF PROVISIONS AND IMPAIRMENT AS OF DECEMBER 31, 2020

(in €m)	At January 1, 2020	Additions	Reversals – Unused	Reversals – Used	Others	At December 31, 2020
For disputes	6	1	(2)	(1)	-	4
For foreign exchange losses	12	1	-	-	-	13
Other provisions for contingencies [1]	60	62	(5)	(1)	-	116
PROVISIONS FOR CONTINGENCIES	**78**	**64**	**(7)**	**(2)**	**-**	**133**
For pensions and similar benefits [4]	35	4	(1)	(6)	-	32
For taxes	6	-	-	-	-	6
Other provisions for charges [2]	168	59	(6)	(5)	(1)	215
PROVISIONS FOR CHARGES	**209**	**63**	**(7)**	**(11)**	**(1)**	**253**
Provisions	**287**	**127**	**(14)**	**(13)**	**(1)**	**386**
For intangible assets	36	3	(2)	-	-	37
For property, plant & equipment	0	-	-	-	-	0
For non-current financial assets [3]	1,987	942	(112)	-	(2)	2,815
For trade receivables	6	13	(1)	-	-	18
For other receivables	55	27	(15)	-	-	67
Asset impairment	**2,084**	**985**	**(130)**	**-**	**(2)**	**2,937**
PROVISIONS AND IMPAIRMENT	**2,371**	**1,112**	**(144)**	**(13)**	**(3)**	**3,323**

P&L impact of changes in provisions	Additions	Reversals
EBIT	23	(39)
Net financial income (expenses)	977	(20)
Net non-recurring income (expenses)	112	(98)
TOTAL	**1,112**	**(157)**

(1) The balance of other provisions for risks is mainly made up of provisions for risks related to subsidiaries for €53 million are set aside after provisions for shares in and loans and advances to subsidiaries and affiliates and provision for précompte risk €53 millions.

(2) Other provisions for charges comprise provisions for restructuring and provisions for the loyalty program.

The provisions for restructuring were increased by €59 million and reversed by €11 million, including usage of €5 million, and stand at €65 million.

Other provisions stand at €150 million and primarily break down into the valuation of valid points qualifying for the loyalty program.

(3) Changes over the year break down into €942 million in increases and €112 million in reversals. The additions were primarily for these subsidiaries: AccorInvest Group (€480 million), Mövenpick Hotels Resort (€80 million) and AAPC Australia (€59 million). The reversals mainly relate to the Turambar subsidiary (€95 million) following its dissolution during the year.

(4) Pension commitments and actuarial assumptions

	2019 General plan	2019 Management plan	2020 General plan	2020 Management plan
Discount rate	0.5%	0.5%	0.3%	0.3%
Mortality tables	TGH05/TGF05	TGH05/TGF05	TGH05/TGF05	TGH05/TGF05
Salary increase assumption	3.00%	3.00%	3.00%	3.00%
Retirement age	65	Between 60 and 65 years of age depending on the start date and the length of contribution	65	65
Retirement process	Voluntary departure	Voluntary departure	Voluntary departure	Voluntary departure
Employee turnover rate	Decreasing with age: • from 7.1% to 0% for non-management staff and zero from 44 years of age • from 5.2% to 0% for management staff and • zero from 55 years	Decreasing with age: • up to 55 years of age: 2% and • after 55 years of age: 0%	Table provided by Accor SA by brand. It is related to socio-professional category and in decreasing order by age.	Decreasing with age: • up to 55 years of age: 2% and • after 55 years of age: 0%
Rate of social security charges	46.00%	46.00%	46.00%	46.00%

	2019	2020
Provision for defined benefit plans as of 12/31/N-1	60	35
Current service cost	8	2
Effect of discounting	1	1
Actuarial (gains)/losses	(10)	(5)
Plan modification/liquidation	(37)	0
Benefit/contributions paid	(7)	(1)
PROVISION FOR DEFINED BENEFIT PLANS AS OF 12/31/N	**35**	**32**

NOTE 8 PORTFOLIO OF MARKETABLE SECURITIES

(in €m)	2019 gross	2020 gross
Mutual fund units	32	30
Unit trust	463	469
Terms deposits	470	740
TOTAL	**965**	**1,239**

No impairment was recognized in respect of the marketable securities because the market value was higher or equal to the carrying amount as of December 31, 2020.

NOTE 9 ACCRUALS AND OTHER INCOME AS OF DECEMBER 31, 2020

(in €m)	Net amount start of the period	Additions	Reversals	Net amount end of the period
IT leasing and maintenance	6	4	(7)	3
Real estate leasing	1	-	(1)	-
Partnership	-	35	-	35
Others	3	8	(5)	6
PREPAID EXPENSES	**10**	**47**	**(13)**	**44**
Debt issuance costs	49	11	(16)	44
DEFERRED CHARGES	**49**	**11**	**(16)**	**44**
Debt issuance premiums	5	1	(2)	4
DEBT ISSUANCE PREMIUMS	**5**	**1**	**(2)**	**4**
Marketing Fund	1	3	(2)	2
LE CLUB card sales	3	2	(3)	2
VISA Europe Partnership	-	3	-	3
BNP Partnership	-	3	-	3
PREPAID INCOME	**4**	**11**	**(5)**	**10**

NOTE 10 CURRENCY TRANSLATION RESERVE

Assets

(in €m)	2019	2020
Reduction in receivables	2	8
Increase in payables	29	19
ASSETS	**31**	**27**

Liabilities and equity

(in €m)	2019	2020
Increase in receivables	23	9
Reduction in payables	-	28
LIABILITIES AND EQUITY	**23**	**37**

NOTE 11 ACCRUED INCOME

Amount of accrued income included in the following balance sheet items

(in €m)	2019	2020
Receivables from equity investments	3	1
Trade receivables	398	93
French State	-	7
Other receivables	50	53
Credit notes to be received	-	1
Cash and cash equivalents	12	8
TOTAL	**463**	**163**

NOTE 12 ACCRUED EXPENSES

Amount of accrued expenses included in the following balance sheet items:

(in €m)	2019	2020
Bonds	35	37
Bank borrowings	34	39
Miscellaneous borrowings and debt	2	1
Trade payables	398	160
Tax and social security liabilities	79	58
Other liabilities	18	16
TOTAL	**566**	**311**

NOTE 13 CHANGES IN EQUITY

(in €m)	December 31, 2019	Appropriation of 2019 net profit	Proceeds from issue of shares	Others	2020 profit (loss)	December 31, 2020
Share capital in number of shares [1]	270,932,350	-	625,687	(10,175,309)	-	261,382,728
Value of share capital	813	-	2	(31)	-	784
Additional paid-in capital	1,732	-	2	(269)	-	1,465
Statutory reserve	87	-	-	-	-	87
Regulated reserves	9	-	-	-	-	9
Other reserves	9	-	(2)	-	-	7
Retained earnings	3,033	208	-	1	-	3,242
Net profit (loss) for the year	208	(208)	-	-	(1,055)	(1,055)
EQUITY	**5,891**	**-** [2]	**2** [3]	**(299)** [4]	**(1,055)**	**4,539**

(1) Par value of €3.

(2) No dividend was distributed in 2020 following a decision by the Board of Directors on April 2, 2020 to suspend the payment of the dividend.

(3) Bonus shares awarded and options exercised by employees.

(4) Cancellation of 10,175,309 shares following share buybacks.

Potential share capital as of December 31, 2020: if all employee stock options were exercised and the performance shares awarded to employees, the number of Accor shares would rise by 3,641,642 shares and equity by €0.3 million.

NOTE 14 STOCK OPTION PLANS AND PERFORMANCE SHARE PLANS

Stock option plans	**Plan 25**	**Plan 26**	**Plan 27**
Award date	03/27/2012	03/27/2012	09/26/2013
Expiry date	03/27/2020	03/27/2020	09/26/2021
Exercise price after share split *(in euros)*	26.41	26.41	30.13
Value used as a basis for the social security contribution *(in euros)* [1]	7.88	6.50	6.30
Vesting conditions	4 years' employment	4 years' employment + performance conditions [2]	4 years' employment + performance conditions [2]
SHARES OUTSTANDING AS OF 12/31/2019	**167,980**	**12,797**	**10,000**
Number awarded in 2020	-	-	-
Number exercised in	88,999	5,469	-
Number canceled in	78,981	7,328	-
SHARES OUTSTANDING AS OF 12/31/2020	**-**	**-**	**10,000**
Number created since outset	415,924	13,399	-
Number canceled since the outset	111,591	33,976	30,000

(1) Rate of between 30% and 30% according to the award date of the plans.

(2) The performance condition is the ranking of Accor TSR vs. the TSRs of 8 competing hospitality groups.

Performance shares plans	2017 plan	2017 plan	2017 plan	2017 plan	2018 plan	2018 plan	2019 plan	2019 plan	2020 plan	2020 plan
Award date	06/30/2017	06/20/2017	10/18/2017	12/14/2017	06/26/2018	10/17/2018	05/31/2019	10/25/2019	05/28/2020	10/21/2020
Expiry date	06/30/2020	06/20/2020	10/18/2020	12/14/2020	06/26/2021	10/17/2021	05/31/2022	10/25/2022	05/31/2022	10/25/2022
Value used as a basis for the social security contribution *(in euros)*	34.34	10.35	36.01	10.71	35.24	35.00	28.02	32.96	21.89	21.89
Vesting conditions	3 performance conditions (1)	2 performance conditions (2)	3 performance conditions (1)	2 performance conditions (2)	3 performance conditions (1)	3 performance conditions (1)	3 performance conditions (3)	3 performance conditions (3)	4 performance conditions (4)	4 performance conditions (4)
Number of shares awarded	570,579	1,304,754	27,340	141,168	632,462	22,830	1,275,675	37,120	1,796,551	38,390
FUTURE NUMBER OF SHARES SUBJECT TO ATTAINMENT OF PERFORMANCE CONDITIONS AS OF 12/31/2019	**526,168**	**1,216,951**	**27,340**	**138,891**	**606,151**	**22,830**	**1,244,155**	**37,120**	**-**	**-**
Number awarded in 2020	-	-	-	-	-	-	-		1,796,551	38,390
Number created in 2020	504,179	-	27,040	-	-	-	-	-	-	-
Number removed in 2020	21,989	8,667	300	1,395	25,111	-	26,424	1,200	60,820	
Number cancelled in 2020 (due to failure to meet performance conditions)	-	1,208,284	-	137,496	116,157	4,566	-	-	-	-
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 created since outset	504,179	-	27,040	-	-	-	-	-	-	-
Number canceled or removed since the outset	66,400	1,304,754	300	141,168	167,579	4,566	57,944	1,200	60,820	-

(1) *The performance condition is the actual versus budgeted EBIT margin, the actual versus budgeted free cash flow excluding disposals and acquisitions after change in working capital and the ranking of the Accor TSR vs. the* **TSRs** *of the 8 competing hospitality groups and* **vs.** *other companies in the CAC 40.*

(2) *The performance condition is the actual versus budgeted cumulative consolidated EBIT and the average Accor share price versus a benchmark price.*

(3) *Internal conditions (80% weighting): EBITDA margin compared to the budget and free cash flows excluding proceeds from disposals and acquisitions including changes in operating working capital compared to the budget, To account for the health and economic crisis, in accordance with the decisions adopted by the Board of Directors on May 14, 2020, these conditions have been replaced, for 2020, with a single performance condition related to actual versus budgeted savings (80% weighting).*

External condition (20% weighting): change in Accor's **Total Shareholder** *Return (TSR) compared with the TSRs of other international hospitality groups. The estimated probability of this performance condition being fulfilled was taken into account to determine the fair value of the performance shares on the award date.*

(4) *Internal conditions (70% weighting): Level of savings achieved compared to the budget for 2020: EBITDA margin compared to the budget and free cash flows excluding disposal proceeds and external growth including changes in operating working capital compared to the budget for 2019 and 2021,*

External condition (30% weighting): change in Accor's **Total Shareholder Return** *(TSR) compared with the TSRs of other international hospitality groups. The estimated probability of this performance condition being fulfilled was taken into account to determine the fair value of the performance shares on the award date.*

Total Shareholder Return (TSR) is a widely used concept to assess the performance of a company's share over a given period and to compare the stockmarket performance of different companies operating in the same business sector. It is calculated as follows, regardless of the company considered: Final benchmark share price – Initial benchmark share price + reinvested dividends paid/Initial benchmark share price

or:

- Initial benchmark share price = average closing price over the 20 stockmarket trading days preceding the start of the measurement period.

- Final benchmark share price = average closing price over the 20 stockmarket trading days preceding the end of the measurement period.

- Reinvested dividend payments = dividends paid during the measurement period and reinvested on the payment date in shares of the relevant company.

NOTE 15 OTHER EQUITY

In June 2020, Accor made the final repayment on its €900 million perpetual hybrid bond issued in 2014.

(in €m)	Currencies	Initial amount		Fixed/ variable rate	Outstanding principal at December 31, 2019	Outstanding principal at December 31, 2020
June 2014 Hybrid bond	Euros	900	Fixed	4.125%	127	-
June 2014 Hybrid bond issue premium	Euros				(1)	-
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					**1,120**	**994**

NOTE 16 BONDS

In December 2020, Accor SA successfully placed an OCEANE bond convertible or exchangeable in new or existing shares for €500 million with a 2027 maturity and a 0.7% coupon.

(in millions of currency units)	Currencies	Initial amount *(in foreign currency)*	Initial amount *(in €)*		Fixed/ variable rate	Term	Outstanding principal at December 31, 2019	Outstanding principal at December 31, 2020
February 2014 Bond	Euros	900	900	Fixed	2.625%	7 years	550	550
June 2014 Bond	Swiss francs	150	123	Fixed	1.750%	8 years	138	138
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	500
January 2017 Bond	Euros	600	600	Fixed	1.250%	7 years	600	600
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
BONDS							**2,448**	**2,948**

NOTE 17 LIABILITIES BY MATURITY AS OF DECEMBER 31, 2020

(in €m)	Gross amounts	Less than 1 year	1 to 5 years	Over 5 years
Convertible bonds	500	-	-	500
Bonds [1]	2,448	550	1,298	600
Bonds - accrued interest	37	37	-	-
Bonds	**2,985**	**587**	**1,298**	**1,100**
Banks	267	267	-	-
Hybrid bonds - accrued interest	24	24	-	-
Interest payable	2	2	-	-
Bank borrowings	**293**	**293**	**-**	**-**
Current accounts Financial Subsidiaries	564	564	-	-
Borrowings from Group companies	1,396	1,396	-	-
Other financial debt	5	5	-	-
NEU CP instruments	296	296	-	-
Miscellaneous borrowings and debts [4]	**2,261**	**2,261**	**-**	**-**
OTHER FINANCIAL DEBT	**5,539**	**3,141**	**1,298**	**1,100**
Advances and downpayments received from customers	1	1	-	-
Trade payables [5]	325	325	-	-
OPERATING LIABILITIES	326	326	-	-
Tax and social security liabilities	73	62	11	-
Payables to fixed asset suppliers	17	17	-	-
Other liabilities	47	44	3	-
Prepaid income	10	10	-	-
MISCELLANEOUS LIABILITIES [5]	**147**	**133**	**14**	**-**
Foreign exchange derivatives [2]	13	13	-	-
Cross currency swap derivatives [2]	7	-	-	7
FINANCIAL INSTRUMENTS	20	13	-	7
LIABILITIES	**6,032**	**3,613**	**1,312**	**1,107**

(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): €699 million.
Borrowings repaid during the year (gross amount): €531 million.
(4) Of which €1,960 million to affiliates.
(5) Of which equivalent in euros of the following foreign currencies:

Liabilities by currency	
AED	5
AUD	10
CAD	79
CHF	322
CNY	60
EUR	4,930
EGP	1
GBP	42
HKD	13
ILS	2
JPY	2
NZD	17
PLN	7
SEK	1
SGD	4
USD	537
EQUIVALENT	**6,032**

Financing policy

As of December 31, 2020, Accor had a confirmed credit facility of over one year, with an unused portion of €1,200 million expiring in 2025 and €560 million expiring in 2022.

NOTE 18 RATE RISK AS OF DECEMBER 31, 2020

(in €m)	Expiry date	Notional amount as of December 31, 2019	Interest as of December 31, 2019	Fair value as of December 31, 2019 (1)	Notional amount as of December 31, 2020	Interest as of December 31, 2020	Fair value as of December 31, 2020 (1)
Swaps done to hedge the debt							
Payer swaps (paying variable rate and receiving fixed rate) on the 02/2014 bonds	02/05/2021	300	5	8	300	5	5
TOTAL		**300**	**5**		**300**	**5**	**5**

(1) Accrued interest not yet due is included

NOTE 19 CURRENCY RISK AS OF DECEMBER 31, 2020

(in €m)	Purchases as of Dec. 31, 2019	Less than 1 year	1 to 5 years	Over 5 years	Sales as of Dec. 31, 2019	Less than 1 year	1 to 5 years	Over 5 years	Fair value as of Dec.31, 2019	Purchases as of Dec. 31, 2020	Less than 1 year	1 to 5 years	Over 5 years	Sales as of Dec. 31, 2020	Less than 1 year	1 to 5 years	Over 5 years	Fair value as of Dec. 31, 2020
Cross Currency Swaps																		
AUD	-	-	-	-	562	-	-	562	(12)	-	-	-	-	561	-	-	561	(27)
EUR	555	-	-	555	-	-	-	-	-	554	-	-	554	-	-	-	-	-
Total Cross Currency Swap	**555**	**-**	**-**	**555**	**562**	**-**	**-**	**562**	**(12)**	**554**	**-**	**-**	**554**	**561**	**-**	**-**	**561**	**(27)**
Currency forwards																		
CAD	-	-	-	-	-	-	-	-	-	-	-	-	-	5	5	-	-	-
CHF	-	-	-	-	-	-	-	-	-	-	-	-	-	4	4	-	-	-
GBP	8	8	-	-	-	-	-	-	-	-	-	-	-	6	6	-	-	-
PLN	-	-	-	-	-	-	-	-	-	-	-	-	-	4	4	-	-	-
USD	4	4	-	-	4	1	3	-		167	164	3	-	15	12	3	-	1
EUR	4	1	3	-	12	12	-	-	-	43	43	-	-	168	168	-	-	-
Other currencies	-	-	-							2	2	-	-	9	9	-	-	-
Total Currency forwards	**16**	**13**	**3**	**-**	**16**	**13**	**3**	**-**	**-**	**212**	**209**	**3**	**-**	**211**	**208**	**3**	**-**	**1**
Currency Swaps																		
AED	-	-	-	-	31	31	-	-	-	-	-	-	-	29	29	-	-	-
AUD	-	-	-	-	-	-	-	-	-	-	-	-	-	21	21	-	-	-
CAD	-	-	-	-	-	-	-	-	-	22	22	-	-	-	-	-	-	-
CHF	150	150	-	-	-	-	-	-	1	169	169	-	-	-	-	-	-	(2)
CNY	35	35	-	-	-	-	-	-	-	35	35	-	-	-	-	-	-	(1)
GBP	-	-	-	-	106	106	-	-	(3)	-	-	-	-	77	77	-	-	(1)
HUF	-	-	-	-	-	-	-	-	-	-	-	-	-	50	50	-	-	-
JPY	-	-	-	-	35	35	-	-	-	-	-	-	-	34	34	-	-	1
USD	48	48	-	-	288	98	190	-	(15)	64	64	-	-	271	271	-	-	(3)
EUR	484	300	184	-	256	256	-	-	-	499	498	-	-	301	301	-	-	-
Other currencies	24	24	-	-	34	34	-	-	-	3	3	-	-	-	-	-	-	-
Total Currency Swaps	**741**	**557**	**184**	**-**	**750**	**560**	**190**	**-**	**(17)**	**792**	**791**	**-**	**-**	**783**	**783**	**-**	**-**	**(6)**
TOTAL FOREIGN EXCHANGE DERIVATIVES ON THE BALANCE SHEET	**1,312**	**570**	**187**	**555**	**1,328**	**573**	**193**	**562**	**(29)**	**1,558**	**1,000**	**3**	**554**	**1,555**	**991**	**3**	**561**	**(32)**
Currency forwards not recognized on the balance sheet																		
PLN	-	-	-	-	1,067	1,067	-	-	(3)	-	-	-	-	-	-	-	-	-
CHF	-	-	-	-	-	-	-	-	-	-	-	-	-	7	3	4	-	-
Total Currency forwards not recognized on the balance sheet	**-**	**-**	**-**	**-**	**1,067**	**1,067**	**-**	**-**	**(3)**	**-**	**-**	**-**	**-**	**7**	**3**	**4**	**-**	**-**
FOREIGN EXCHANGE DERIVATIVES	**1,312**	**570**	**187**	**555**	**2,395**	**1,640**	**193**	**562**	**(32)**	**1,558**	**1,000**	**3**	**554**	**1,562**	**994**	**7**	**561**	**(32)**

All derivatives have a hedging purpose. The derivatives classified under individual open positions are not material.

NOTE 20 SCHEDULE OF RECEIVABLES AND MATURITIES

(in €m)	Gross amounts	Maturing in up to one year	Maturing in over one year
Receivables from equity investments [1]	1,382	33	1,349
Loans	2	2	-
Other non-current financial assets	1,005	-	1,005
RECEIVABLES FROM NON-CURRENT ASSETS	2,389	35	2,354
Trade receivables	380	380	-
Other receivables	462	457	5
Prepaid expenses	44	44	-
RECEIVABLES FROM CURRENT ASSETS	886	881	5
RECEIVABLES [2]	**3,275**	**916**	**2,359**

(1) Accor SA issues loans to its subsidiaries for a term ranging from a few months to several years. Loans for a few months renewed beyond one year are recognized as loans for more than one year.

(2) Of which equivalent in euros of the following foreign currencies:

Receivables by currency	
AED	11
AUD	589
BRL	2
CAD	4
CHF	17
CNY	24
EUR	2,020
GBP	124
HKD	15
HUF	51
ILS	2
JPY	37
MXN	1
NZD	23
PLN	10
SAR	2
SGD	1
USD	342
EQUIVALENT	**3,275**

NOTE 21 ITEMS RELATIVE TO RELATED COMPANIES [1] AS OF DECEMBER 31, 2020

(in €m)	2019	2020
Equity investments	7,875	7,297
Receivables from equity investments	1,497	1,379
Trade receivables	401	281
Other receivables	168	319
Miscellaneous borrowings and debt	2,506	1,960
Trade payables	172	143
Income from equity investments	233	79
Other financial income	39	41
Financial expenses	32	12

(1) Affiliates are those companies that are fully consolidated in the Accor SA financial statements.

NOTE 22 BREAKDOWN OF REVENUE EXCLUDING TAX

(in €m)	2019	2020
France	514	295
Outside France	704	236
REVENUE EXCL. TAX	**1,218**	**531**

NOTE 23 COMPENSATION AND HEADCOUNT

Compensation of administrative and management bodies

(in €m)	2019	2020
Annual fixed compensation granted to Company directors	1.28	1.26
Management (Executive Committee) (excluding expenses)	10.83	13.80

Staff paid by the company

Status of employees	2019	2020
Management	1,159	1,143
Supervisors	136	80
Ordinary employees	68	75
Apprentices	56	-
HEADCOUNT	**1,419**	**1,298**

Right to Training

The personal training account has replaced the personal training right as from January 1, 2016, with the option of storing unused hours from the personal training right to December 31, 2020.

NOTE 24 NET FINANCIAL INCOME (EXPENSES)

(in €m)	2019	2020
Financial expenses excluding Group	(103)	(118)
Financial income excluding Group	15	37
Cost of net debt excluding Group	*(88)*	*(81)*
Income from intragroup loans and current accounts	39	41
Expenses from intragroup borrowings and current accounts	(10)	(12)
Dividends	239	80
Impairment of equity investments	118	(927)
Other asset impairment	(32)	(32)
Foreign exchange gains (losses)	3	(4)
Others	5	(12)
NET FINANCIAL INCOME (EXPENSES)	**274**	**(947)**

NOTE 25 NET NON-RECURRING INCOME (EXPENSES)

Net non-recurring income for 2020 before tax was +€294 million.

This stemmed from:

(in €m)	2019	2020
Income & expenses/management transactions (1)	1	276
Gains and losses/disposals of property, plant and equipment and intangible assets	(1)	(2)
Gains and losses/disposals and liquidations of non-current financial assets (2)	(63)	293
Reversal of provisions for contingencies and charges	0	-
Reversal of provisions for subsidiaries (3)	41	98
Extraordinary increases and reversals of depreciation, amortization, impairment and provisions (4)	(8)	(112)
Other non-recurring expenses (5)	(0)	(259)
NET NON-RECURRING INCOME (EXPENSES)	**(30)**	**294**

(1) In 2020, Accor SA booked income of €307 million, which breaks down as €180 million in nominal value and €127 million in interest in respect of the tax credit refund (see Note 26) and restructuring expenses for €30 million.

(2) In 2020, a gain on the disposal of equity investments in ORBIS was recognized for €447 million along with a capital loss on liquidation of Turambar for €165 million. For reference, in 2019, losses on the liquidation of equity investments primarily stemmed from the liquidation of Holpa (€29 million) and Progetto Venezia securities (€9 million). In parallel also in 2019, a downward adjustment in the disposal price of equity investments was recognized in favor of AccorInvest Group (€22 million).

(3) In 2020, reversals of provisions for equity investments were primarily recognized following the liquidation of the equity investments in Turambar (€95 million) and Tamaris Hotelopoulos (€3 million). For reference, in 2019, reversals of provisions for equity investments were primarily recognized following the liquidation of Holpa (€29 million) and Progetto Venezia (€9 million).

(4) 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 (see Note 26). For reference, in 2019, an €11 million increase in the impairment of goodwill for the Evry booking center was recognized.

(5) 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

(in €m)	2019	2020
Proceeds of tax consolidation	13	2
Adjustment surplus prior years	-	-
Research tax credit	3	1
Corporate tax, withheld at source, other	3	-
TOTAL	**19**	**3**

The company's contribution to tax consolidation for the year was a loss of €646.5 million at current tax rates.

b) Gain (loss) on tax consolidation

Tax consolidation generated a net gain of €1.7 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'Ile-de-France
Air Corporate System	Margot Premium (formerly Mer et Montagne)	Sodetis
Chammans	New Lifestyle Hotels	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) Provision arising from Article 322-1 of the 2014 Regulation

As part of the closure as of December 31, 2014, Accor took account of opinion No. 2005-G of October 12, 2005 of the CNC Emergency Committee on "the circumstances for funding a provision at the parent company of a tax consolidation regime (Article 233-A of the French General Tax Code)".

The tax consolidation agreement between Accor SA and its subsidiaries provides that Accor repay its subsidiaries the tax savings resulting from the use of their losses in the event of early departure from the consolidated group.

In accordance with Article 322-1 of the 2014 Regulation, a provision must be funded in respect of this repayment obligation once it is probable that tax savings will be repaid in cash, *i.e.* for our purposes, upon exit from the scope of tax consolidation.

In practice, over the past four years, most of the entities exiting the Accor consolidated Group were either liquidated, merged or disposed of without any repayment of tax savings.

e) Litigation - Dividend withholding tax

In 2002, Accor SA mounted a legal challenge to its obligation to pay "précompte" dividend withholding tax on the redistribution of European source dividends on the grounds that it breached European Union rules. Several, long and disputed procedures in France and then at the European level followed.

With respect to the *précompte* payment made for 1999-2001, the Versailles administrative Court ruled, in 2006, in favor of a refund to Accor SA for an amount of €192 million (including interest of €36 million). This ruling was confirmed by the Versailles Administrative Court of Appeal on May 20, 2008. However, on December 10, 2012, the French Supreme Court reduced the refund to €7 million and, in 2013, Accor SA had to pay €185 million to the French State. The Group intends to continue to defend tis position and brought proceedings against the State before the Paris Administrative Court, which should be heard in 2021.

Regarding the *précompte* payment made for 2002-2004, an EUCJ decision on October 4, 2018 ruled against the French state once again on the *précompte* repayment cases. On July 7, 2020, the Versailles Administrative Court of Appeal, taking note of the judgment of the European Court of Justice, ordered the repayment to Accor SA of the full *précompte* dividend withholding tax for this along with the related late payment interest. On July 23, 2020, Accor SA was refunded €307 million (€180 million plus €127 million in interest).

In September 2020, the tax authorities appealed to France's highest administrative court, the *Conseil d'État*. Since then, the Group and its advisors have taken under consideration and studied the reasons given for the ruling. On that basis, they estimate that Accor SA has a very serious chance of success for part of the reasons and the ongoing procedure.

As a result, as of December 31, 2020, the Group believes that it is highly probably that the amount refunded in July will effectively be granted up to €254 million (€149 million in respect of the principal amount and €105 million in default interest). Therefore, income amounting to €307 million was recognized in net non-recurring income and a risk provision for €53m was set aside (see Note 25).

NOTE 27 DEFERRED TAXES

Total increases and reversals of non-deductible provisions for 2020 of the subsidiaries in Accor's tax group gave rise to a €97.7 million increase in the net taxable provision representing a decrease in the future tax liabilities of the companies of €20 million calculated at 28% for the companies with revenue under €250 million and at 28% up to €500,000 and 31% above €500,000 for the companies with revenue of over €250 million (excluding the 3.3% social security contribution levied on corporate income tax).

NOTE 28 OFF-BALANCE-SHEET COMMITMENTS, GIVEN AND RECEIVED

Rental commitments

Fixed and variable rental commitments given and received by Accor at December 31, 2020 are as follows [(1)]:

on December 31 *(in €m)*	Dec. 31, 2019	Dec. 31, 2020
Fixed rental commitments given	262	234
Variable rental commitments received	99	93
TOTAL RENTAL COMMITMENTS GIVEN	**361**	**327**
TOTAL RENTAL COMMITMENTS RECEIVED	**(361)**	**(327)**

(1) *The lease commitments given by Accor SA are covered by a counter guarantee received from AccorInvest Group.*

Other off-balance sheet commitments

Off-balance-sheet commitments given at December 31, 2020 are as follows:

on December 31 *(in €m)*	**Dec. 31, 2019**	**Dec. 31, 2020**
COMMITMENTS GIVEN		
Pledge of BRH shares [(1)]	0	0
Hotel purchase commitments	0	0
Other purchase commitments	0	8
Pledge of networks and securities France	0	0
TOTAL PURCHASE COMMITMENTS	**0**	**8**
Construction performance bonds France	0	0
TOTAL WORKS COMMITMENTS	**0**	**0**
Guarantees given [(2)]	72	238
Guarantees for confirmed credit lines [(3)]	22	23
Guarantees for bank borrowings	0	0
Guarantees given to third parties [(4)]	7	29
Liability guarantee commitments	67	99
GUARANTEES FOR BANK BORROWINGS AND OTHER ITEMS INCREASING DEBT	**168**	**389**
COMMITMENTS GIVEN IN THE NORMAL COURSE OF BUSINESS	**-**	**-**
TOTAL COMMITMENTS GIVEN	**168**	**397**

(1) Commitments given decreasing liquidity of assets correspond to pledges and mortgages valued at the acquisition cost of the underlying assets. Accor has fully written down its original €25.7 million interest in BRH, which has been pledged as collateral for a loan in the same amount granted to BRH by Mauritius Commercial Bank. As this pledge was indexed to the net value of the shares held by Accor SA, its amount was zero at December 31, 2020.

(2) This item includes various guarantees given on behalf of direct and indirect subsidiaries either to banks or directly to the subsidiaries' customers.

(3) Accor has not given other guarantees for borrowings and maintains confirmed credit lines (€23 million).

(4) Total guarantees given to other third parties came to €29 million.

NOTE 29 SUBSEQUENT EVENTS

AccorInvest capital increase

On January 14, 2021, the Extraordinary Shareholders' Meeting of AccorInvest approved a €150 million capital increase subscribed by almost all shareholders in proportion to their ownership interest, i.e., €45 million for Accor SA. The financing of a second tranche for €327 million (including €98 million for Accor SA) was submitted to the company's Extraordinary Shareholders' Meeting on March 1, 2021 for approval. These two transactions are part of the bank financing restructuring negotiated by AccorInvest which also provides for a loan backed by the French government.

Acquisition of remaining interest in 25hours

On January 15, 2021 Accor signed an agreement to acquire the remaining 50% stake in 25hours for an amount of €61 million. This deal is consistent with the Group's development strategy for the Lifestyle segment.

Redemption of bond debt

On February 5, 2021, Accor SA redeemed the balance amounting to €550 million on its €900 million bond, issued in February 2014, and arriving at maturity. In 2019, it had been partially redeemed for an amount of €350 million. This redemption was funded by the December 7, 2020 issuance of an OCEANE bond redeemable or exchangeable in new or existing shares.

Covenant suspension extended

On February 8, 2021, Accor was granted an extension to the suspension of the covenant out to June 2020 for the revolving credit facility agreed in June 2018 with a bank consortium. As a result, the covenant will not be tested at the next two test dates on June 30 and December 31, 2021.

NOTE 30 MAIN SUBSIDIARIES AND EQUITY INVESTMENTS AS OF DECEMBER 31, 2020

(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	18,207	100.00%
CHAMMANS 82 rue Henri Farman 92130 Issy Les Moulineaux [1]	EUR	102,048	97,550	100.00%
ACTIMOS 82 rue Henri Farman 92130 Issy Les Moulineaux [1]	EUR	58,838	101,435	100.00%
Other French subsidiaries				
b) Foreign subsidiaries				
ACCOR UK LTD (United Kingdom) [1]	GBP	85,530	372,665	100.00%
ACCOR HOTELS BELGIUM (Belgium) [1]	EUR	1,277,505	(22,764)	100.00%
ACCORHOTELS DEUTSCHLAND GMBH (Germany)[1]	EUR	500	159,688	100.00%
ACCOR SBE ACQUISITION CORP (United States)[1]	USD	435,782	(5,382)	100.00%
MP INVEST AG (Switzerland)[1]	CHF	118	43,895	100.00%
FRHI HOTEL ET RESORTS (Luxembourg)[1]	EUR	890,969	(441,345)	100.00%
ACCOR SERVICES POLAND SP Z.O.O [1]	PLN	1,036,025	(133,072)	100.00%
COMPAGNIE DES WAGONS LITS (Belgium) [1]	EUR	50,676	258,854	99.93%
RIXOS (The Netherlands) [1]	EUR	0	126,277	70.00%
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)	CHF	47,250	72,327	33.33%
ACCORINVEST GROUP (Luxembourg)	EUR	2,429,723	977,816	33.33%
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 or unaudited balance sheets

(In thousands of euros)

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 financial year	Profit or (loss) of previous financial year	Dividends paid to Accor SA over the fiscal year
Gross	Net					
706,501	45,884	-	-	-	(18)	-
108,161	34,537	36,142	-	-	(191,747)	-
240,039	112,373	28,975	-	-	(55,017)	-
234,635	181,747	145,614				
156,066	156,066	73,148	-	-	(254)	-
1,519,700	1,519,700	-	-	12,465	(3,563)	-
250,500	250,500	425,374	-	-	(85,110)	-
370,409	352,391	5,471	-	-	4,954	-
391,765	391,765	-	-	1,843	13,722	-
913,792	913,792	46	21,064	8,816	15,978	-
259,059	209,415	-	-	14,686	21,507	-
1,151,347	320,490	-	-	1,182	1,872	-
107,105	92,265	12,331	-	4,773	(4,077)	-
529,326	418,381	111,823				4,442
147,033	75,143	43,997				90
169,880	90,075	-	-	10,952	(2,574)	-
1,096,232	616,029	-	-	1,644	(456,708)	-
383,993	284,962	581,262				2,512
30,317	24,800	30				954
21,850	7,677	1,528				
8,787,709	**6,097,992**	**1,465,742**	**21,064**			**7,999**

5.3.4 Five-year financial summary

Type of transactions *(in €m)*	2016	2017	2018	2019	2020
Year-end financial position					
Share capital	854	870	848	813	784
Share capital in number of shares	284,767,670	290,122,153	282,607,800	270,932,350	261,382,728
Annual transactions and results					
Revenue excl. tax	895	915	992	1,218	531
Profit before tax, depreciation, amortization and provisions	(879)	3,596	362	90	(33)
Income tax	(24)	(60)	(19)	(19)	(3)
Profit after tax, depreciation, amortization and provisions	(9)	3,698	(60)	(208)	(1,055)
Profits distributed	299	305	297	284 [1]	-
Earnings per share *(in units)*					
Profit after tax but before depreciation, amortization and provisions	(3.01)	12.60	1.35	0.40	(0)
Profit after tax, depreciation, amortization and provisions	(0.03)	12.75	(0.21)	(0.77)	(4)
Net dividend allocated to each share	1.05	1.05	1.05	- [1]	-
Staff					
Number of employees [2]	1,275	1,285	1,343	1,419	1,298
Payroll and other employee benefits (social security, other staff benefits, etc...)	149	152	171	196	141

(1) On April 2, 2020, the Group announced the decision of the Board of Directors to withdraw its proposal to pay the anticipated dividend.
(2) Headcount at the expense of Accor SA.

5.4 Statutory auditors' report on the financial statements

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users. This statutory auditors' report includes information required by European regulations and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Year ended December 31, 2020

To the Annual General Meeting of Accor,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of Accor for the year ended December 31, 2020.

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 as at December 31, 2020 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 and Risk 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 those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of 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, 2020 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in 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 (Code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Measurement of equity securities

Risks identified	Our response
Equity securities are recorded in the balance sheet at their acquisition cost, excluding acquisition expenses. As at 31 December 2020, the net carrying amount of equity securities is M€ 6,074, representing 51% of the balance sheet total. As stated in Note 1 "Accounting rules and methods" section c) "Financial assets" to the financial statements, impairment is recognized when the value in use is lower than the net carrying amount. The value in use is determined on the basis of the share of the shareholders' equity of the subsidiary that the equity securities represent and, if applicable, according to: i) the average gross operating profit for the last two years to which a multiple is applied, ii) values for recent comparable transactions, iii) historical data used to assess the original value of the securities, iv) current data such as the Company's profitability or the actual value of the underlying assets, v) future data corresponding to prospects in terms of profitability or performance and to economic trends. The net impairment as at December 31, 2020 amounted to M€ 804. The choice of the method for determining value in use requires Management's significant judgment. In view of the significant amount in the balance sheet represented by the equity securities and the impact of the choice of valuation method for determining the value in use, we considered the measurement of equity securities to be a key audit matter.	Our audit procedures mainly consisted in: • assessing the valuation methods used by Management; • reconciling the shareholders' equity 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 securities 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 rules and methods", section c) "Financial assets", Note 6 "Movements in equity securities and other capitalized securities in 2020", and Note 7 "Statement of provisions and depreciation of assets as at December 31, 2020".

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders

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 with respect to the financial position and the financial statements provided to the shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D. 441-6 of the French Commercial Code *(Code de commerce)*.

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 *(Code de commerce)*.

Concerning the information given in accordance with the requirements of Article L. 22-10-9 of the French Commercial Code (Code de commerce) relating to remunerations and benefits received by, or allocated to the directors 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 your Company from companies controlled thereby, included in the consolidation scope. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your Company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L. 22-10-11 of the French Commercial Code *(Code de commerce)*, we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on 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.

Report on Other Legal and Regulatory Requirements

Format of presentation of the financial statements intended to be included in the annual financial report

In accordance with Article 222-3, III of the AMF General Regulation, the Company's management informed us of its decision to postpone the presentation of the financial statements in compliance with the European single electronic format as defined in the European Delegated Regulation No 2019/815 of December 17, 2018 to years beginning on or after January 1, 2021. Therefore, this report does not include a conclusion on the compliance with this format of the presentation of the financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (Code monétaire et financier).

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Accor by the annual general meeting held on April 30, 2019 for PricewaterhouseCoopers Audit and on June 16, 1995 for ERNST & YOUNG et Autres.

As at December 31, 2020, PricewaterhouseCoopers and ERNST & YOUNG et Autres were in the second year and in the twenty-sixth year of total uninterrupted engagement.

Prior to ERNST & YOUNG et Autres (formerly Barbier Frinault et Autres), Barbier Frinault et Associés had been statutory auditor since 1970.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from 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 is expected to liquidate the Company or to cease operations.

The Audit, Compliance and Risk Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives 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 from 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 of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (Code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his 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.
- Obtains an understanding of internal control 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.

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the financial statements.
- Assesses 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 his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit, Compliance and Risk Committee

We submit to the Audit, Compliance and Risk Committee a report 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, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit, Compliance and Risk Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

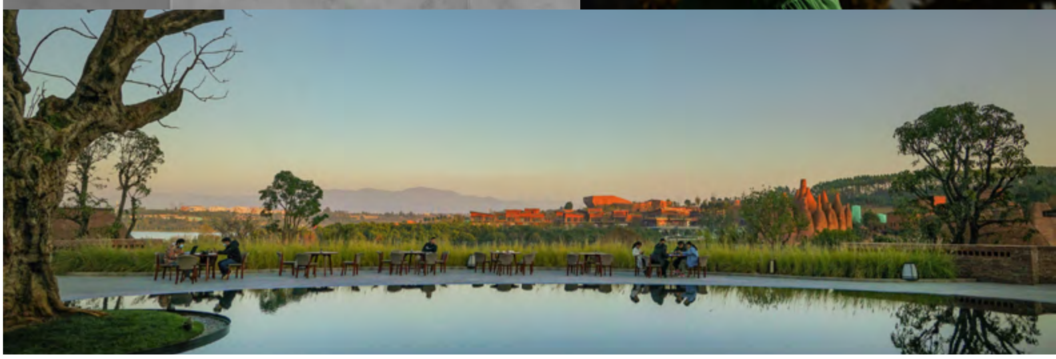
We also provide the Audit, Compliance and Risk Committee with the declaration provided for in Article 6 of Regulation (EU) No 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code (Code de commerce) and in the French Code of Ethics (code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit, Compliance and Risk Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine and Paris-La Défense, March 31, 2021

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit		ERNST & YOUNG et Autres	
Olivier Lotz	Cédric Haaser	Jean-Christophe Goudard	François-Guillaume Postel



CAPITAL AND OWNERSHIP STRUCTURE

6.1 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 accommodation, food, tourism, leisure, and services;
- the economic, financial and technical review of projects and, generally, all services related to the development, organization and management of the above-mentioned establishments, including all actions related to their construction or the provision of any related consulting services;
- the review and provision of services intended to facilitate the supply of meals to employees in companies, institutions and other organizations;
- the creation of any new company and the acquisition of interests by any method in any company operating in any business;
- all civil, commercial, industrial and financial transactions, involving both securities and property, related to the purposes of the Company and all similar or related purposes;
- in France and in any other countries.

Registration of the Company

The Company is registered in Nanterre under number 602 036 444.

Business Identification (APE) code: 7010Z.

Legal Entity Identifier (LEI) code: 969500QZC2Q0TK11NV07

Documents on display

Corporate documents, including the Bylaws, balance sheets, income statements, Board of Directors' reports and Auditors' reports, may be inspected at the Company's registered office.

Fiscal year

The Company's fiscal year begins on January 1 and ends on December 31.

Profit available for distribution

(Article 27 of the Bylaws)

Profit available for distribution consists of net profit for the fiscal year, less any losses brought forward from prior years and any amounts to be credited to reserves pursuant to the law, plus any unappropriated retained earnings brought forward from prior years.

After approving the accounts for the year, the Annual Shareholders' Meeting may decide to appropriate all or part of the profit available for distribution, if any, to the payment of a dividend. 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, pursuant to the law.

Copies or excerpts of the meeting minutes may be certified by the Chairman of the Board of Directors, the Chairman of the meeting, or the meeting Secretary.

Ordinary and Extraordinary Shareholders' Meetings fulfilling the relevant quorum and majority voting requirements exercise the powers vested in them by law.

Double voting rights

(Article 25 of the Bylaws)

All fully paid shares registered in the name of the same holder for at least two years carry double voting rights.

In the event of a capital increase through the capitalization of retained earnings, profits or additional paid-in capital, the resulting bonus shares distributed in respect of registered shares carrying double voting rights will similarly carry double voting rights.

Registered shares converted into bearer shares or sold to a different holder lose their double voting rights. However, transfers through inheritance, liquidation of marital assets, inter vivos transfers to a spouse or to a relative in the ascending or descending line do not result in the loss of double voting rights or a break in the qualifying period. The merger of the Company has no impact on double voting rights, provided that the Bylaws of the surviving company allow for their exercise.

When shares are held by beneficial and non-beneficial owners, voting rights in Ordinary and Extraordinary Shareholders' Meetings are exercised by the beneficial owner.

Disclosure thresholds

(Article 9 of the Bylaws)

Any shareholder, acting alone or in concert with other shareholders within the meaning of Article L. 233-10 of the French Commercial Code, that directly or indirectly acquires an interest, or raises or reduces its interest, in the capital or voting rights of the Company, including any equivalent shares or voting rights as defined in Article L. 233-9-1 of the French Commercial Code, to above or below any statutory disclosure threshold is required to disclose its interest to the Company.

In addition, any shareholder that acquires or raises its interest to 1% of the capital or voting rights is required to disclose its interest to the Company by registered letter with return receipt requested sent to the registered office, within five trading days of the transaction date or the signature of any agreement resulting in the disclosure threshold being crossed, whatever the date on which the shares are recorded in the holder's account.

Beyond said 1% threshold, the same disclosure rules as defined above ("i.e. in the capital or voting rights") will apply to any increase in a shareholder's interest by any multiple of 0.5% of the capital or voting rights and to any reduction in a shareholder's interest by any multiple of 1% of the capital or voting rights.

For the application of the above paragraphs, the shares or voting rights referred to in paragraphs 1 to 8 of Article L. 233-9-1 of the French Commercial Code are considered as being equivalent to the shares or voting rights held by the shareholder.

Restrictions on voting rights

(Article 9 of the Bylaws)

In the case of failure to comply with the above-mentioned disclosure obligation, at the request of one or several shareholders representing at least 3% of the Company's capital or voting rights, as duly recorded in the minutes of the Shareholders' Meeting, the undisclosed shares will be stripped of voting rights at all Shareholders' Meetings held in the two years following the date when the omission is remedied.

Notification of intentions

(Article 9 of the Bylaws)

Any shareholder that acquires or raises its interest to more than one-twentieth, three-twentieths or one-quarter of the capital or voting rights is required to notify the Company of its 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.

6.2 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	17/08/2020	Negative	17/08/2020
Fitch Ratings	BB+	B	12/11/2020	Stable	12/11/2020

6.3 Capital

6.3.1 Capital

At December 31, 2020, the Company's share capital amounted to €784,148,184 divided into 261,382,728 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.

6.3.2 Share buyback program

Authorization granted by the Annual Shareholders' Meeting of June 30, 2020

At the Annual Shareholders' Meeting on June 30, 2020, 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:

- for cancellation at a later date in connection with a capital reduction decided or authorized by shareholders in an Extraordinary Meeting;
- for allocation under employee stock ownership plans, in particular free stock grant plans made under Articles L. 225-197-1 et seq. of the French Commercial Code, employee savings (or similar) plans under Articles L. 3332-1 et seq. of the French Labor Code, and stock option plans under Articles L. 225-177 et seq. of the French Commercial Code;
- for allocation on the conversion, redemption, exchange or exercise of share equivalents;
- to hold treasury shares for subsequent remittance in exchange or payment in connection with external growth transactions, a merger, demerger or asset contribution, within the limit of 5% of the Company's capital;
- to make a market in the Company's shares 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 2020

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 Financial Markets 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. Indeed, on July 27, 2018 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 its share capital based on market capitalization at the end of February 2018 during the launch of the program.

The first tranche of the program, which was implemented over the period from July 30, 2018 to November 8, 2018 inclusive, resulted in a total of 8,378,765 shares being bought back for a total amount of €351,484,758. The 8,378,765 shares were then canceled by the Chairman and Chief Executive Officer on December 31, 2018, in line with the objectives of the share buyback program approved at the Annual Shareholders' Meeting held on April 20, 2018.

The second tranche of the program, implemented from December 20, 2018, to June 20, 2019, for a target amount of €500 million, resulted in a total of 13,391,702 ordinary shares being bought back between December 20, 2018, and March 26, 2019, for a total amount of €499,683,807. The 13,391,702 shares were then canceled by the Chairman and Chief Executive Officer on June 28, 2019, in line with the objectives of the share buyback program approved by shareholders.

The liquidity contract suspended on July 27, 2018, was then reactivated on October 4, 2019.

The last tranche of the program resulted in the repurchase of a total of 10,175,309 ordinary shares during the period from January 20, to March 24, 2020, for a total amount of €300 million. These 10,175,309 shares were cancelled as part of a capital reduction by decision of the Chairman and Chief Executive Officer dated June 30, 2020, in accordance with the objectives of the share buyback program authorized by the shareholders during the Shareholders' Meeting held on April 30, 2019.

The liquidity contract suspended on March 3, 2020, was then reactivated on March 24, 2020.

At December 31, 2020, Accor therefore does not hold shares in treasury.

6.3.3 *Employee stock ownership*

The first employee share issue, open to participants in the "Accor en Actions" Corporate Savings Plan, was carried out in France in 1999.

In 2000, Accor launched its first international employee share issue in 23 countries, demonstrating its commitment to offering a significant number of employees worldwide the opportunity to become Accor shareholders by tailoring the plan rules to comply with legal and tax restrictions in each country.

International employee share issues were again carried out in 2002 in 25 host countries.

In 2004, another share issue for employees in 20 or so countries took place.

In 2007, for the first time, a leveraged employee share ownership plan was offered in the 26 countries where such plans are permitted by local legislation.

In 2017, a new leveraged employee share ownership plan (Share 17) was offered in nine European countries. 35% of eligible employees participated in Share 17.

In 2019, Accor launched another leveraged employee share ownership plan (Share 19), which was offered in 12 European countries. Under this plan, as with Share 17, for each Accor share purchased by an employee, the Group's partner bank 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, the employee recovers his or her personal contribution plus a multiple of the locked-in average increase in the Accor share compared to the reference price. 25% of eligible employees participated in Share 19.

At December 31, 2020, 1.60% of the Company's capital was held by Accor employees and former employees.

6.3.4 *Shares not representing capital*

None.

6.3.5 *Changes in capital*

Year	Changes in capital over the past five years	Increase/(decrease) in capital *(in €)* Share capital	Additional paid-in capital	New capital *(in €)*	New shares outstanding
2016	Exercise of stock options at €18.20	223,533	1,132,567	706,280,808	235,426,936
	Exercise of stock options at €26.41	214,920	1,677,092	706,495,728	235,498,576
	Exercise of stock options at €26.66	248,325	1,958,457	706,744,053	235,581,351
	Exercise of stock options at €30.49	4,524	41,455	706,748,577	235,582,859
	Exercise of stock options at €31.72	58,320	558,317	706,806,897	235,602,299
	Vesting of performance shares	1,250,730	-	708,057,627	236,019,209
	Share issue on acquisition of the FRHI Group	140,100,000	-	848,157,627	282,719,209
	Distribution of 2015 dividend	-	(90,123,965)	848,157,627	282,719,209
	Dividend reinvestment at €34.73	6,145,383	64,997,668	854,303,010	284,767,670
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

(1) Early vesting by beneficiaries of free stock grant plans.

N.B.: There are no options outstanding to purchase existing shares of the Company. All options granted are to purchase new shares.

6.4 Ownership structure

6.4.1 Ownership and voting rights structure

At December 31, 2020, the Company's capital consisted of 261,382,728 shares, representing a total of 340,383,714 voting rights, all of which were exercisable. There are 78,994,746 double voting rights outstanding.

The Company had 5,882 registered shareholders at December 31, 2020, representing 30.8% of the capital and 46.9% of total voting rights.

Shareholders at December 31, 2020

	Shares	% capital	Voting rights	% voting rights	Exercisable voting rights	% exercisable voting rights
JinJiang International Holdings Co., Limited	33,972,608	13.00%	57,810,932	16.98%	57,810,932	16.98%
Qatar Investment Authority	29,505,060	11.29%	59,010,120	17.34%	59,010,120	17.34%
Kingdom Hotels (Europe) LLC	16,494,440	6.31%	32,988,880	9.69%	32,988,880	9.69%
Huazhu Investment Limited	16,205,010	6.20%	16,205,010	4.76%	16,205,010	4.76%
Founders	*3,727,266*	*1.43%*	*7,394,532*	*2.17%*	*7,394,532*	*2.17%*
Other members of the Board of Directors	*353,139*	*0.14%*	*462,164*	*0.14%*	*462,164*	*0.14%*
Subtotal: Board/Founders	4,080,405	1.56%	7,856,696	2.31%	7,856,696	2.31%
Free float	161,125,205	61.64%	166,512,076	48.92%	166,512,076	48.92%
CAPITAL AT DECEMBER 31, 2020	**261,382,728**	**100.00%**	**340,383,714**	**100.00%**	**340,383,714**	**100.00%**

At December 31, 2020, 4,183,671 shares (1.60% of total capital) and 7,706,492 voting rights (2.26% 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	September 21, 2020	220C3890	▲	13,122,322	5.02%	13,122,322	3.86%

Changes in ownership structure over the past three years

	December 31, 2018			December 31, 2019			December 31, 2020		
	Number of shares	% capital	% voting rights	Number of shares	% capital	% voting rights	Number of shares	% capital	% voting rights
JinJiang International Holdings Co., Limited	33,890,000	11.99%	16.01%	31,290,000	11.55%	15.77%	33,972,608	13.00%	16.98%
Qatar Investment Authority	29,505,060	10.44%	16.37%	29,505,060	10.89%	16.89%	29,505,060	11.29%	17.34%
Kingdom Hotels (Europe) LLC	16,494,440	5.84%	8.93%	16,494,440	6.09%	9.21%	16,494,440	6.31%	9.69%
Huazhu Investment Limited	13,092,112	4.63%	3.63%	8,470,677	3.13%	2.42%	16,205,010	6.20%	4.76%
Founders	3,772,067	1.33%	2.09%	3,727,266	1.38%	2.12%	3,727,266	1.43%	2.17%
Other shareholders	184,992,465	65.45%	52.73%	181,444,907	66.96%	53.59%	161,478,344	61.77%	49.06%
Treasury shares [1]	861,656	0.31%	0.24%	-	-	-	-	-	-
CAPITAL	**282,607,800**	**100.00%**	**100.00%**	**270,932,350**	**100.00%**	**100.00%**	**261,382,728**	**100.00%**	**100.00%**

(1) Treasury shares held as part of the share buyback program launched in 2018 (see section 6.3.2 "Share buyback program").

Sources: Accor share register, disclosures made to the AMF and the Company.

A Euroclear France survey of financial institutions holding at least 100,000 shares and of shareholders holding at least 250 shares at December 31, 2020, identified 9,337 shareholders owning an aggregate 67.41% of the Company's capital, representing 51.77% of total voting rights.

Analysis by shareholder category at December 31, 2020	% capital	% voting rights
Private shareholders	1.57%	1.21%
Institutional investors	65.84%	50.56%
French institutions	*9.54%*	*7.33%*
Foreign institutions	*56.30%*	*43.23%*
Unidentified in the Euroclear survey	32.59%	48.23%
CAPITAL AT DECEMBER 31, 2020	**100.00%**	**100.00%**

Source: Euroclear France.

Shareholders' agreements relating to the shares making up the Company's capital

To the best of the Company's knowledge, apart from the shareholders' agreements described below, there are no other agreements between shareholders concerning the Company's shares.

Agreements concerning the governance of FRHI, acquired on July 12, 2016

On December 9, 2015, Accor entered into an agreement with the shareholders of FRHI Holdings Limited (FRHI) including subsidiaries of the Qatar Investment Authority (QIA) and Kingdom Holding Company, for the acquisition of FRHI for a combination of cash and Accor shares. Under the terms of this agreement, the Qatar Investment Authority and Kingdom Holding agreed to sell their FRHI shares subject to certain conditions precedent, mainly approval of the transaction and related share issue by Accor shareholders.

The transaction and related share issue were approved at an Ordinary and Extraordinary Shareholders' Meeting held on July 12, 2016, after which Lodge Investment Company and Voyager Fund Enterprise I Ltd [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.

(1) Companies ultimately controlled by the Qatar Investment Authority.
(2) Company ultimately controlled by HRH Prince Alwaleed Bin Talal Bin Abdulaziz Al Saud.

Two shareholders' pacts were signed on the transaction completion date, with similar terms, between Accor and the Qatar Investment Authority (through Lodge Investment Company [1], Voyager Fund Enterprise I Ltd [1] and Qatar Holding LLC [1] to which the rights were transferred) and between Accor and Kingdom Holding Company (through Kingdom Hotels (Europe) LLC [2]).

Shareholders' pact entered into with Qatar Investment Authority

The main clauses of the pact between Accor and the Qatar Investment Authority (QIA) provide for:

- election to the Accor Board of Directors of two directors proposed by QIA, provided that it holds over 6% of Accor's capital, or one director if its interest stands at between 3% and 6% of Accor's capital. One of these two directors will also sit on the Commitments Committee and the Appointments and Compensation Committee;
- an undertaking by the Qatar Investment Authority to hold all of the 29,505,060 Accor shares received in consideration for the contribution of FRHI shares for a period of 12 months after the transaction date, and then to hold 50% of the Accor shares received in consideration for the contribution until January 1, 2018, subject to the customary exceptions and unless the shares are transferred to companies owned by Kingdom Holding Company;
- an undertaking by QIA not to hold, alone or in concert, more than 57,556,980 Accor voting rights during a period of three years after the transaction date. The above cap may be raised in the event of certain corporate actions involving Accor shares. If QIA were to enter into a concert arrangement with Kingdom Holding Company, the cap would be raised to 91,100,000 voting rights and would apply to the combined interest of the concert group members;
- in the event of a third party tender offer for Accor shares that complies with French securities regulations as formulated by the AMF, the option for QIA to file a competing bid for all outstanding Accor shares;
- a right of first refusal for Accor in the event of a planned transfer of Accor shares to certain identified competitors of the Accor Group;
- the orderly sale of Accor shares on the market in order to limit the impact on the share price;
- disclosure to Accor of any transfer of shares that leads to a direct or indirect, partial or total, immediate or deferred transfer of title;
- an undertaking to hold Accor shares in registered form;
- the possibility for QIA to act in concert, with regard to Accor, with another shareholder including Kingdom Holding Company but excluding certain identified competitors of Accor.

The pact came into effect on the transaction completion date (July 12, 2016) for a 12-year term. It will be terminated in advance if the combined interest of Lodge Investment Company, Voyager Fund Enterprise I Ltd and Qatar Holding LLC (direct Accor shareholders) is reduced to less than 3% of Accor's capital or if they cease to be wholly owned, directly or indirectly, by the Qatar Investment Authority.

Shareholders' pact entered into with Kingdom Holding Company

The main clauses of the pact between Accor and Kingdom Holding Company provide for:

- election to the Accor Board of Directors of a director proposed by Kingdom Holding Company, provided that it holds over 3% of Accor's capital. The director concerned will also sit on the Commitments Committee and the Appointments and Compensation Committee;
- an undertaking by Kingdom Holding Company to hold all of the 16,494,440 Accor shares received in consideration for the contribution of FRHI shares for a period of 12 months after the transaction date, and then to hold 50% of the Accor shares received in consideration for the contribution until January 1, 2018, subject to the customary exceptions and unless the shares are transferred to companies owned by QIA;
- an undertaking by Kingdom Holding Company not to hold, alone or in concert, more than 32,176,520 Accor voting rights during a period of three years after the transaction date. The above cap may be raised in the event of certain corporate actions involving Accor shares. If Kingdom Holding Company were to enter into a concert arrangement with QIA, the cap would be raised to 91,100,000 voting rights and would apply to the combined interest of the concert group members;
- in the event of a third party tender offer for Accor shares that complies with French securities regulations as formulated by the AMF, the option for Kingdom Holding Company to file a competing bid for all outstanding Accor shares;
- a right of first refusal for Accor in the event of a planned transfer of Accor shares to certain identified competitors of the Accor Group;
- the orderly sale of Accor shares on the market in order to limit the impact on the share price;
- disclosure to Accor of any transfer of shares that leads to a direct or indirect, partial or total, immediate or deferred transfer of title;
- an undertaking to hold Accor shares in registered form;
- the possibility for Kingdom Holding Company to act in concert, with regard to Accor, with another shareholder including QIA but excluding certain identified competitors of Accor.

The pact came into effect on the transaction completion date (July 12, 2016) for a 12-year term. It will be terminated in advance if the interest of Kingdom Hotels (Europe) LLC (direct Accor shareholder) is reduced to less than 3% of Accor's capital or if it ceases to be wholly owned, directly or indirectly, by Kingdom Holding Company.

(1) Companies ultimately controlled by the Qatar Investment Authority.
(2) Company ultimately controlled by HRH Prince Alwaleed Bin Talal Bin Abdulaziz Al Saud.

6.4.2 Dividends

Years	Shares outstanding at December 31	Dividend for the fiscal year (in €)	Paid on	Share price (in €) High	Low	Year-end closing price	Yield based on year-end closing price
2013	228,053,102	0.80	June 4, 2014	34.32	24.54	34.30	2.33%
2014	231,836,399	0.95	June 3, 2015	39.58	28.87	37.34	2.54%
2015	235,352,425	1.00	May 18, 2016	51.65	35.99	40.00	2.50%
2016	284,767,670	1.05	June 6, 2017	41.25	29.96	35.43	2.96%
2017	290,122,153	1.05	May 15, 2018	43.67	35.17	43.00	2.44%
2018	282,607,800	1.05	May 14, 2019	48.95	35.30	37.11	2.83%
2019	270,932,350	- (1)	-	42.58	32.39	41.75	- (1)
2020	261,382,728	- (1)	-				

(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 and 2020.*

Dividends are paid through Euroclear France.

Dividends not claimed within five years from the date of payment are forfeited, as provided for by law.

6.5 The market for Accor securities

The market for Accor securities

Accor shares are traded on the Euronext Paris stock exchange (Compartment A) and are included in the SBF 120 index. Ordinary shares are identified by ISIN code FR0000120404 and ticker symbol AC.

Accor is also included in the benchmark international socially responsible investing indexes:

- 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 ;
- CAC40-ESG index.

Accor is also rated by the following non-financial organizations:

- CDP Carbon score: A-. Accor has been participating in CDP Carbon since 2006. This international organization surveys major corporations about how they are factoring climate change into their strategy, their approach to carbon reduction and their performance in terms of greenhouse gas emissions;
- ISS ESG rating: “Prime”;
- Ecovadis rating: “gold level 2020.”
- Sustainalytics rating: “ESG Risk Rating: 18.9, Low risk, 2nd in Travel, Lodging and Amusement”;
- Gaïa rating: 73.
- MSCI rating: A.

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

- #1 CDP Carbon;
- #1 ISS-Oekom;
- #2 Sustainalytics;
- #2 MSCI.

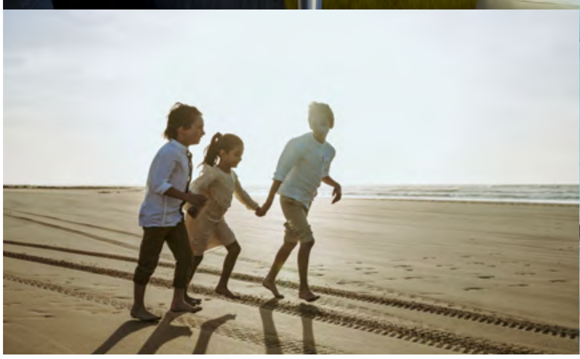
At December 31, 2020, the Company’s market capitalization stood at roughly €7.7 billion, based on the closing share price of €29.6.

Accor share prices and trading volumes (ISIN: FR0000120404)

	Average closing price	High-Low		Trading volume
		High	Low	
2020				
January	39.37	42.24	36.12	22,634,685
February	37.41	39.28	31.63	26,012,928
March	26.87	34.08	21.06	61,486,750
April	25.73	29.57	22.21	20,877,605
May	22.86	26.72	20.15	32,681,010
June	25.97	29.78	23.62	36,393,447
July	23.60	25.73	21.24	26,848,021
August	24.12	26.65	20.78	28,759,088
September	24.71	27.50	21.75	34,752,415
October	23.56	25.63	20.71	21,980,656
November	27.96	32.86	21.63	32,493,813
December	29.97	32.07	27.15	17,194,991
2021				
January	29.39	31.30	27.09	17,346,341
February	31.46	35.62	27.58	18,613,296

Sources: Euronext.

SECTION 7



OTHER INFORMATION

7.1 Investor relations and documents on display

In addition to the Annual Shareholders' Meeting and the events organized to present the annual results, Accor keeps both individual and institutional shareholders informed of the latest developments on a highly responsive daily basis.

This information is tailored to the specific needs of different types of shareholders and financial analysts while constantly complying with the principle of fair access to information.

Meetings with investors

In 2020, Accor met with 642 representatives from 454 financial institutions and organized 10 roadshows (including three virtual events) in France, the United Kingdom, the United States, Canda, Italy and Switzerland.

Accor also took part in 17 conferences (including nine virtual events) in France, Spain, Germany and the United Kingdom.

The Annual Shareholders' Meeting, which was held on June 30, 2020, in a closed session at Accor's headquarters in Issy-les-Moulineaux, provided the opportunity to review Accor's 2019 results. It was also an opportunity leading to exchanges on the impacts of the Covid-19 pandemic on Group revenue and EBITDA during the first quarter of 2020 as well as the actions undertaken to tackle the crisis and prepare for the future.

Shareholder Advisory Committee

The Shareholder Advisory Committee serves as both a consultative body and a forum for discussion, to improve the way we communicate with our individual shareholders. The aim is to enhance our understanding of individual shareholder expectations about the information they receive and their relationship with the Group, in order to make the communication process ever-more transparent and tailor it to their specific needs.

The Committee, which is composed of nine members, met once in 2020 with the following agenda:

- On November 27, 2020, via videoconference;
  - review of the Group's half-year results and revenue trends for the third quarter of 2020;
  - review of progress of the pandemic, the impact of the health crisis on Group businesses and prospects, discussions concerning the creation of the All Heartist fund and its solidarity actions (employees, individual partners, the homeless, victims of domestic violence, healthcare professionals); review of partnerships forged with Bureau Veritas to restore customer confidence with the "ALLSAFE" label, and with Axa Partners to offer medical assistance to cover guests during their stays;
  - review of the Group's initiatives to protect cash (suspension of dividend payment, share buyback program, external growth transactions, cuts to recurring investments, central costs, rationalization of distribution, marketing and IT costs, partial unemployment); discussions relative to the simplification plan for the Accor Company to make it more agile and efficient, and relative to a recurring cost cutting plan targeting €200 million announced in August; discussion on measures to shore up the Accor statement of financial position to maintain the cash position at around €4 billion (new credit line and new bond redeemable in shares issue);
  - presentation of the Group's services and brands ecosystem, enhanced with new partnerships between ALL and Grab, and with VISA and BNP Paribas for the creation of a new payment card;
  - review of the finalization of the disposals of Orbis and 16 Mövenpick leased hotels, and the acquisition of 100% of sbe's hotel activities to create the world leading Lifestyle hotel brand, Ennismore;
  - review of Group development and the network .

Accor Shareholders Club

Created in May 2000, the Accor Shareholders Club had 6,350 members at year-end 2020 (each one owning at least 50bearer shares or one registered share).

Club members take advantage of dedicated benefits and events such as 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 "Investors" section of the group.accor.com website, which serves as a comprehensive investor relations database. The site carries live webcasts of results presentations, Investor Days and Annual Shareholders' Meetings, which are also available for replay on demand. It also tracks the Accor share price in real time and features a dedicated section for retail shareholders and members of the Shareholders Club.

Accor publishes a wide array of documents far exceeding regulatory requirements.

These documents, which cover both the current year and previous years, may be viewed in the "Investors" 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 (available in electronic form since 1997);
- the Integrated Report included in the Universal Registration Document;
- the Annual Report;
- 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.

7.2 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 7.5 of this Universal Registration Document, 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 31, 2021

Sébastien Bazin

Persons responsible for information

- Jean-Jacques Morin
  Deputy CEO responsible for Legal Affairs, Finance, Communications and Strategy
  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
- Sébastien Valentin
  Senior Vice-President, Communications
  Phone: +33 (0)1 45 38 86 25

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.
- 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
  Date of first appointment: April 30, 2019
  Appointed for six fiscal years at the April 30, 2019 Annual Shareholders' Meeting.

7.3 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 presented on pages **290** to **357** and, **358**, of the 2019 Registration Document filed with the *Autorité des Marchés Financiers* (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 Registration Document filed with the French securities regulator on **April 9, 2020**, under No. **D.20-0281**;
- the financial information presented on pages **272** to **282** of the 2019 Registration Document filed with the French securities regulator on **April 9, 2020,** under No. **D.20-0281**;
- the consolidated financial statements and the related Statutory Auditors' report contained in the 2018 Registration Document filed with the French securities regulator on **March 29, 2019,** under No. **D.19-0229** (pages **312 to 374 and, 375)**;
- the parent company financial statements and the related Statutory Auditors' report contained in the 2018 Registration Document filed with the French securities regulator on **March 29, 2019**, under No. **D.19-0229** (pages **380 to 414** and, **415);**
- the financial information contained in the 2018 Registration Document filed with the French securities regulator on **March 29, 2019**, under No**. D.19-0229** (pages **294 to 304**)**;**

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.

7.4 Cross-reference table for the Universal Registration Document

The Universal Registration Document contains all of the key information required under Annexes 1 and 2 of Delegated Regulation (EU) 2019/980 of March 14, 2019, supplementing Regulation (EU) 2017/1129 of June 14, 2017. The table below cross-references this information with the relevant pages of the 2019 Accor Universal Registration Document filed with the AMF or, when specifically stated, the 2018 or 2017 Registration Documents.

Key information required under Annexes 1 and 2 of Delegated Regulation (EU) 2019/980 of March 14, 2019, supplementing Regulation (EU) 2017/1129 of June 14, 2017		Page numbers
5.7.2.	Material investments that are in progress or for which firm commitments have already been made, and method of financing	52-58; 60; 105; 109-117; 310-312; 322; 337-339; 353-355; 364; 23-33; 48-50; 55-58.
5.7.3.	Joint ventures and undertakings in which the issuer holds a proportion of the capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses	38; 54-58; 60; 105-106; 109-117; 337-341; 353-354
5.7.4.	Environmental issues that may affect the issuer's utilization of tangible fixed assets	N/A
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6.2.	List of significant subsidiaries	105; 109; 318-322; 353; 389; 405-406; 424-425
7.	**Operating and financial review**	
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7.1.1.	Development and performance of the issuer's business and of its position including financial and, where appropriate, non-financial key performance indicators	270-284; 290-296 of the 2019 Registration Document 298; 294-304; 305-308; 312-317 of the 2018 Registration Document
7.1.2.	Issuer's likely future development and activities in the field of research and development	48-50
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7.2.2.	Reasons for material changes in net sales or revenues	306-308; 313-318
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8.2.	Sources and amounts of the issuer's cash flows	310; 330-331
8.3.	Information on the borrowing requirements and funding structure of the issuer	369-372
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8.5.	Information regarding anticipated sources of funds	369-372
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10.	**Trend information**	
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10.2.	Known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current fiscal year	12-25; 322
11.	**Profit forecasts or estimates**	
11.1.	Published profit forecasts or profit estimates	62
11.2.	Statement setting out the principal assumptions used for forecasts	62
11.3.	Statement of comparability with historical financial information and consistency of accounting policies	62
12.	**Administrative, management and supervisory bodies and top management**	
12.1.	Information on the Board of Directors and top management	241-255
12.2.	Administrative, management and supervisory bodies and top management conflicts of interests	256-258; 292-300; 387

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
13.	**Compensation and benefits**	
13.1.	Amount of compensation paid and benefits in kind granted by the issuer and its subsidiaries	74-75; 263-275; 277-285; 351-353; 387; 418
13.2.	Total amounts set aside or accrued by the issuer or its subsidiaries to provide for pension, retirement or similar benefits	265-268; 269-272; 275; 368; 407; 372-373
14.	**Board practices**	
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14.2.	Members of the administrative, management or supervisory bodies' service contracts with the issuer	238; 257-258
14.3.	Information about the issuer's audit committee and compensation committee	260; 293-295
14.4.	Statement as to whether or not the issuer complies with the applicable corporate governance regime	238-239; 292-300
14.5.	Potential material impacts on corporate governance	N/A
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15.1.	Number of employees and breakdown by category of activity	68-69; 163
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15.3.	Arrangements for involving the employees in the capital of the issuer	175; 285
16.	**Major shareholders**	
16.1.	Persons with an interest of more than 5% in the capital as at the date of the Universal Registration Document	440-442
16.2.	Issuer's major shareholders with different voting rights	435; 440-442
16.3.	Ownership or control of the issuer and measures in place to ensure that such control is not abused	N/A
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17.	**Related-party transactions**	**389; 355 of the 2019 Registration Document; 369 of the 2019 Registration Document**
18.	**Financial information concerning the issuer's assets and liabilities, financial position and profits and losses**	
18.1.	Historical financial information	326-389; 394-426
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18.1.2.	Change of accounting reference date	N/A
18.1.3.	Accounting standards	334-335
18.1.4.	Change of accounting framework	334-335
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18.1.6.	Consolidated financial statements	326-389
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