

ESG POLICY

October 2021

ACCORINVEST 

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FOREWORD – CEO’S MESSAGE



In an increasingly interconnected world, in which individual actions have a direct impact on global development and welfare, we cannot ignore the environmental and societal challenges that our society is facing.

The success of companies depends on their capacity to face these challenges, to be resilient to changes and to become an active agent of the transition that the world needs.

Aware of these challenges and of the high speed at which they evolve, AccorInvest must assume its responsibility as hotel investor, owner, and operator by developing its activity in a responsible manner.

Through the ESG strategy, AccorInvest materializes its ambition and defines a specific roadmap that includes all its collaborators.

AccorInvest aims to be the reference in terms of Environmental, Social and Governance through all our actions. Therefore, I invite everyone to take the time to read this ESG policy, to make it yours, and to contribute to AccorInvest ambitions.

Thanks to our innovative business model, I am convinced of our capacity to reinvent the hospitality of tomorrow, the hospitality our society needs.

Gilles Clavié
CEO, AccorInvest

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PURPOSE AND SCOPE



Environmental, Social, and Governance (ESG) refers to key central criteria that measure the sustainability performance of a company. These criteria help to better define the ability of a company to create long-term value.

Integrating ESG criteria into the business strategy and operations means acting in an ethical and transparent manner, respecting the Law, and integrating social and environmental concerns.

This Policy states AccorInvest's ESG principles and aspirations, which are applicable to all the activities the Group develops, thus becoming a transversal responsibility for AccorInvest, from the managing bodies to the Group's partners.

As such, the aim of this Policy is to make sure all AccorInvest collaborators are aware of the Group's ESG core principles and to provide them with guidance on their daily activities.

This Policy is coordinated and supported by additional key documents that ensure AccorInvest's commitment towards sustainability, which include:

- AccorInvest Chart of Ethics
- AccorInvest Social Charter

ACCORINVEST ESG PRINCIPLES



AccorInvest ESG strategy impacts all the activities carried out by the Group, regardless of its role as hotel investor, owner, or operator. The strategy is based on three main pillars, eight commitments and nineteen challenges that show the Group's strong commitment towards sustainability.

| Acting as a responsible group | Respecting people & the environment | Delivering a positive hospitality |
|--|--|---|
| <ul style="list-style-type: none"> • Setting standards for robust governance, serving investors relations. • Ensuring compliance and demonstrating transparent and ethical conduct in all our operations. • Investing in a socially responsible manner, by integrating ESG criteria in the investment process. • Managing AI's supply chain by monitoring ESG risks and disseminating good practices throughout the value chain. | <ul style="list-style-type: none"> • Fostering employee's well-being and providing a work environment respectful of their rights and that enables employee's personal and professional development. • Reducing AccorInvest environmental impact and protecting our climate by systemizing hotel's certification, fostering circular economy practices, protecting biodiversity, and reducing our carbon footprint. | <ul style="list-style-type: none"> • Delivering an outstanding guest experience by guaranteeing care and comfort, fostering innovative services to improve well-being, ensuring hotels accessibility, and providing sustainable food. • Respecting the communities where we operate by prioritizing local employment, supporting local projects and associations, and promoting flexibility and innovation to create multi-functional hotel spaces which benefit both guests and local communities. |

Figure 1: AccorInvest ESG Strategy – 3 pillars, 8 commitments, 19 challenges

ACTING AS A RESPONSIBLE GROUP



~ €1,3 Bn
REVENUE

857
HOTELS

28
COUNTRIES

26,000
TALENTS

AccorInvest aspires to demonstrate high standards of ethical behaviour and transparency while promoting responsible relations with all its business partners. To achieve its goal, AccorInvest is committed to:

SETTING ROBUST STANDARDS FOR ESG GOVERNANCE:

The Group has established a world-wide ESG governance structure to ensure that the group's objectives and principles are respected and applied throughout the whole organization.

The governance structure aims at ensuring the alignment of the ESG strategy with the Group's global strategy, at adapting the global ESG principles to the local contexts, and at serving investors relations.

To ensure the proper functioning of the governance bodies a set of [governance rules](#) has been defined.

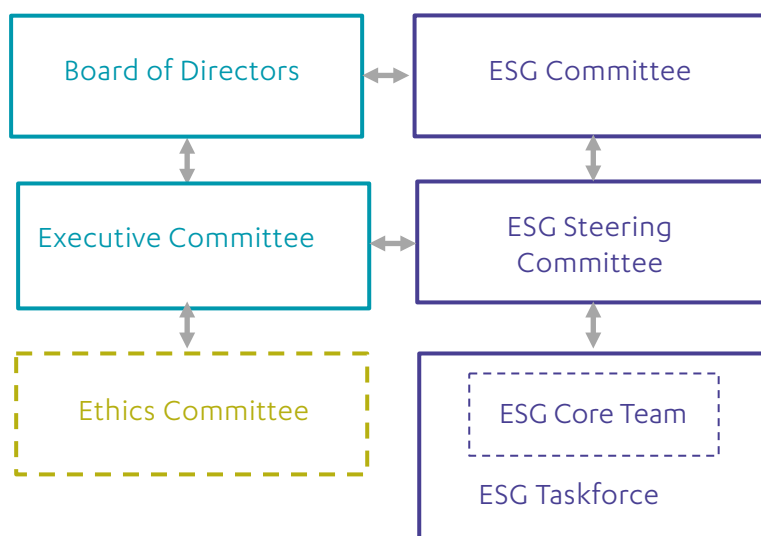


Figure 2: ESG governance structure

ENSURING COMPLIANCE AND ETHICAL BEHAVIOR:

Complying with regulation is essential for achieving the group's ambitions, this challenge becomes more and more relevant since laws and regulations for private companies are constantly tightening. In this regard, AccorInvest is committed to complying with all laws that apply to its activity and expects all its collaborators to act accordingly.

It should be noted that AccorInvest's commitments go beyond compliance by setting robust standards of ethics and transparency. Through the Group Ethical Charter, AccorInvest aims at guiding its collaborators through shared ethical principles. These principles must be respected by all AccorInvest employees and business partners.

INVESTING IN A SOCIALLY RESPONSIBLE MANNER:

ESG criteria needs to be considered from the investment phase to ensure the group's decisions are aligned with its ESG values. Furthermore, this approach may offer a better response to the increasing ESG regulations, to the growing costs of resources, and it may allow to manage risks from a wider approach. Additionally, ESG performant assets are key for achieving hotels operational excellence.

In this regard, AccorInvest is committed to evaluating ESG asset performance and to integrating ESG criteria for making the best investment decisions. This includes new constructions, acquisitions, and renovations.

To support asset managers and decision-makers in this process, AccorInvest has developed an [ESG evaluation tool](#).

MANAGING ESG RISKS IN THE SUPPLY CHAIN:

The Group is aware that, to achieve its sustainability commitments, the impacts generated throughout the whole value chain cannot be ignored.

To ensure that AccorInvest ESG standards are also respected in the purchasing process, whether this process is carried out directly by the Group employees or the hotel Manager, the group relies on a [Responsible Procurement Charter](#) that sets out the ESG principles that must guide the purchasing process.

These principles are developed around for key topics:

- Compliance & ethics
- Environment
- Human Rights
- Health & Safety

The Responsible Procurement Charter must be respected by all the employees of the group involved in the procurement process and by all AccorInvest suppliers, including the hotel manager.

RESPECTING PEOPLE AND THE ENVIRONMENT



| | | | |
|---|-------------------------------------|-----------------------------------|--|
| 26,000 TALENTS 1,000 at HEADQUARTERS | 28 COUNTRIES 92% in EUROPE | 857 HOTELS 131,856 ROOMS | 1 069 815 941 kWh of ENERGY CONSUMED (2019) |
|---|-------------------------------------|-----------------------------------|--|

AccorInvest strives to operate its business in a sustainable manner, by fostering employees' development and welfare, and by constantly reducing its environmental footprint.

FOSTERING EMPLOYEES' WELFARE:

The group aspires to co-create with its employees a working environment where their rights are respected, where innovation and entrepreneurship are key values and where there are no limits for career development. We have defined four main action lines to accomplish this:

- Attracting, retaining engaged talent, and encouraging employee development by integrating new tools and offering individual career development programs that may allow collaborators to continue growing professionally and personally all along their journey in AccorInvest.
- Ensuring diversity and inclusion by guaranteeing equal opportunities since the recruitment phase and a working culture respectful of everyone's rights.
- Ensuring health and safety for all our employees and promoting well-being at work by taking into consideration employees' concerns and requirements for defining the group policies and actions.
- Increasing employees' ESG engagement and create an ESG culture by training all employees on ESG challenges, by involving collaborators of all areas in ESG projects and by sharing the latest ESG updates to ensure sustainability is embedded in the organization.

AccorInvest values regarding labour relations and social dialogue are described in the group [Social Charter](#).

RESPECTING THE ENVIRONMENT:

Preserving the environment is one of the major challenges' society is facing. Coordinated action must be developed to ensure we limit pressure on resources, we reduce global emissions, and we manage the tons of waste produced daily. Aware of these challenges, AccorInvest is committed to reducing the impact on the environment in all its activities through four main commitments:

- Reducing AccorInvest carbon footprint and fostering adaptation to climate change, by defining an ambitious carbon strategy including all the activities the Group develops
- Implementing a global environmental management system that allows systemizing hotel certification to ensure the higher operational standards are implemented at AccorInvest premises.
- Promoting circular economy practices to build, renovate and operate hotels in an innovative and more responsible manner notably by creating flexible concepts that allow the reemployment of products and materials and by reducing, reusing, and recycling building waste.
- Protecting and enhancing biodiversity near our hotels.

DELIVERING POSITIVE HOSPITALITY



123 020
NB OF ROOMS
(2019)

74,55%
OCCUPANCY RATE
(2019)

52 548 692
NB OF GUESTS
(2019)

AccorInvest aspires to deliver an outstanding client experience and to contribute to local economic development, while being an actor of tomorrow's sustainable city, by connecting with the communities and enhancing their wellbeing.

DELIVERING AN OUTSTANDING CLIENT EXPERIENCE:

Guests are at the centre of AccorInvest concerns. The group is committed to creating and operating hotels where everyone feels welcome and safe. Four action lines have been defined to achieve this objective:

- Ensuring guest care and comfort by respecting the highest health, safety, and ergonomics standards. Notably by ensuring indoor air quality, acoustic comfort, optimized visual conditions and thermal comfort.
- Fostering innovation for improving guests' well-being through two main action lines: hotel's digitalization and biophilia initiatives.
- Improving the accessibility of the hotels to ensure, not only that there are no barriers for anyone, but also the best welcome to everyone.
- Proposing a sustainable and local food offer, when possible, to guarantee guests' health and well-being.

CREATING A LOCAL IMPACT:

AccorInvest strives to become a key agent in the communities in which it operates by:

- Favoring local employment to contribute to the well-being of communities and the local economy.
- Engaging with local projects and associations to address community specific needs and promote community involvement.

- Fostering flexibility and innovation to create multi-functional hotel spaces and services which may benefit both guests and local populations. AccorInvest is convinced that hotels can be much more than just accommodation.

POLICY IMPLEMENTATION & MONITORING



To ensure the effective implementation of this Policy, AccorInvest puts in place various instruments, such as training and awareness-raising or the annual reporting of key performance indicators. It is further recalled that managers have an essential role in its implementation.

MANAGER'S ROLE

Managers have the role of leading by example and promoting the Policy commitments among their teams. They are attentive to their respect and are available to answer the questions of their team members.

In case of doubt, Managers should ask for advice to an ESG Committee member.

AWARENESS-RAISING AND TRAINING

Knowledge and correct understanding by the employees of the principles set out in the ESG Policy are key for their effective implementation in their daily activities.

Appropriate communications as well as training and awareness-raising actions are provided by AccorInvest.

ESG REPORTING

AccorInvest has defined specific actions, key performance indicators and targets for each of the announced principles.

These actions, KPIs and targets will be updated on a regular basis to ensure they respond to the environmental and societal challenges that the Group faces.

They will be reported annually in the Group's Management report and followed-up by the ESG Committee.

ESG STEERING COMMITTEE

The ESG Steering Committee is a dedicated body for overseeing the implementation of the Group's ESG Policy.

As such, the ESG Committee is responsible for:

- Ensuring that ESG targets are incorporated into the Group's strategy.
- Ensuring that the ESG strategy is aligned with the Group's strategy.
- Providing arbitration for key ESG issues, when necessary.
- Reviewing and approving the ESG key documents and policies.
- Reporting to the ExCom and serving investors relations.

The ESG Committee is composed of the members of the Strategic Committee:

- Gilles Clavié, Group Chief Executive Officer
- Corinne Fornara, Group Chief Finance Officer
- Jaïro Gonzalez, Group Chief Corporate Officer
- Olivier Daguzan, Group Chief Operations Officer
- Etienne de la Roncière, Head of Asset Management

The ESG Steering Committee operates as follows:

- At least three meetings must be held in a fiscal year.
- The minimum average attendance rate on the three meetings must be 80%.
- The ESG Committee must report progress to the ExCom at least twice per fiscal year (at the end of each semester).
- The members of the ESG core team are permanent guests of the ESG Committee.