ACCOR HOTELS
Feel Welcome

2016 CORPORATE RESPONSIBILITY Report
IMAGINE POSITIVE HOSPITALITY. BECAUSE WE CARE FOR MILLIONS OF GUESTS, EACH OF OUR HOTELS IS A PLANET IN ITSELF AND EVERY ACTION MATTERS. LET’S DRIVE THE CHANGE, AND INVITE THE WORLD TO ACCOMPANY US, TO BETTER WELCOME THE FUTURE.
FOR US, THERE IS ONLY POSITIVE HOSPITALITY

For over 25 years in Australia, AccorHotels’ commitment has always been guided by respect. Respect for the planet we share and for its inhabitants, who are our employees, guests and partners. Respect for the communities around us and for the laws and regulations under which we operate.

As Australia’s largest hotel operator, we are fully aware of our responsibility as a company and economic player. We have always been fully committed to limiting the negative impacts of our activity and creating tangible benefits for our employees, guests, partners and investors, suppliers, industry players, regulators, local community and the environment.

With our 10,000 employees demonstrating, on a daily basis, their commitment to providing a warm welcome and excellent hospitality for all our guests, we see our corporate responsibility process feeding into every aspect of the AccorHotels business.
Positive HOSPITALITY
This is AccorHotels Australia’s first annual Corporate Responsibility (CR) Report covering the 2016 calendar year, January 1st to December 31st.

This report covers AccorHotels Australia’s operating company including owned, leased, managed and strata hotels. Reporting of franchise hotels is excluded unless specified.

This report has been prepared in accordance with the GRI Standards: Core option. As this is the first year of reporting, a number of the reporting systems required to satisfy all the reporting criteria were not in place. Moving forward AccorHotels is committed to improving reporting processes so that progress of initiatives can be better monitored.

While the scope of this report is focused on our operations in Australia, we have also referenced broader impacts as part of the AccorHotels Global Group. The Global Group also produces a CR report that forms part of the Global Group 2016 Registered Document.
In 2016 we celebrated 25 years of Australia operations. During this time, our business has achieved significant growth in an ever changing market place, requiring constant innovation. Tourism has emerged as a tier one sector of the Australian economy, a major generator of employment and contributor to GDP. As the largest hotel operator in Australia, we are fully aware of our responsibility as a company and economic player.

Our innovation continues globally and locally with the expansion of our luxury and upscale portfolio with the integration of the Fairmont, Raffles and Swissôtel brands. To address millennial and other ‘new era’ travellers, we announced a new brand, Jo&Joe, which – along with the Mama Shelter brand – highlight that innovation is central to our business philosophy.

AccorHotels has also formed strategic partnerships with 25hours Hotels and Banyan Tree Holdings to accelerate their global expansion. Equally, we are expanding our reach by investing in ‘share’ businesses such as OneFineStay, Oasis, Squarebreak and the concierge service John Paul. While our ‘traditional’ brands will always remain the dominant proportion of our network, the ability to anticipate and respond to market trends will ensure our competitiveness and ability to constantly refresh our business.

Parallel to brand development, we have continuously invested in technology to enhance our business and the guest experience. Customer feedback data – through our Voice of the Guest program – has been instrumental in improving service aspects in hotels.

The strength of our brands and commitment to our guests has been translated into guest loyalty and making them feel welcome. Membership of our Le Club AccorHotels loyalty program has rapidly grown to reach record heights, now including one in 12 Australians.

Our success in awards during 2016, especially those that recognise our people and our service culture, have been very encouraging. The way our diversity programs have delivered more Indigenous employees and female managers complements our overall aim of attracting and retaining the best talent. With an ever growing network of hotels it will be a continuing priority for the Group to deliver the most innovative and dynamic talent to our hotels.

We are committed to providing a positive hospitality experience; one that creates links and positive outcomes for all our guests, people, partners and community while striving relentlessly to reduce the impacts associated with our operations.

2016 was a transition year for our sustainability strategy as we marked the beginning of our new ambitious plan Planet 21 2016–2020 Acting Here to drive change towards positive hospitality, using our Ethics and Corporate Social Responsibility Charter as a reference. In this report, you will find content describing the details of our progress.

At a time when our industry and our Group is undergoing extensive transformation, more than ever, we will continue to evolve and grow while remaining true to our values and heritage as we undertake our sustainability journey. Our vision of hospitality is best expressed through the simplicity and warmth of our tagline ‘Feel Welcome’.

MESSAGE FROM SIMON McGrath

Simon McGrath
Chief Operating Officer, AccorHotels Pacific
CORPORATE PROFILE

AccorHotels is a group united by a shared passion for hospitality and driven by a shared promise to make everyone ‘Feel Welcome’.

In Australia, AccorHotels is operated by AAPC Limited (AAPC), an Australian public company limited by shares. AAPC Limited manages a substantial portfolio of assets through its subsidiaries. AAPC Limited’s ultimate holding company is Accor SA, a company listed on the French stock exchange.

Globally, AccorHotels is 240,000 women and men in nearly 4,050 establishments who look after thousands of guests every day in 92 countries. Two new hotels open globally every three days.

As the largest operator of hotels in Australia, AccorHotels employs approximately 10,000 women and men across 207 establishments representing 27,681 rooms, to look after more than 6 million business and leisure guests each year across every Australian state and territory.

AccorHotels is the world’s, and Australia’s, leading hotel operator and offers its customers, partners and employees:

- Its dual expertise as a hotel operator and franchisor (HotelServices) and a hotel owner and investor (HotelInvest).
- A large portfolio of internationally renowned brands covering the full spectrum, with luxury and upscale (Raffles, Fairmont, Sofitel, Swissôtel, Pullman, MGallery by Sofitel, Grand Mercure, Quay West, The Sebel), midscale (Novotel, Mercure, Mama Shelter) and economy (ibis, ibis Styles, ibis budget) establishments.
- A powerful marketplace and loyalty program – Le Club AccorHotels.
- 25 years of commitment to corporate citizenship and solidarity with the Planet 21 program in Australia.
AccorHotels has five main operating structures – franchise agreements, management rights schemes (strata hotels), management contracts, leases and ownership. As part of the Group’s organisation into the HotelInvest and HotelServices businesses, all of the owned and leased hotels are integrated into the HotelInvest portfolio and are operated by HotelServices under management contracts.

**FRANCHISE AGREEMENTS:** Franchised hotels are operated by their owners. AccorHotels provides various services to its franchisees, such as the use of its brands, first and foremost, and access to the Group’s centralised booking system. The other services offered to hotel owners include access to the centralised purchasing system and to AccorHotels Académie for employee training. AccorHotels is remunerated for these services via fees, including base fees, sales and marketing fees, as well as through the invoicing of additional services, where applicable. 39% of the Australian network is under franchise agreements.

**MANAGEMENT CONTRACTS:** Hotels under management contracts are similar to franchised hotels in that personnel are generally employed directly by the hotel (except for the general manager who is, in most circumstances, an AccorHotels employee). AccorHotels only records the fees paid by the owner and not the hotel’s revenue. However, these hotels are managed by AccorHotels. The fees received include a base fee plus sales and marketing fees similar to those paid by franchisees, as well as a management fee corresponding to a percentage of revenue and, in some cases, an incentive fee subject to performance criteria.

**LEASES:** The income statements of leased hotels are fully consolidated by AccorHotels, which pays rent to the owner. The rent can either be fixed or variable. Fixed rent corresponds to a percentage of asset value, while variable rent is usually indexed to the hotel’s revenue. For some hotels, the rent paid by AccorHotels corresponds to a percentage of the hotel’s EBITDAR.

**OWNERSHIP:** Owned hotels are fully consolidated. While AccorHotels only receives fees from franchised and managed hotels, it records all of the operating income and expenses in its accounts for owned and leased hotels.
OTHER BUSINESSES

Other businesses include the Accor Vacation Club holiday program, Accor Plus loyalty program and Qantas Lounges managed by AccorHotels. The commercial activities of AccorHotels New Zealand, Pacific and Japan also report through AccorHotels Australia. None of these entities are covered by this report.

CHANGES TO OPERATIONS

There were no significant changes to the legal structure or supply chain of the organisation during 2016. The Australian business has maintained strong growth with the opening of 11 new hotels in 2016.

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total hotels (inc. franchises)</td>
<td>194</td>
<td>196</td>
<td>203</td>
<td>207</td>
</tr>
</tbody>
</table>

OUR VALUES

Our values are embodied every day in our behaviour, and in our relationships with all of our stakeholders, both inside and outside the organisation. They guide our leadership methods and our actions and give meaning to our efforts, providing us with a universal frame of reference in a fast-changing world. We are expected to understand these values, which are the bedrock of the Group’s identity, and to embrace, express and share them to ensure that they are demonstrated by all employees. By setting the example, we each have an essential role to play in making these values a strong, living force in our corporate community.

GUEST PASSION

Hospitality is our trade, pleasing people is what drives us. Our guests are the driver of our decisions, of our actions. We put them first, we care for them. We go the extra mile for them. We enjoy doing it.

INNOVATION

We heard it was impossible, but together we did it. We stand for bringing guests’ dreams to life. We dreamed it, we did it, they love it. We are curious, we welcome ideas. We are free to try, to test, to learn.

SUSTAINABLE PERFORMANCE

We stand for creating value, for as many as possible, over the long term.

TRUST

We believe in natural kindness. We support and value each individual and acknowledge their value. We deliver on our commitments. We say what we do, we do what we say.

SPIRIT OF CONQUEST

Our guests are globetrotters and so are we. We want to be where they want to be. We explore, we initiate and we develop. We are ambitious for our guests. We make the impossible possible, we have fun doing it.

RESPECT

We are connected with the world and to others. We enjoy the mix of cultures. We are proud of our differences. We put you first and we value you, whoever you are. We care for the planet.
SUSTAINABILITY MILESTONES

HISTORY OF ACCORHOTELS’ SUSTAINABILITY APPROACH

1998
HOTEL ENVIRONMENT CHARTER
The first environmental charter implemented by AccorHotels

2005
OPEN LAUNCHED
Tools for monitoring hotels’ sustainable development performance

2006
PLANT FOR THE PLANET PROGRAM
AccorHotels reinvents the reuse of bath towels in the hotel industry

2009
EARTHGUEST RESEARCH PLATFORM
An open knowledge platform covering sustainable development in the hotel industry

2010
FIRST ENVIRONMENTAL FOOTPRINT
First hotel group to carry out an environmental footprint assessment

2011
SECOND ENVIRONMENTAL FOOTPRINT
A more in-depth environmental assessment to spur progress

2015
FIRST SOCIO-ECONOMIC FOOTPRINT
The first hotel group to calculate job creation and total GDP

2016
GAIA LAUNCHED
Updated tool for monitoring hotel sustainable development performance

2020
PLANET 21 PART 2
The commitments undertaken by AccorHotels to promote sustainable development in 6 main areas
MILESTONES OF 2016

- Employee engagement increased from 66% to 68% while the response rate increased from 86% to 94%
- Rollout of the 2016-2020 Planet 21 program
- Indigenous employment programs – 500 employees
- Launch of AccorHotels community fund
- Introduced the Great Barrier Reef Project to the Planet for the Planet – Greening Australia program
- Made a commitment to cage-free egg supply
- Female general managers – we reached 33%
- We pledged our support for marriage equality
- 3,188 kg of discarded soap was collected for soap aid to provide 31,880 bars of soap to improve the lives of children in disadvantaged communities around the world, through improved hygiene practices

KEY LOCAL AND INTERNATIONAL AWARDS AND RECOGNITION

AUSTRALIAN AWARDS

- Hotel Industry, HM Award 2016:
  - Accommodation Chain of the Year
  - Service to Community – Race to Survive Kokoda Trail
  - Environmental Program of the Year – Ayers Rock Resort Tjintu Solar Field
- Australian Traveller Magazine People’s Choice Award 2016: Best Value Hotel Chain

NOTABLE GLOBAL AWARDS

- Ethical Corp Awards: Best Company
- Human Resources Excellence 2016 Awards: Excellence in CSR Strategy for Planet 21 - Acting for Positive Hospitality
- 2016 Annual Freddie Awards: Program of the Year and Best Promotion – Le Club AccorHotels
AccorHotels is listed on a number of different indices and standards worldwide:

- Index Euronext Vigeo: Europe 120
- Index FTSE4Good
- Ethibel Sustainability Index (ESI) indices Excellence Europe and the Ethibel Sustainability Index (ESI) Excellence overall
- Index STOXX® Global ESG Leaders
- Index Standard Ethics French Index
- Index MSCI Europe and Middle East ESG Index Ratings

Since 2006, the Global Group has participated in the CDP carbon reporting program. This international organisation asks corporations on the integration of climate change in their strategy, their approach to the carbon constraint and their performance in terms of greenhouse gases. In 2016 the Group scored C (as an average of the CDP program on climate notes).

RobecoSam in 2016 awarded the AccorHotels Global Group with a Silver Class Sustainability rating as published in their 2017 Sustainability Yearbook.

AccorHotels Global Group has also reached the gold level for assessment by EcoVadis.

AccorHotels Australia has been declared in conformity with the Workplace Gender Equality Act 2012 by the Agency Workplace Gender Equality Australian Government.
COMMERCIAL PERFORMANCE SUMMARY

As Australia’s largest hotel operator with a considerable network of hotels nationally, the activities of the Group deliver economic benefits to our shareholders and stakeholders. A summary of economic value generated by the Group and related metrics are provided below.

ECONOMIC VALUE*

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Direct economic value generated</td>
<td>515,331</td>
<td>484,429</td>
<td>470,302</td>
<td>496,021</td>
<td>490,594</td>
</tr>
</tbody>
</table>

Economic Value Distributed

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<thead>
<tr>
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<tbody>
<tr>
<td>Operating costs</td>
<td>(325,981)</td>
<td>(246,940)</td>
<td>(276,431)</td>
<td>(302,421)</td>
<td>(274,553)</td>
</tr>
<tr>
<td>Employee wages and benefits</td>
<td>(159,027)</td>
<td>(140,080)</td>
<td>(141,181)</td>
<td>(143,206)</td>
<td>(148,544)</td>
</tr>
</tbody>
</table>

Payments to providers of capital

Payments to government

Economic value retained

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<tr>
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</thead>
<tbody>
<tr>
<td>Economic value retained</td>
<td>18,677</td>
<td>80,488</td>
<td>35,072</td>
<td>43,811</td>
<td>52,072</td>
</tr>
</tbody>
</table>

* The economic values reported reflect the results of the Australian Group. Economic value noted excludes managed and franchise hotels and the result of Accor Vacation Club and Accor Plus. 1 Operating costs includes some community investments. Please refer to separate table detailing AAPC Limited’s community investments. 2 Employee wages and benefits includes Fringe Benefits Tax (FBT) and Payroll Taxes, which have been included within payments to government. 3 Represents income tax expense, Fringe Benefits Tax (FBT) and Payroll Taxes. All other payments to government are reported within operating costs.

ACCORHOTELS AUSTRALIA COMMERCIAL POLICY

As a matter of policy, AccorHotels complies with the local tax laws and regulations of the Group’s host countries. Tax issues are part of a risk management policy that is operated by the Group Tax Department in conjunction with the Audit Department. Documentation on tax positions is consulted, advice is sought from external consultants and dialogue is initiated with the tax authorities to safeguard the Group from these risks. The Group is always pro-actively watching out for a broad range of changes relating to tax matters (both legislative and regulatory). The Group is also involved directly, or through industry associations, in dialogue with the tax and legislative authorities in order to create an environment that is conducive to growth. The Audit Committee studies how tax policy could impact stakeholders.

TOTAL REVENUE STATISTICS

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<tbody>
<tr>
<td>Managed</td>
<td>915,330</td>
<td>1,071,042</td>
<td>1,058,169</td>
<td>1,091,877</td>
<td>1,125,714</td>
</tr>
<tr>
<td>Owned and leased</td>
<td>308,742</td>
<td>304,587</td>
<td>300,617</td>
<td>307,679</td>
<td>308,466</td>
</tr>
</tbody>
</table>

1,224,072 1,375,630 1,358,786 1,399,556 1,434,181

COMMUNITY INVESTMENTS

<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>AccorHotels Community Fund</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>83</td>
</tr>
<tr>
<td>Race to Survive*</td>
<td>260</td>
<td>500</td>
<td>-</td>
<td>500</td>
<td>-</td>
</tr>
<tr>
<td>Plant for the Planet</td>
<td>15</td>
<td>-</td>
<td>38</td>
<td>93</td>
<td>146</td>
</tr>
<tr>
<td>Indigenous Employment Program</td>
<td>168</td>
<td>256</td>
<td>168</td>
<td>922</td>
<td>954</td>
</tr>
<tr>
<td>Other donations</td>
<td>69</td>
<td>22</td>
<td>22</td>
<td>2</td>
<td>49</td>
</tr>
</tbody>
</table>

512 778 228 1,517 1,232

* Includes the Race to Survive. In 2014 and 2016, the Race to Survive was hosted in Fiji. Consequently, funds raised have not been reported in the above table.
FINANCIAL ASSISTANCE RECEIVED FROM THE GOVERNMENT

<table>
<thead>
<tr>
<th>($) (000)</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indigenous Employment Program (IEP)</td>
<td>100</td>
<td>46</td>
<td>1,746</td>
<td>296</td>
<td>27</td>
</tr>
</tbody>
</table>

SOCIOECONOMIC FOOTPRINT

In 2016, AccorHotels commissioned research into its socioeconomic footprint. The research is based on the principle that AccorHotels’ impacts are not limited solely to the field of its own business activities but have consequences for the wider economy. This makes it possible to obtain a more accurate picture of the Group’s true economic contribution to the Australian economy, including the total number of jobs supported by owned, leased and managed hotels.

The diagram on the right shows that for every $1 generated directly by the Group in Australia, $2.90 is generated for the economy. For every job created within AccorHotels, 4.6 jobs are supported. The activities of AccorHotels franchise hotels deliver additional benefits on these reported numbers.
Vision, Commitments and APPROACH
AccorHotels has a simple mission: to welcome guests and provide them with lodging and meals around the world. In order to do this, we must make strategic decisions which address two imperatives. The first, inherent to any company, is to make a profit. The second, is an expression of awareness of global challenges which demands that economic players, in particular major groups like AccorHotels, the sector leader, assume new responsibilities such as sharing the value they create, nurturing fair and equitable stakeholder relations, integrating social responsibility and environmental considerations into their business practices and the opportunities and constraints inherent in the ever-increasing digitisation of the economy.

AccorHotels has stepped up the changes it made to its business and corporate culture. With its ‘Leading Digital Hospitality’ plan, ‘Food and Beverage’ plan and new values, the Group focused on innovation and also renovation of its fundamentals. Indeed, AccorHotels embraced change by reworking its values. Its ‘Passionate about guests’ value embedded the process and highlighted the importance it places on customer relations, a key part of the Group’s guest care policy; the ‘Performance’ value became ‘Sustainable Performance’ to mark the Group’s quest to create long-term positive value for the greatest number.

IMAGINE POSITIVE HOSPITALITY – THE ACCORHOTELS CR MANIFESTO

Because we care for millions of guests, each of our hotels is a planet in itself. Let’s drive the change and invite the world to accompany us, to better welcome the future.

By placing sustainability at the core of its values, AccorHotels is committing to making CR an integral part of its operating model. Another major move in this direction: the environmental and social performance criteria defined in 2016 will be used to calculate the variable portion of the salary of all qualifying employees.

In this way, the AccorHotels CR process is helping to change the Group. 2015 was devoted to making maximum progress in order to bring the Planet 2I 2011–2015 program to the best possible conclusion and devise the future program for the next iteration of Planet 2I 2016–2020. The latter was designed to support each of the Group’s assets which play a major part in value creation: its human capital, its brand portfolio and digital expertise, its buildings and its relations with its business partners, society in general and local communities.
MATERIALITY MATTERS

Through our regular assessments of stakeholder feedback and industry trends, we gain an understanding of the issues that matter most to our key stakeholders; our people, guests, partners and investors, suppliers, industry players, regulators, local community and the environment. This ensures we can direct our efforts to respond in the most effective way to the most pressing emerging risks and opportunities. During 2016, the AccorHotels Global Group published the results of three key research reports which reviewed the activities of Group. The three reports are:

- **Socio-economic footprint of AccorHotels (2016).**
- **Environmental footprint of AccorHotels (2016).** and
- **Guest study.**

These publicly published reports together map the social, environmental and economic material factors and the complexity of the supply and value chain. The reports provide a key reference for the ongoing assessment of material issues.

In preparing this report, the Global Group materiality topics and ratings were combined with an assessment of local material topics. The assessment focused on:

- identifying stakeholder concerns, expectations and determining their degree of importance;
- benchmarking the performance of AccorHotels against industry practices; and
- measuring the impact of stakeholder expectations on AccorHotels business, either financially or in terms of reputation.

AccorHotels is committed to continuing to improve the identification and management of material issues relevant to our stakeholders.
The materiality matrix highlights the results of the materiality assessment and their assessed rating for the Group in Australia and globally. Service quality and the guest experience and worklife quality are the two highest-ranking issues, reflecting the importance of people in the hospitality industry. The analysis also demonstrated that AccorHotels must address many challenges in the three core topics of CR, with a greater emphasis placed on employment issues, followed by social and environmental concerns.
INTERACTION WITH STAKEHOLDERS

Following consultation with Global Group Departments, AccorHotels has developed stakeholder maps to help identify its stakeholders, determine the type of dialogue fostered with each and compare stakeholder and corporate views on various CR issues. AccorHotels maintains constant communication with key stakeholder groups as detailed throughout this report. This diagram provides an overview of the main stakeholders identified and the key topics associated with each.
Resolutely driven by an ambition of responsibility and sharing of value, AccorHotels works in a spirit of compliance with ethical principles and applicable laws and regulations and strong commitments to its various stakeholders. The Charter, backed by the Group’s six values, affirms this ambition and frames AccorHotels’ approach to accountability. The Charter inspires all of AccorHotels socially responsible policies and guides the Group’s responsibility process, in the areas of management ethics, integrity, compliance and CR. To help employees put these fundamental principles into practice, the Charter includes real-world examples of situations they could encounter and describes the right way to handle them. Endorsed by the Chairman and Chief Executive Officer of the Global Group, the Ethical and CSR Charter presents all the ‘extra-financial’ policies of the Group.

The Ethics and CSR Charter is available both internally on the Group internet and externally on the Global Group website.

The Ethics and CSR Charter is available both internally on the Group internet and externally on the Global Group website.

Every year, one major innovation to interact with our guests around sustainable development
- 100% of our hotels implement Planet 21’s 16 mandatory actions
- 10 key hospitality product categories are eco-friendly (owners and nominated suppliers)

Engage our GUESTS in sustainable experiences

Every year, one major innovation to develop alternative and responsible models
- Our ‘CSR and ethical risk management’ process is deployed among 100% of our partners (owners and nominated suppliers)

Co-innovate with our PARTNERS to open new horizons

100% hotels engaged in a citizen or solidarity project
- 100% of our hotels implement our program against child sexual exploitation
- 10 million trees planted with our Plant for the Planet program by 2021

Acting for Positive Hospitality

The employee engagement index increases every year
- Each country implements a health / wellbeing at work program
- 35% of hotels’ General Managers are women by 2017
- Employees’ perception of the Group’s high level of CSR engagement is increasing CSR index

Act as an inclusive company for our PEOPLE

100% hotels engaged in a citizen or solidarity project
- 100% of our hotels implement our program against child sexual exploitation
- 10 million trees planted with our Plant for the Planet program by 2021

Move towards carbon neutral BUILDINGS
- 100% of renovated or new hotels are low carbon buildings (owned and leased hotels)
- -5% of energy consumption per room and -5% of water consumption per night by 2018 (owned, leased and managed hotels)
- 65% of waste from hotel operations is recovered in our hotel

Strive for zero food waste and healthy sustainable FOOD
- -30% of food waste
- 100% of our restaurants follow our charter on healthy and sustainable food
- 1,000 urban vegetable gardens in our hotel
COMMITMENTS

As part of the 2016–2020 program, AccorHotels has established 16 mandatory actions for hotels to achieve a Planet 21 status. Hotels have the opportunity to implement a further 65 actions, each designed to improve each hotel’s social, economic and environmental performance. With each action, hotels earn points to obtain a Planet 21 rating level from Bronze to Platinum displayed publicly on AccorHotels.com.

During 2016, the new Planet 21 program was rolled out to hotels which then self-assessed based on the new criteria to determine their current rating, as displayed in the table below.

<table>
<thead>
<tr>
<th></th>
<th>NSW / ACT</th>
<th>QLD / NT</th>
<th>VIC / TAS / SA</th>
<th>WA</th>
<th>Franchise</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of reporting hotels</td>
<td>50</td>
<td>35</td>
<td>28</td>
<td>13</td>
<td>78</td>
</tr>
<tr>
<td>No rating</td>
<td>–</td>
<td>3%</td>
<td>14%</td>
<td>31%</td>
<td>79%</td>
</tr>
<tr>
<td>Bronze</td>
<td>26%</td>
<td>6%</td>
<td>29%</td>
<td>23%</td>
<td>9%</td>
</tr>
<tr>
<td>Silver</td>
<td>52%</td>
<td>74%</td>
<td>39%</td>
<td>38%</td>
<td>10%</td>
</tr>
<tr>
<td>Gold</td>
<td>22%</td>
<td>17%</td>
<td>18%</td>
<td>8%</td>
<td>1%</td>
</tr>
<tr>
<td>Platinum</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

During Q4 of 2016, Vice Presidents of Operations for each region established hotel Planet 21 targets for 2017 and 2018. The varied targets set by the regions reflect the differences in hotel age and operational control.

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<thead>
<tr>
<th></th>
<th>NSW / ACT</th>
<th>QLD / NT</th>
<th>VIC / TAS / SA</th>
<th>WA</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Planet 21 level</td>
<td>–</td>
<td>–</td>
<td>3%</td>
<td>15%</td>
</tr>
<tr>
<td>Bronze</td>
<td>–</td>
<td>–</td>
<td>17%</td>
<td>7%</td>
</tr>
<tr>
<td>Silver</td>
<td>100%</td>
<td>26%</td>
<td>55%</td>
<td>7%</td>
</tr>
<tr>
<td>Gold</td>
<td>–</td>
<td>74%</td>
<td>25%</td>
<td>33%</td>
</tr>
<tr>
<td>Platinum</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

The table on the following two pages provides a summary of Australian progress towards the 18 global and local commitments for 2020.
Act as an inclusive company for our employees

The employee engagement index increases every year

<table>
<thead>
<tr>
<th>2015</th>
<th>2016</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>66%</td>
<td>68%</td>
<td>Employee engagement increased in 2016. Participation in the assessment also increased from 86% (2015) to 94% (2016).</td>
</tr>
</tbody>
</table>

Deploys a health and wellbeing program

Implemented

During 2016, stage one of an updated health and wellbeing program was implemented.

35% of hotel General Managers are women by 2017; the Australian target is 50% by 2018

<table>
<thead>
<tr>
<th>2015</th>
<th>2016</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>36%</td>
<td>33%</td>
<td>The percentage of women Hotel General Managers declined slightly during 2016 following strong growth from 2014.</td>
</tr>
</tbody>
</table>

Employees’ perception of the Group’s high level of CSR engagement is increasing

- -

The Global Group has reported that employee perception of Group commitments has increased by four points, from 72% in 2015 to 76% in 2016.

Engage our guests in a sustainable experience

Each year, a major innovation to interact with our clients around sustainable development

- -

The Global Group launched this project in 2016. Effort focused on the implementation and fundamental communication of the CR approach with guests, both directly in the hotel and on the various digital media. A roadmap has also been developed to define the major initiatives to be launched gradually starting in 2017.

100% of our hotels achieve a Planet 21 Bronze rating

94% of hotels achieved the Planet 21 Bronze rating.

- -

The Global Group initiated this project in 2016. The first step was to define the criteria for each family of product offerings. Then, an assessment of the level of compliance with these criteria was conducted for the products based on each brand. At the end of 2016, the Global Group reported that, 64.5% of the 10 key product families integrate these criteria.

10 product families in our hotels offer eco-responsible options

- -

AccorHotels is a founding member of the International Platform for Insetting (IPI). The insetting for AccorHotels translates through its Plant for the Planet and the willingness to support agroforestry with agricultural producers who will then become the suppliers for its restaurants.

Co-innovate with our partners to open up new horizons

Each year a major innovation to develop responsible and alternative models

- -

Our “ethical risk management and CSR” process is deployed with 100% of our partners (owners and nominated suppliers)

97% of suppliers have signed the charter.

- 

AccorHotels is a founding member of the International Platform for Insetting (IPI). The insetting for AccorHotels translates through its Plant for the Planet and the willingness to support agroforestry with agricultural producers who will then become the suppliers for its restaurants.
<table>
<thead>
<tr>
<th>6-Axis</th>
<th>2020 Global Group Key Commitments and Road Map</th>
<th>Australia Results</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>100% of our hotels are engaged in a citizen or solidarity initiative</td>
<td>25% of hotels organised a Planet 21 or Solidarity event. 70% of hotels had fundraising activities in place.</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>100% of our hotels are making our program of fight against the sexual exploitation of children</td>
<td>97% of hotels implemented the Global Group WATCH program.</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>10 million trees planted with our Plant for the Planet program by 2021</td>
<td>100% of owned, leased and managed hotels participated in the program during 2016 taking total local planting funding to 37,970 trees.</td>
<td>550,000 trees were financed in 2016 globally, taking the total tree count to 5.0 million.</td>
</tr>
<tr>
<td></td>
<td>100% of our new and renovated hotels are low carbon buildings (owned and leased hotels)</td>
<td>-</td>
<td>The Global Group focused on establishing a definition for low carbon hotels. Work on the first wooden frame hotel, seeking BBCA certification also commenced.</td>
</tr>
<tr>
<td></td>
<td>5% reduction in energy consumption by room and water consumption per night, by 2018 (owned, leased and managed hotels)</td>
<td>-</td>
<td>3% energy consumption reduction and aim for 5% by 2018.</td>
</tr>
<tr>
<td></td>
<td>65% of the waste from hotels operations is recovered</td>
<td>No current data.</td>
<td>A new reporting system will be introduced in 2017.</td>
</tr>
<tr>
<td></td>
<td>-30% of food waste</td>
<td>No current data.</td>
<td>In line with the Global Group, trials were implemented in Australia during 2016 to establish how to best manage food waste and meet commitments.</td>
</tr>
<tr>
<td></td>
<td>100% of our restaurants follow our Charter of healthy and sustainable food</td>
<td>Initial implementation commenced in 2016. Reporting will begin in 2017 in line with the Global Group timeline.</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Urban vegetable gardens in hotels</td>
<td>16 hotels reported productive vegetable gardens.</td>
<td>-</td>
</tr>
</tbody>
</table>
Main Contribution and Commitments of AccorHotels

**Employee**

AccorHotels has a strong commitment to gender equality. It has signed the UN's Women's Empowerment Principle and is an Impact Champion in the HeForShe Program.

>> **GOAL:** 35% of hotel managers will be women by 2017.

**Guests**

In order to roll out ecological design on a large scale, AccorHotels has defined sustainable development criteria for the 10 families of products that are key to its business. The criteria identified include prohibiting the use of certain chemicals, using recycled materials, green labelling of products and using wood or paper products that do not result in deforestation.

>> **GOAL:** 10 key product families of our line of hotel products will be green by 2020.

In terms of waste management, AccorHotels has adopted a strict policy: all hazardous materials must be processed appropriately; waste is sorted and its use is maximised through the promotion of circular economic initiatives; and the quantity and volume of waste, especially food waste, is reduced through an ambitious reduction program.

>> **GOAL:** 30% reduction in food waste by 2020.

>> **GOAL:** 65% of waste from hotel operations will be recovered and reused by 2020.

**Partners**

The reference framework for the Ethics and CSR Charter expresses the Group’s commitment to systematically complying with laws and regulations in effect and with important international fundamental principles, such as the United Nations Global Compact, Conventions of the International Labour Organisation (ILO) or the principles of the Universal Declaration of Human Rights.

>> **GOAL:** Our CSR and ethical risk management process will be deployed among 100% of the Group’s partners (owners and approved suppliers) by 2020.
### Main Contribution and Commitments of AccorHotels

| Communities | Our partnership with ECPAT and the WATCH (We Act Together for CHildren) program are a testament to AccorHotels’ commitment to fighting the sexual exploitation of children.  
\>
| Community Goal | 100% of the hotels in the Group will have implemented the program to fight against child sexual exploitation by 2020. |
| Buildings | To contribute to the lofty goal set by the Paris Agreement for a massive reduction in greenhouse gases worldwide, AccorHotels has begun the transition process for all its hotels.  
\>
| Building Goal 1 | 100% of new builds and renovations will be low carbon by 2020 (owned and leased hotels). |
| Building Goal 2 | 5% reduction in energy consumption per room per night by 2018 (owned, leased and managed hotels). |
| Buildings | Through the Plant for the Planet program, the Group is promoting reforestation.  
\>
| Building Goal | 10 million trees planted with the Plant for the Planet program by 2021. |
| Food | In order to limit the impact of hotels on water resource management, the Group has undertaken to reduce its consumption, especially in regions experiencing water stress.  
\>
| Food Goal 1 | 5% reduction in water consumption per night by 2018 (owned, leased and managed hotels). |
| Food | The new Healthy and Sustainable Food Charter aims to guide hotels towards responsible eating. With the goal of supporting viable production systems and limiting the consumption of natural resources, priority is given to local, seasonal and organic food. Our menus do not include any endangered species of fish.  
\>
| Food Goal | 100% of the restaurants of the Group will adhere to the new Healthy and Sustainable Food Charter by 2020. |
CELEBRATING EVERY ACTION

The launch of the 2016-2020 Planet 21 program includes a new brand designed to engage stakeholders with our sustainable development journey. During a guest’s stay, they will see ‘Acting Here’ markers around their hotel. These markers help identify our sustainable development actions including some that may also require participation by stakeholders.

Here, solar panels power your stay
Here, flow controls reduce toilets, taps and showerheads water consumption
Here, electric car charging cuts CO₂ emissions
Here, local, organic and seasonal products are on the menu
Here, eco-friendly amenities reduce your impact
Here, your towel plants trees
Here, food waste is separated and sent to composting
Here, eco-friendly products are used to treat pool water
Here, vegetables and herbs are food mile free
PLANET 21 TOOLS AND APPROACHES

In order to support the implementation of AccorHotels’ Planet 21 commitments, a range of tools have been put in place to monitor progress.

GAIA

GAIA is AccorHotels’ web based reporting platform for the Planet 21 program and related environmental reporting, target tracking and performance benchmarking including energy, water, waste and carbon emissions. The system is also used for Planet 21 and Plant for the Planet reporting and validation. The platform has a range of functionality designed to support hotels with the design and implementation of environmental initiatives in hotels. The systems integrates data including local weather and guest occupancy to improve the comparability of performance.

HR INDICATORS

HR Indicators is the reporting platform developed by the Global Group Talent and Culture for the collection of data for the monitoring of key metrics.

INCENTIVE PAYMENTS

In line with the Global Group’s variable payments and bonus structures, key staff positions across the Group receive incentive payments to drive environmental and social performance. At present, General Managers, Technical Services Teams and Talent and Culture Teams receive these incentives. The option is available to other staff on standard templates for use where appropriate.
The governance framework for AccorHotels Australia is integrated with the governance framework of the AccorHotels Group globally. For a detailed description of the AccorHotels Global Group’s governance and compliance structure, please refer to the Global Group 2016 Registered Document.

Governance of AccorHotels in Australia is overseen by the Australian Executive Committee (EXCOM). EXCOM is also responsible for the implementation and realisations of CR programs and commitments.

The Australian Leadership Team (ALT) includes EXCOM members and other senior management. ALT is responsible for the operationalisation of EXCOM decisions and management of day-to-day operations. Senior Management refers to members of ALT.

AccorHotels Australia employs a risk based compliance approach to the management of core activities. The management of risks is overseen by a functional organisation of committees which ultimately reports into the EXCOM via the National Risk Management Committee. Each region has formed and facilitates a Regional Risk Committee and these communicate up to the committees at corporate level. Hotel committees and managers are encouraged to escalate their matters to the Regional Risk Committees.
AccorHotels Global Group Risk Management system is underpinned by a structured approach for identifying, analysing and assessing risks and implementing appropriate prevention and protection action plans.

The Group’s business could be negatively impacted, either directly or indirectly, by natural disaster such as bush fires, extreme heat, cyclones, floods or storm surges that may be linked to climate change. Where these physical risks are foreseeable, temporary protection measures are put in place. Drills are carried out by teams, so that they can respond effectively. Hotels also maintain appropriate insurances. Further details are included in the AccorHotels Global Group 2016 Registered Document.

AccorHotels Australia also maintains a number of priority specific committees including the National Diversity Committee and the AccorHotels Community Fund Committee.

The Global Group Sustainable Development Department works across the business to develop the Planet 21 related programs and produce support resources. Resources are adapted locally to meet Australia’s local requirements. While all departments are involved with the implementation of Planet 21, Regional Technical Managers and Regional Talent and Culture Managers play a key role in communication of information to hotels and staff engagement. Hotel General Managers oversee the implementation of initiatives in their hotels. The Planet 21 program requires that all hotels appoint a Planet 21 Champion to work across all hotel departments to implement sustainable development initiatives.
A DEPLOYMENT OF THE CR APPROACH DIFFERENTIATED ACCORDING TO THE MODES OF MANAGEMENT OF HOTELS

The deployment of the commitments, policies and programs of the Group CR, as well as the feedback from the hotels to AccorHotels, depend on the mode of management of the hotels concerned:

- The Group CR commitments cover all of its establishments, all management types.
- The Planet 21 program covers subsidiary hotels (owned, leased and managed) and is made available to franchisees.
- In the deployment of policies and tools, Talent and Culture policies are based on each management mode. For the most part, the policies apply directly to subsidiaries and managed hotels. The Group gives recommendations and provides some tools to the franchised hotels, who are independently responsible for their own policy.

Finally, as a company whose headquarters is located in France, AccorHotels Australia has a legal obligation to communicate information including social, societal and environmental impact on the consolidated financial scope, i.e. the subsidiary hotels. AccorHotels has decided to extend this obligation, in as far as possible, to all the hotels under the AccorHotels brand. Accordingly, a greater or lesser proportion of franchised and managed hotels are included in the published data.
Engage our GUESTS in a Sustainable Experience
OUR GUESTS

During 2016, AccorHotels Australia welcomed more than 6 million guests to its hotels. This engagement gives AccorHotels Australia a dual responsibility:

- to the hosts, AccorHotels wishes to guarantee to each guest, that they will receive quality service and products that are of a high environmental and social performance; and
- to the entire society, AccorHotels wishes to take the opportunity of this proximity to encourage its customers to act and multiply the beneficial effects of the Planet 21 program.

In 2016, AccorHotels Global Group conducted a guest barometer study to:

- understand guests’ attitudes and habits in relation to the adoption of sustainable practices in their daily lives;
- compare their eco-responsible behaviours when they are at home and when they are in a hotel; and
- measure guest awareness and preferences in terms of the various responsible actions that have been planned by the Global Group.

The study found that guests are looking for sustainable hotels. They are aware of the need for action and are involved in sustainable development in their daily lives. Guests are generally inclined to:

- better manage their waste;
- reduce energy consumption; and
- consume local, wholesome products.

A copy of the study is available for download via the Group’s research website.

GUEST SATISFACTION AND ONLINE REPUTATION

Guest reviews are critical in influencing the decision-making process for booking accommodation. People trust the recommendations of their peers more than corporate marketing messages and travellers are four times more likely to book hotels with higher website rankings.
AccorHotels solicits guest feedback by sending out a Guest Satisfaction Survey (GSS) after a guest stay. The Voice of the Guest (VOG) platform combines the GSS and online reviews in a single tool. VOG also effectively manages AccorHotels’ online reputation by trawling the web to consolidate online review information about hotels, brands and competitors.

VOG allows for easy response to reviews, monitoring of social media, blogs and forums and produces actionable business intelligence based on semantic analysis of all the reviews that hotels receive. VOG has increased hotels’ ability to effectively interact with guests and, if required, recover the guest experience. This approach allows us to identify and resolve anything that threatens guest experience.

REPUTATION PERFORMANCE SCORE AND NET PROMOTER SCORE

With the relaunch of Peopleology in 2016 and consumer insights research, AccorHotels have seen an overall positive trend in the guest experience. The two key metrics used to measure the guest experience are:

- **NET PROMOTER SCORE (NPS):** Based on AccorHotels’ GSS responses, NPS is an index ranging from -100 to 100 that measures the willingness of guests to recommend AccorHotels hotels to their friends, colleagues or relatives.

- **REPUTATION PERFORMANCE SCORE (RPS):** The average ‘overall experience’ rating (out of 100) based on both guest online reviews and AccorHotels’ GSS responses.

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<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>NPS</td>
<td>22</td>
<td>36</td>
<td>38</td>
<td>36</td>
<td>37</td>
</tr>
<tr>
<td>RPS</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>80.15</td>
<td>80.78</td>
</tr>
</tbody>
</table>

PEOPLEOLOGY BY ACCORHOTELS

In the hotel industry today, there is no doubt that hotels are providing customer service, but we are not always or consistently engaging and offering memorable moments. To do this successfully, we need to not just do what we do now better, but do it differently and continue to evolve.

In September 2012, AccorHotels introduced Peopleology ‘The Art of Human Connection’ to all staff encouraging a way of thinking and being rather than just doing. We saw our guest experience metric NPS increase from 22 in 2012 to 36 in 2016.

The program builds on the strong foundation of the seven principles of Peopleology:

1. **People Crave Belonging**
2. **People Want the Real Deal**
3. **Every Person Has a Story**
4. **People Need to Feel Special**
5. **People Hate to be Wrong**
6. **People Want What They Want**
7. **People Love Novelty**

In February 2016, AccorHotels launched a new and exciting version of Peopleology that builds on our seven principles, with a focus on two strategic pillars – Loyalty and Food and Beverage. This version provides a framework for understanding people using scientific and emotional insights, and challenges our staff to find the right answer to meet our guests’ ‘human’ needs.

The Group has also adapted the customer service program for New Zealand AccorHotels and Qantas Lounges by AccorHotels. The AccorHotels team has rolled out Peopleology training to all Qantas Club, business and domestic Chairman’s Lounges as well as our First and Business Lounges in Los Angeles covering over 1,000 team members worldwide.
LE CLUB ACCORHOTELS AND LOYALTY

Le Club AccorHotels is the free loyalty program of AccorHotels. Hotel guests can earn points all across the world for stays in over 4,000 hotel and resorts, 18 brands, across 92 countries. Exclusive member rewards include access to private sales and rates of up to 40% off before non-members, online check-in and fast check-out, room upgrades, free wifi and free nights using points. In 2016, Le Club AccorHotels in Australia reached 2 million members, with one in 12 Australians now part of the loyalty program. Le Club AccorHotels members in Australia contribute 30.9% of the company’s revenue. The variance between loyalty members and non-members in NPS is 11 points - meaning customer satisfaction of Le Club AccorHotels members is higher than that of non-members.

A GROWING MEMBERSHIP BASE

The total number of members in Australia continues to grow with one in 12 Australians now a member of Le Club AccorHotels.

DATA PRIVACY

Maintaining customer confidentiality and the security of IT systems is paramount given the threat of cyber attacks and the ever-changing nature of technology. Further, it is important that customers feel that their personal information is secure and not used for purposes other than agreed. A link to the AccorHotels Australian privacy policy can be found on the AccorHotels.com.au homepage. AccorHotels Australia has a dedicated privacy email address – privacy.aus@accor.com – to which complaints can be made. Emails sent to this address are handled by the Privacy Officer.

Customer data is held and used at a global level. Accordingly, there is no local handling of data (other than at a hotel level). At a hotel level, from time-to-time hotels request downloads of the information (which is supported by the privacy policy) but AccorHotels limits the number of requests and the use of such data. In Australia, agreements with third party data management providers and email communication tool providers have been put in place to ensure that data provided to hotels from a global level is appropriately managed in accordance with Australian law. In 2016, there were no substantiated complaints concerning breaches of customer privacy or losses of customer data.

HEALTH AND SAFETY

AccorHotels reviews the health and safety implications of all services and products provided to guests during and following their stay as part of the Group’s risk management system. Relevant standards, codes and legislation are considered during the procurement process to ensure the best guest experience is maintained. These include, but are not limited to, food, amenities and equipment accessed during a guest stay.

ACCESSIBILITY

With many guests requesting accessible accommodation, AccorHotels is acutely aware of the need to provide service and facilities that meet a diversity of needs. All new hotels are designed to be compliant with current legislated requirements and, where practicable, the Group works with its partners to undertake renovations and upgrades to bring existing hotels in line with the latest standards.
OTHER INITIATIVES

NOVOTEL INBALANCE MEETINGS

In 2016, Novotel Hotels & Resorts introduced InBalance Meetings which places health and wellbeing front and centre for conference and event guests. Sally Fitzgibbons is the ambassador of InBalance Meetings. The InBalance Meeting concept consists of five signature body and mind elements which are designed to bring meetings to life. As part of the program, a virtual 30 minute work-out session led by Novotel Wellness Ambassador, Sally Fitzgibbons, can be worked into any conference or event. Fitballs and yoga mats are available for delegates and InBalance local area maps are provided for those that want to go for a walk or run during break sessions.

Novotel Brisbane, Novotel Canberra, Novotel Melbourne Glen Waverley, Novotel Melbourne St Kilda, Novotel Newcastle, Novotel Sydney Olympic Park and Novotel on Sydney Darling Harbour all offer the InBalance Meetings program, with more hotels to come on board throughout 2017.

MERCURE MINDFUL MEETINGS

In 2015, Mindful Meetings by Mercure Hotels was launched with mindfulness being a key strategic pillar to support a unique, productive and memorable meeting experience. As part of the initiative, meeting rooms are dressed to inspire collaboration, food has been created to promote concentration and a suite of interventions have been designed to ensure the energy of delegates is maintained throughout the day. Mercure Mindful Meetings are carbon neutral, with greenhouse gases produced during the meeting being offset via the purchase of certified offsets.

ECO-FRIENDLY AMENITIES

In room amenities (soaps, shampoos and conditioners) available to guests go through a rigorous assessment process and are selected based on their whole of life characteristics including, but not limited to, chemical composition, testing, manufacturing processes, social and environmental impacts, performance characteristics and recyclability. The brand standard for Novotel Hotels & Resorts requires that amenities include FairTrade ingredients in addition to meeting environmental and social criteria. Amenities of AccorHotels’ other brands are tested and certified by a third party Eco Lable certification body.
CLEANING PRODUCTS

All cleaning products used in rooms and around hotels are Green Seal Certified.

ECO-FRIENDLY TRANSPORT SERVICES

The Planet 21 program encourages hotels to provide or promote eco-friendly transport services for guests. This includes helping guests identify the best walking routes, understand local public transport options, plan trips and order hybrid taxis over conventional taxis.

Guests looking for an active way of exploring local and surrounding neighbourhoods, AccorHotels Australia, has been working with Spinway to install bike rental stations at hotels nationally. Spinway has developed their own bike station solution similar to the Vélib’ in Paris, Santander Cycles in London or Citi Bike in New York. The stations are installed outside hotels and easily accessible for guests. Since the first station was installed in 2014, 13 hotels have installed stations nationally and guests have made 12,964 trips with usage growing steadily. During 2016, guests made 7,219 bike trips, supporting guest health and reducing consumption of fossil fuels and pollution. Bike trips peaked in December with 959 taking place.

HOTELS WITH BIKE RENTAL STATIONS

<table>
<thead>
<tr>
<th>Year</th>
<th>Stations</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>2</td>
</tr>
<tr>
<td>2015</td>
<td>6</td>
</tr>
<tr>
<td>2016</td>
<td>13</td>
</tr>
</tbody>
</table>

ELECTRIC CAR CHARGING

Electric vehicles have an important role to play in the transition to a low carbon economy and ownership is anticipated to rapidly increase over the next decade. In anticipation, AccorHotels Australia has begun the installation of electric charge points for guest use. To date, nine hotels (including franchise hotels) have installed electric car charging points. From 2017, hotels with electric car charging stations available will have their details listed on the AccorHotels website.
Acting as an inclusive company for our PEOPLE
Our People

AccorHotels is a service company: the quality of our hospitality and the satisfaction of our guests highly depends on the commitment and skills of our teams. To transform ourselves, we must also transform our culture, around a promise made to our employees – ‘Everyone at AccorHotels has opportunities for lifelong learning. Everyone feels valued’. We want to give each of our employees the means to become more autonomous and adopt a culture of lifelong learning by developing their skills, in an agile manner, to respond to a fast-changing environment.

AccorHotels is proud to appoint talent as young as 15 and as experienced as 80 throughout our hotels and offices. Currently, 8% of our employees are aged over 55.

AccorHotels maintains a number of policies that provide a framework for staff work. The policies build on the Ethics and CSR Charter and provide local specific details. Policies include, but are not limited to:

- Discrimination and Sexual Harassment in the Workplace;
- Bullying in the Workplace;
- Work Health and Safety Policy Statement;
- Return to Work (Rehabilitation) Policy Statement;
- Grievance Policy;
- Social Media Policy;
- Code of Conduct;
- Email and Internet Usage Policy; and
- Environmental Policy Statement.
STAFF TRAINING AND ENGAGEMENT

At AccorHotels, our talent is our most precious resource. We are committed to placing the way in which we lead our teams at the heart of our company culture. To achieve this it is essential that all leaders demonstrate behaviour that welcomes, grows and supports our talent equitably.

To deliver on our guest experience we need to make sure that we have the right talent everywhere to enable excellence in serving and anticipating customer needs.

Just as hotel General Managers are responsible for Guest Experience in each hotel, General Managers are also the leader of ‘Talents’ Journey’ with AccorHotels. Each talent experiences their own individual journey - the nature and quality of their journey and the associated outcomes will contribute to customer experience.

Our talent need to feel valued and know they are trusted and respected. Fully engaged talent equals higher levels of guest satisfaction and higher levels of talent retention.

We do this by providing the necessary tools and opportunities, by fostering a culture of support, learning and development and by encouraging diversity within teams and across all levels of management.

AccorHotels Australia has developed the ‘Talent Journey’ for our people. The talent journey can be compared in many ways to the guest experience during their stay with AccorHotels. It all begins with how to attract the guest and, in the same way, how we attract the best talent, is about differentiating ourselves from the competition.
AccorHotels Académie is a Registered Training Organisation (90821) that provides new employment skills, nationally recognised qualifications and professional learning. Training includes, but is not limited to:

- Formal qualifications that are recognised by the Australian Government including Diploma of Leadership and Management, Certificates in Hospitality Management.
- New leader on-boarding programs to help new leaders transition into their role and reduce time-to-competency at each level of the capability framework.
- Career Pathway programs to help our talent become great hospitality professionals and leaders at each level of the capability framework.
- High impact talent development programs that highlight our high potential leaders, provide them with exposure to business critical scenarios, offer secondments and placements to enhance their practical knowledge and give them visibility at a Senior Leadership level to accelerate their career.
- Brand and luxury and upscale specific programs that up skill our leaders in delivering a luxury and upscale guest service including Sofitel Learning Pathway, Feel Welcome Feel Valued and Leading Luxury and Upscale eXcellence program.
- The Académie also provides consultancy services such as strategic planning for hotel leadership teams and learning services to partner organisations – Accor Plus, Accor Vacation Club and Qantas Lounges.

The training courses that AccorHotels Académie runs are in addition to specialty brand operational training conducted in hotels.

### Training Hours Delivered by Académie Face-to-Face

<table>
<thead>
<tr>
<th></th>
<th>NSW / ACT</th>
<th>QLD / NT</th>
<th>VIC / SA</th>
<th>WA</th>
<th>Head Office</th>
<th>Overall Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>10,695</td>
</tr>
<tr>
<td>2015</td>
<td>6,774</td>
<td>1,781</td>
<td>1,095</td>
<td>1,720</td>
<td>135</td>
<td>11,505</td>
</tr>
<tr>
<td>2016</td>
<td>8,224</td>
<td>6,364</td>
<td>4,994</td>
<td>1,625</td>
<td>378</td>
<td>21,604</td>
</tr>
</tbody>
</table>

All staff also have access to the Académie Online University. The university offers a variety of professional and personal development courses that supports staff with self-paced learning, accessible from any computer. In 2017, Académie will launch a new Online University platform called AH Académie which will provide improved learning system functionality and support mobile and tablet access.

### Completed Académie Online University Courses

- **2014**: 12,499
- **2015**: 14,979
- **2016**: 40,928

During 2016, the average number of training hours provided to staff by AccorHotels Académie was 6.4 hours.
DIVERSITY AND INCLUSION

AccorHotels endeavours to make working in the company more appealing to all generations, inspire new ideas and ways of working, improve diversity and highlight exceptional talent. The business is focused on gender, age, cultural and ethnic backgrounds (including Indigenous groups and refugees/migrant workers), disability and sexual orientation as priority diversity initiatives.

The National Diversity Committee is responsible for promotion and facilitation of diversity-based initiatives across the business. The committee is made up of Regional Talent and Culture Managers, Hotel General Managers and Hotel Heads of Department. All hotels are required to appoint a diversity champion, traditionally a hotel head of department to oversee the implementation initiatives in hotels.

GENDER

AccorHotels is committed to achieving greater gender diversity with females represented in senior leadership positions. AccorHotels Australia is acknowledge by the Workplace Gender Equality Agency and aspires to be an employer of choice for women.

<table>
<thead>
<tr>
<th>Number of Employees by Employment Type and Gender</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Time</td>
</tr>
<tr>
<td>-----------</td>
</tr>
<tr>
<td>Female</td>
</tr>
<tr>
<td>Male</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

Full time refers to staff who are employed to work 38 hours per week. Part time refers to casual, part time and fixed term employment types. Employee numbers are aggregated monthly by each region.

GENDER DIVISION OF THE AUSTRALIAN EXECUTIVE COMMITTEE

<table>
<thead>
<tr>
<th>Gender</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>5</td>
<td>28%</td>
</tr>
<tr>
<td>Male</td>
<td>13</td>
<td>72%</td>
</tr>
<tr>
<td>Total</td>
<td>18</td>
<td>100%</td>
</tr>
</tbody>
</table>

AGE DIVISION OF THE AUSTRALIAN EXECUTIVE COMMITTEE

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>30-50 years</td>
<td>12</td>
<td>71%</td>
</tr>
<tr>
<td>Over 50</td>
<td>5</td>
<td>29%</td>
</tr>
<tr>
<td>Total</td>
<td>17</td>
<td>100%</td>
</tr>
</tbody>
</table>

The national goal is for 50% of General Managers to be female in Australia by December 2018. At December 2016, 33% of General Managers were female.

% OF FEMALE GENERAL MANAGERS

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>22%</td>
</tr>
<tr>
<td>2014</td>
<td>27%</td>
</tr>
<tr>
<td>2015</td>
<td>36%</td>
</tr>
<tr>
<td>2016</td>
<td>33%</td>
</tr>
<tr>
<td>2018 (Target)</td>
<td>50%</td>
</tr>
</tbody>
</table>
FEMALE TALENT

In 2016, the business started reporting on gender balance of department managers across the business. In 2016, 45% of department managers were female. The Strategic Leaders Development program, facilitated by AccorHotels Académie, is AccorHotels’ high potential female leadership program designed to accelerate the development of female department managers. Department managers are a major source of new General Manager appointments so provide an important indicator for future trends.

The Woman at Accor Generation (WAAG), is a global program focused on providing leadership training and networking opportunities for female manager and executives at AccorHotels. The program is also supported by the Australian National Diversity Committee.

AccorHotels globally supports the United Nations’ HeForShe program. The program promotes women’s empowerment and gender equality by inviting all members of society to make a commitment to actively increase gender equality - especially in the workforce. The program has been actively promoted across the hotel network. In Australia, 328 AccorHotels staff had made the pledge as of November 2016.

DISABILITY

AccorHotels is committed to understanding the opportunities for people living with disabilities and the potential to integrate their skills into our business.

In 2017 we will be aiming to increase opportunities for people with disabilities by piloting an employment program in two hotels.

In 2016, the total number of employees that reported a disability was 33.

AGE

AccorHotels Australia is committed to providing employment for a diversity of age groups. The Australian regions implement varied independent programs that champion employment of diverse age groups.

<table>
<thead>
<tr>
<th>Employee Age</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 25 years</td>
<td>2,325</td>
<td>24%</td>
</tr>
<tr>
<td>25-34 years</td>
<td>3,347</td>
<td>34%</td>
</tr>
<tr>
<td>35-44 years</td>
<td>2,029</td>
<td>21%</td>
</tr>
<tr>
<td>45-54 years</td>
<td>1,287</td>
<td>13%</td>
</tr>
<tr>
<td>Over 55 years</td>
<td>832</td>
<td>8%</td>
</tr>
<tr>
<td>Total</td>
<td>9,820</td>
<td>100%</td>
</tr>
</tbody>
</table>

SEXUAL ORIENTATION

AccorHotels Australia is committed to building a deep culture of understanding and respect for all people regardless of culture or ethnicity and celebrate all communities including lesbian, gay, bisexual, transgender and intersex (LGBTI).

In 2016, AccorHotels Australia released an open letter statement in support of changes to the Marriage Act 1961 in favour of gay marriage. This letter and the Group’s logo is placed on the Australian Marriage Equality website.
INDIGENOUS EMPLOYMENT PROGRAM

Our vision is to collaborate with community to create real career pathways for Indigenous Australians and genuine cultural experiences for our guests.

AccorHotels is committed to closing the employment gap between Indigenous and non-Indigenous Australians and embraces the benefits of having a culturally diverse workforce. We have a dedicated team to help build the confidence, capacity and careers of Aboriginal and Torres Strait Islander employees. We believe that this commitment provides invaluable cultural connections, knowledge and guidance to the business.

Since 2001, AccorHotels' Indigenous Employment programs have been creating success through training and career opportunities for Indigenous Australians across the country. In 2011, AccorHotels launched its first Reconciliation Action Plan which puts in place goals and benchmarks for closing the gap in employment and business outcomes through relationships, respect and opportunities created for Indigenous Australian’s. In 2015, the Group was one of the first companies in Australia to sign up to the Employment Parity Initiative with the Federal Government. Since joining the Employment Parity scheme, AccorHotels has employed a total of 600 Indigenous Australian employees and is on target to reach its goal of 660 employment outcomes for Indigenous people by 2018.

In 2016, AccorHotels implemented 24 Indigenous employment programs including Kakadu, Mackay and Broome for the first time. At the same time, AccorHotels will continue to invest in building the strength of the 45 Indigenous leaders (supervisory positions or above) within the business through its internal training arm, AccorHotels Académie.
**ACCORHOTELS AUSTRALIA RECONCILIATION JOURNEY**

- **2001**: National Commitment to Reconciliation launched
- **2009**: 150 employees, community and business partnerships in operation
- **2011**: Inaugural Reconciliation Action Plan
- **2012**: Corporate Partner Award by Aboriginal Employment Strategy
- **2013**: 300 employees at 3.5% of workforce
- **2015**: Signed Employment Parity Initiative with Federal Government; 400 employees at 4% of workforce
- **2016**: 500 employees at 5% of workforce and first Indigenous General Manager appointed
- **2018**: Target: 600 employees, 100 leaders and 6% of workforce

**FIVE DAY PROGRAM**

The Indigenous Employment Program is a five day training and work experience program hosted by the Indigenous Programs Team and AccorHotels Académie (RTO). The program is designed to build skills and confidence to secure employment in an AccorHotels property nationally. Candidates attend an information/interview session one week in advance of the program. With a focus on finding the right people for the right job, candidate applications are matched with available jobs.

**DAY 1**: ACCORHOTELS INTRODUCTION + PROGRAM EXPECTATIONS

**DAY 2**: WORK PLACEMENT + FEEDBACK SESSION

**DAY 3**: WORK PLACEMENT + FEEDBACK SESSION

**DAY 4**: WORK PLACEMENT + INTERVIEW ON COMPLETION OF SHIFT

**DAY 5**: PROGRAM REFLECTIONS + GRADUATION CEREMONY

**JOB OFFERS + START CAREER WITH ACCORHOTELS**

**STRATEGIC APPROACH**

**FOCUS**

**RECRUITMENT**

**RETENTION**

**ENABLERS**

Marketing, communications and community engagement

CULTURAL INTELLIGENCE

Careers and staff engagement

Training, visibility and celebration
Developing Indigenous Talent

Indigenous employees who join AccorHotels have their career development supported via a range of certified and specialist training programs.

During 2016, the Indigenous Employment Program drove 26% growth, placing 342 new Indigenous employees across the business. AccorHotels was also able to achieve and exceed its 2016 total employee target, breaking through the 500 employee milestone for the first time.

AccorHotels Indigenous Employment team works with franchise hotels. For the purposes of reporting, numbers include some franchise properties but exclude Ayers Rock Resort.
Indigenous Employees

~5% of total employees

+28% growth YOY

33 New starts

513 Indigenous employees

In 2016, Kristy Stanton became AccorHotels’ first Aboriginal General Manager when appointed to run operations at ibis budget Sydney Olympic Park.

Kristy joined AccorHotels in 2010 during the completion of her Bachelor of Business and Commerce (Hospitality Management) degree at Western Sydney University and worked at Pullman Sydney Olympic Park as a Welcomer in the Front Office team.

Kristy was quickly recognised for her vibrant personality, ability to lead people and determination to provide first class service to guests. In 2014, Kristy joined the AccorHotels Executive Leadership Program, a leadership pathway designed to accelerate the progression of high potential line managers to become hotel general managers.

Now, as General Manager, Kristy manages a team of 30 staff and continues to distinguish herself in adapting to her new found responsibilities for leading a profitable hotel operation. Kristy is also an ambassador for AccorHotels’ leading Indigenous Employment Program, regularly presenting her journey to aspiring candidates and future leaders who are following in her footsteps.
EMPLOYEE BENEFITS AND WELLBEING

AccorHotels Australia employees have access to a range of benefits and wellbeing initiatives. A summary of the initiatives and relevant reporting is provided below. All full time and part time employees have access to the benefits.

FLEXIBLE WORK

AccorHotels recognises the increasing importance of flexible work arrangements in maintaining a diverse and high performing workforce. Workplace flexibility supports employees to achieve greater integration between work and personal life whilst continuing to make a contribution to the business. During 2016, 136 staff had flexible work options in place and 89% of requests were approved.

<table>
<thead>
<tr>
<th></th>
<th>NSW / ACT</th>
<th>VIC / TAS / SA</th>
<th>QLD / NT</th>
<th>WA</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accepted</td>
<td>61</td>
<td>47</td>
<td>22</td>
<td>6</td>
<td>136</td>
</tr>
<tr>
<td>Pending / declined</td>
<td>7</td>
<td>2</td>
<td>7</td>
<td>1</td>
<td>17</td>
</tr>
</tbody>
</table>

PRIVATE HEALTH INSURANCE

AccorHotels Australia has an agreement with Medibank Private that provides staff with access to corporate health and life insurance products with discounted rates.
PARENTAL LEAVE (BIRTH AND ADOPTION LEAVE)

AccorHotels Australia offers four weeks paid parental leave for employees who have worked for the company for more than 12 months. During 2016, the following numbers were reported:

- **195 EMPLOYEES TOOK PARENTAL LEAVE**
- **107 EMPLOYEES RETURNED AFTER PARENTAL LEAVE**
- **55% RETENTION RATE OF RETURN TO WORK EMPLOYEES**

Options to improve the monitoring and reporting of parental leave will be considered in 2017.

CARTE BIENVENUE / STAFF DISCOUNT CARD

All employees are eligible for Carte Bienvenue upon six months service with AccorHotels. This card is the worldwide employee benefit and entitles the bearer to a number of significant discounts on AccorHotels and partner services. Staff receive a copy of the Carte Bienvenue Policy with their card.

FAMILY AND FRIENDS RATES

All employees have access to a range of special offers including discounted rates for accommodation which are available to family and friends.

CORPORATE PARTNERSHIP DEALS

Partnerships have enabled us to offer our employees some great discounts on a variety of goods and services including, but not limited to, beds, bedding accessories, car hire and Qantas Club Memberships.

EDUCATION ASSISTANCE POLICY

For part time and full time staff with a minimum of 12 months service, financial reimbursement of 50% up to a maximum of $2,500 per annum is available for employee career development. The assistance is also supported with study leave up to a maximum of four days per year for exam study or attendance.

WORK, HEALTH AND SAFETY

In Australia, AccorHotels uses a combination of local and global systems and procedures to effectively manage a broad range of relevant risks. Historically, risk management efforts and strategies have been almost entirely developed, driven, produced and reported at a local level (Australia and Pacific). In the past two years (2015 onwards), the influence and direction from the Global team has strengthened to the point that the local strategy has begun to align with the global, with an emphasis on meeting local legislative and practical requirements.

Work Health and Safety (WHS) is a focal topic locally (at corporate, regional and hotel level) due to the potential impact on employees and guests and also the significant legal and financial ramifications of poor management. In this area we have strong systems, procedures and expectations on the hotels to manage all hazards. The business also has a strong culture which values the safety of all people impacted by our operations.

A national/corporate risk mapping exercise is conducted annually. This process involves AccorHotels executives (at corporate, regional and operational levels) considering any potential risks impacting the business in any way, analysing these, then determining the appropriate management strategies. This has historically been fully coordinated locally and the business is now transitioning to using the Global risk management technology.

The key risk areas impacting on hotel operations are included in an internal risk and compliance program called InterREACT. Through InterREACT, hotels are required to complete a quarterly self-assessment of their implementation of and adherence to company policies, procedures and expectations. External audits are conducted biennial to verify results and identify areas for improvement.

While presenting a moderate level of loss experience, the hotel sector is not free from risks to health and safety at work. Daily incidents and the prospect of musculoskeletal disorders in the long run because of repeated gestures are taken into account by the Group.

During 2016, AccorHotels reported 1,392 employee related work incidents of varying degrees of severity, including near-miss incidents where no harm was caused. First Aid only incidents, medical treatment incidents and lost time injuries (at least one full shift lost).
### Employee Work-Related Incidents Reported

<table>
<thead>
<tr>
<th></th>
<th>1,418</th>
<th>1,392</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total incidents reported</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lost time injuries (at least one full shift lost)</td>
<td>236 (17%)</td>
<td>227 (16%)</td>
</tr>
<tr>
<td><strong>Types (nature) of injury (by percentage of all incidents)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sprains / strains</td>
<td>32%</td>
<td>32%</td>
</tr>
<tr>
<td>Cuts and abrasions</td>
<td>24%</td>
<td>26%</td>
</tr>
<tr>
<td>Bruises</td>
<td>20%</td>
<td>21%</td>
</tr>
<tr>
<td>Burns</td>
<td>10%</td>
<td>9%</td>
</tr>
<tr>
<td>Others</td>
<td>14%</td>
<td>12%</td>
</tr>
<tr>
<td><strong>Types (mechanism) of injury (by percentage of all incidents)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manual handling</td>
<td>30%</td>
<td>30%</td>
</tr>
<tr>
<td>Slips / trips / falls</td>
<td>21%</td>
<td>24%</td>
</tr>
<tr>
<td>Hitting or being hit by objects</td>
<td>22%</td>
<td>23%</td>
</tr>
<tr>
<td>Knives / tools</td>
<td>7%</td>
<td>7%</td>
</tr>
<tr>
<td>Heat</td>
<td>9%</td>
<td>7%</td>
</tr>
<tr>
<td>Others</td>
<td>11%</td>
<td>9%</td>
</tr>
</tbody>
</table>

During 2016, 61 incidents were reported related to contractor work-related incidents.

### Contractor Work-Related Incidents Reported

<table>
<thead>
<tr>
<th></th>
<th>34</th>
<th>61</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total incidents reported</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lost time injuries (at least one full shift lost)</td>
<td>4 (12%)</td>
<td>11 (18%)</td>
</tr>
<tr>
<td><strong>Types (nature) of injury (by percentage of all incidents)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sprains / strains</td>
<td>26%</td>
<td>18%</td>
</tr>
<tr>
<td>Cuts and abrasions</td>
<td>38%</td>
<td>43%</td>
</tr>
<tr>
<td>Bruises</td>
<td>18%</td>
<td>16%</td>
</tr>
<tr>
<td>Burns</td>
<td>18%</td>
<td>23%</td>
</tr>
<tr>
<td>Others</td>
<td>14%</td>
<td>12%</td>
</tr>
<tr>
<td><strong>Types (mechanism) of injury (by percentage of all incidents)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manual handling</td>
<td>18%</td>
<td>20%</td>
</tr>
<tr>
<td>Slips / trips / falls</td>
<td>15%</td>
<td>21%</td>
</tr>
<tr>
<td>Hitting or being hit by objects</td>
<td>35%</td>
<td>26%</td>
</tr>
<tr>
<td>Knives / tools</td>
<td>15%</td>
<td>10%</td>
</tr>
<tr>
<td>Others</td>
<td>17%</td>
<td>23%</td>
</tr>
</tbody>
</table>
TALENT AND CULTURE INDICATORS

In addition to the data collected in relation to staff training, diversity and WHS performance, the business uses a range of other metrics to assess people based performance in the form of Human Resources indicators.

STAFF ENGAGEMENT SURVEY

Each year AccorHotels Australia surveys all staff to assess staff engagement levels. Introduced in 2015, the existing engagement score methodology produces a percentage engagement measured from a series of questions relating to three principles:

- **SAY**: Speak positively about the organisation to co-workers, potential employees, and customers;
- **STAY**: Have an intense sense of belonging and desire to be part of the organisation; and
- **STRIVE**: Are motivated and exert effort toward success in their job and for the company.

The Planet 21 target is to grow staff engagement, year-on-year. During 2016, both engagement and the response rate grew.

<table>
<thead>
<tr>
<th></th>
<th>New Starters 2015</th>
<th>New Starters 2016</th>
<th>Turnover* (%) 2015</th>
<th>Turnover* (%) 2016</th>
<th>Industry Turnover Benchmarks*</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSW / ACT</td>
<td>1,759</td>
<td>1,794</td>
<td>38%</td>
<td>50%</td>
<td>61% NSW 53% ACT</td>
</tr>
<tr>
<td>QLD / NT</td>
<td>970</td>
<td>902</td>
<td>40%</td>
<td>37%</td>
<td>67% VIC 32% TAS 64% SA</td>
</tr>
<tr>
<td>VIC / SA / TAS</td>
<td>1,502</td>
<td>1,704</td>
<td>49%</td>
<td>50%</td>
<td>60% QLD 55% NT</td>
</tr>
<tr>
<td>WA</td>
<td>466</td>
<td>496</td>
<td>57%</td>
<td>73%</td>
<td>92%</td>
</tr>
<tr>
<td>Total / average</td>
<td>4,697</td>
<td>4,896</td>
<td>43%</td>
<td>49%</td>
<td>Average 66%</td>
</tr>
</tbody>
</table>


The Australian hospitality industry is characterised by high levels of staff turnover nationally. Staffing numbers are managed throughout the year to reflect seasonal variations in demand for hotel services. AccorHotels performs better than the industry turnover benchmarks nationally. The 2015 Deloitte Australian Tourism Labour Force Report recorded the annual industry turnover rates at 66%, with variation between industry turnover in Western Australia which was recorded at 92%. New starters and turnover is not currently monitored by age or gender. Options to improve reporting visibility will be reviewed in 2017.

EMPLOYMENT STRUCTURES

Our people are employed under the Hospitality Industry General Award, consistent with current legislation. A number of hotels also employ staff under Collective Bargaining Agreements. In 2016, the total number of employees in Collective Bargaining Agreements was 5,169, equal to 53%.

The Housekeeping Department is out-sourced in many owned, leased and managed hotels. Out-sourced staff are not included in reporting systems. Contracts require that staff be employed and paid under an appropriate wage for the work. Housekeeping contractor employee numbers are not included in current employee reporting systems.
Co-innovate with our PARTNERS to open up new horizons
OUR PARTNERS

Our business and performance are both closely linked to those of our partners, i.e. suppliers and owners of the AccorHotels establishments operated under management and franchise contracts. Consequently, we have a wider responsibility and must:

- extend our social, societal and environmental commitments to them;
- involve them in our progress; and
- raise standards all along the value chain.

The development and ongoing management of relations with partners are governed by two key documents:

- Procurement Charter 21; and
- Ethics and CSR Charter

SUSTAINABLE PROCUREMENT AS PART OF SUPPLIER RELATIONS

The Global and Australian Procurement Department is responsible for the creation and monitoring of supply agreements that support AccorHotels' operations. These agreements can be for the supply of goods and services on a local, regional, national or international basis. In 2016, AccorHotels continued with the implementation of the Procurement Charter 21 (first launched in 2002), and the CR and ethical risks management process.

Since 2015, AccorHotels has implemented a multi-strategy approach for the assessment of contractors. Online tools such as EcoVadis and ACESIA have been utilised to identify social, economic and environmental risks during the assessment of new suppliers. EcoVadis is an online based CR scorecard system that helps companies to monitor environmental, ethical and social practices of suppliers and business partners across hundreds of purchasing categories and countries. In 2016 the AccorHotels Global Group achieved the EcoVadis Gold Level based on an assessment against environmental risk, social and governance criteria. ACESIA is a procurement and supply chain assessment and management solution that is in alignment with the ISO 26000 Social Responsibility Guidance standard.

During 2016, the mapping of ethics and CR risks by product family, purchase volume and related factors was finalised. 27 high-priority purchasing categories were identified by the Global Group for priority management. Tighter supplier checks, monitoring and audits will be implemented in 2017 and expanded in line with Planet 21 commitments. For example, potential new partners will need to complete a questionnaire to assess ethical and CR risks. If the answers to the questionnaire reveal a high level of risk, we will conduct a more in-depth investigation which will allow us to decide whether or not to continue the relationship with the partner.

AccorHotels maintains a focus on working with local suppliers. Local is defined as products and services that are sourced from Australian suppliers. The Procurement Department currently does not track budget spent based on local criteria. Most suppliers AccorHotels works with are Australian companies however their supply chains frequently include imported products which makes the classification and reporting challenging.

Contracts signed with our suppliers include an ethical and CSR clause as well as the Procurement Charter 21. When suppliers sign the charter, they agree to four key principles:

- Comply with AccorHotels' social, societal and environmental commitments.
- Ensure that their own suppliers also respect these requirements.
- Participate in AccorHotels' evaluation process and implement any necessary remedial action plans.
- Authorise AccorHotels and/or external providers commissioned by the Group to conduct audits and implement any necessary action plans.

The varied operating structures of hotels means that the Procurement Department contracts and monitors suppliers while hotels order and purchase directly from suppliers and distributors. Hotels maintain final control over purchasing which ensures selected goods and services are appropriate based on individual requirements.
### AUSTRALIAN RISK CATEGORY SUMMARY

<table>
<thead>
<tr>
<th>Topic ($'000)</th>
<th>Definition</th>
<th>2015*</th>
<th>2016*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia total procurement spend</td>
<td>Nominated + non-nominated spend for 2015 for all categories</td>
<td>$666,094</td>
<td>$657,392</td>
</tr>
<tr>
<td>Australia spend in risk categories</td>
<td>Nominated + non-nominated spend for 2015 in risk categories</td>
<td>$284,465</td>
<td>$300,317</td>
</tr>
<tr>
<td>% of risk categories spend</td>
<td>Automatic ratio</td>
<td>43%</td>
<td>46%</td>
</tr>
<tr>
<td>Procurement Department controlled spend</td>
<td>All categories</td>
<td>$274,689</td>
<td>$285,956</td>
</tr>
<tr>
<td>Procurement Department controlled spend in risk categories</td>
<td>27 risk / high risk categories</td>
<td>$168,655</td>
<td>$173,326</td>
</tr>
<tr>
<td>% of risk categories Procurement Department controlled spend</td>
<td>Automatic ratio</td>
<td>61%</td>
<td>61%</td>
</tr>
</tbody>
</table>

*The annual reporting period adopted by the Australian Procurement Department is October to October instead of the conventional calendar year referred to throughout this report.*

In 2016, the Australian Procurement Department controlled contracting as hotel management continued to grow. Almost all Australian suppliers have signed Procurement Charter 21.

<table>
<thead>
<tr>
<th>($'000)</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nominated spend</td>
<td>$262,248</td>
<td>$274,687</td>
<td>$285,956</td>
</tr>
<tr>
<td>Number of contracts</td>
<td>218</td>
<td>242</td>
<td>238</td>
</tr>
<tr>
<td>Suppliers who signed the Charter (%)</td>
<td>96%</td>
<td>97%</td>
<td>97%</td>
</tr>
</tbody>
</table>
ENGAGING INVESTMENT PARTNERS AND FRANCHISE OWNERS

Managing the CSR and ethical risks of the owners of managed and franchised hotels is an increasing concern for the Group. These partners and their hotels operate at varying scales and capacities, adding additional complexity to the implementation of initiatives.

In 2016, the Planet 21 program became a mandatory program for hotels of all operating structures. In order to achieve the 2020 program objectives all hotels will need to join and engage with the program.

CO-INNOVATING WITH OUR PARTNERS

AccorHotels has an established record developing co-innovation projects with our suppliers and partners. As we strive to implement our commitments, we have increasingly been required to develop solutions and unprecedented products and services designed to address sustainability concerns.

OUTSOURCED RESOURCES

In May 2016, the Fair Work Ombudsman (FWO) released findings from its Inquiry, conducted between 2014 and 2015, into the procurement of housekeepers and employment practices by 4-star and 5-star hotel groups. AccorHotels was included in this review. AccorHotels cooperated with the inquiry and was found to have lawfully engaged principal contractors who in turn lawfully engaged employees.

Two of the third party housekeeping contractors providing services to some of our hotels had allegedly not created a regular pattern of work document for their part-time employees and incorrectly named their employer on pay slips. There was no finding in the report of underpayment to our contractors’ employees. AccorHotels worked with those third-party operators to rectify this issue.

Whilst this inquiry focused on the supply chain, it highlighted the importance of transparency. AccorHotels has always prided itself on treating its employees fairly, with respect and in full alignment with the employment laws of each state and territory in which we operate. As leaders in the industry, we take our responsibility to all employees very seriously and we will continue to strictly monitor our contractors to ensure they comply with their obligations.

INNOVATING TO CREATE NEW ECO-FRIENDLY CLEANING PRODUCTS

Recognising the potential impacts of cleaning products on the environment, the AccorHotels Global Group in 2009 began looking for effective alternatives to conventional products.

Unable to find the right products, AccorHotels established a partnership with Diversey, creating a new range of eco-labelled cleaning products.

This collaboration is one of the main reasons why 97% of AccorHotels hotels globally now use ecological cleaning products. The partnership delivers benefits for our guests, our people and the environment.
Working hand-in-hand with local COMMUNITIES for a positive impact.
OUR COMMUNITY

We contribute substantially to the social and economic development of local communities in which our hotels are located by creating jobs in our hotels and buying locally, creating local economic stimulus. As our employees are part of their local communities, they are more willing and able to make a difference. Most of our hotels are heavily involved in voluntary community work and social care. During 2016, 66% of hotels organised specific local community support initiatives. All hotels participated in the Plant for the Planet program.

ACCORHOTELS COMMUNITY FUND

In 2016, AccorHotels announced a new direction in its fundraising and community engagement efforts, announcing the launch of the AccorHotels Community Fund, Australia. The fund is Australia’s commitment as part of the Solidarity AccorHotels program.

The AccorHotels Community Fund is a unified program and platform that engages all of the Group’s fundraising efforts with the focus of building healthy families. This is being achieved by investing in three core focus areas - youth, health and wellbeing and diversity - via trusted partners that will enable positive change in the community. The funds raised by AccorHotels will go to four foundation partners: Kokoda Youth Foundation (youth), Lifeline (mental health), Garvan Institute of Medical Research (focusing on rare and neglected cancers) and AIME Mentoring (diversity). AccorHotels has committed to a three year agreement for these foundation partners to ensure the Group provides long term support for their program implementation. In 2016, $20,000 was donated to each of the foundation partners.

The AccorHotels Community Fund is being supported by not-for-profit organisation Good2Give. Good2Give will make it easier for individuals and hotels to donate to charity. Good2Give is an online donation platform and will provide AccorHotels Community Fund with strategic advice and help manage donations to our charity partners.
PLANT FOR THE PLANET

Plant for the Planet is a global guest engagement program focused on reinvesting energy and water savings from guest towel reuse in reforestation and environmental improvement projects. Globally the program to date has planted more than 5 million trees and AccorHotels has committed to plant 10 million more trees by 2021.

AccorHotels Australia has a long running relationship with Greening Australia, a non-profit organisation recognised nationally for their work to put an end to the disappearance of biodiversity by replanting native trees, shrubs and grasses. The tree planting activities are monitored and audited by AccorHotels’ global Plant for the Planet partner, PurProjet.

Due to the time it takes to collect native seeds and grow seedlings, tree planting traditionally takes place one to two years following the annual payment by AccorHotels. To date, participating hotels nationally have funded the planting of 37,970 trees.

<table>
<thead>
<tr>
<th>Pre 2012</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trees planted and funded</td>
<td>6,169</td>
<td>1,539</td>
<td>-</td>
<td>3,766</td>
<td>11,954</td>
<td>14,542</td>
</tr>
</tbody>
</table>
During 2016, 14,542 trees were funded for planting during 2017. The trees will be planted in four geographical areas.

**AREA 1 – The Great Barrier Reef:** The alluvial gullies that make up the river systems of the Great Barrier Reef Catchment are eroding on a massive scale due to extensive clearing for agriculture. Every year an average of 1.4 million tonnes of fine sediments, along with agricultural chemicals and fertilisers, are washed into the sea threatening the fragile reef ecosystem. The project aims to reforest gullies to halt soil erosion and preserve the reefs on which a large majority of the local economy and people are dependent upon. The Fitzroy Basin Catchment, where large proportions of the sediments are originating from, is a key focus area for planting. The project is part of Greening Australia’s Reef Aid program.

**AREA 2 – Cumberland Plain:** Due to the growing urbanisation in the Cumberland Plain (Western Sydney), less than 5% of the pre-1750 native vegetation remains as intact bushland. The loss of habitat puts increasing pressure on 300 native plants and over 20 threatened birds and animals. The project aims to restore key corridors within this urbanised zone to restore habitat connectivity. In the longer term the program hopes to reintegrate the koala once found on the Plain.

**AREA 3 – Habitat 141°:** This agricultural region has suffered large losses of natural habitats since European settlement. Small and often isolated areas of native vegetation remain and support high numbers of endangered species threatened by habitat fragmentation and the effects of climate change. The Habitat 141° project aims at restoring and reconnecting migratory corridors for native fauna over a 50 year time frame.

**AREA 4 – Peel Biolinks:** The south west region of Western Australia has been recognised as one of the world’s 34 biodiversity hotspots due to its high richness and diversity of native flora and fauna. This biodiversity is however threatened by increasing population pressures and by a reduction in rainfall due to shifting climate patterns. The Peel Biolinks project aims to reconnect the Darling Scarp to the Ramsar Listed Peel Estuary system through the restoration of key biodiversity corridors within the Peel Catchment. Greening Australia works with farmers and landholders in this area to restore connectivity within a fragmented landscape.

For more information about Australian Plant for the Planet activities, visit the [Pur-Projet project page](#).
In 2011, AccorHotels commenced a nationwide staff fundraising initiative called Race to Survive, raising money for charity partners across Australia. Race to Survive is a three day adventure challenge whereby teams of AccorHotels staff come together to complete a set of gruelling hikes and obstacle courses. In order to compete in the challenge, each team needs to have raised a set amount of money. Since the event was established in 2011, $1.46 million has been raised for AccorHotels’ charity partners. In 2017, AccorHotels will be hosting Race to Survive: Kokoda Trail on the Gold Coast, with money raised going directly into the newly established AccorHotels Community Fund. From 2013 Race to Survive moved to a bi-annual event.

<table>
<thead>
<tr>
<th>YEAR</th>
<th>AMOUNT RAISED</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>$250,000</td>
</tr>
<tr>
<td>2012</td>
<td>$260,000</td>
</tr>
<tr>
<td>2013</td>
<td>$500,000</td>
</tr>
<tr>
<td>2015</td>
<td>$450,000</td>
</tr>
<tr>
<td>Total</td>
<td>$1.46 million</td>
</tr>
</tbody>
</table>
WATCH
(We Act Together for CHildren)

Since 2001, AccorHotels has globally lead a fight against sexual exploitation of children in tourism alongside ECPAT (End Child Prostitution, Child Pornography and Trafficking of Children for Sexual Purposes) International. In 2012, AccorHotels globally bolstered its commitment further by creating the WATCH program. AccorHotels’ commitment to WATCH is based on informing and training employees, raising awareness among customers and suppliers and developing relations with public authorities. Working with the local ECPAT representative, Child Wise, AccorHotels Australia has developed a robust child protection framework.

SOAP AID

In 2015, AccorHotels across Victoria announced a formal partnership with Soap Aid – a not-for-profit organisation which improves the lives of children in disadvantaged communities around the world through improved hygiene practices by using re-purposed soap bars.

AccorHotels throughout New South Wales have also joined the program. There are now 53 registered hotels which donate to Soap Aid. In 2016, AccorHotels throughout Victoria and New South Wales donated 3,188 kgs of discarded soap. Since the program started 5,092 kgs have been collected.

The soap collected in 2016 will be re-manufactured to create 31,880 bars of life saving soap for distribution to 10 countries or territories in need of improved sanitation. Regions and countries include Western Australia, Northern Territory, Papua New Guinea, Fiji, Indonesia, Philippines, India, Cambodia, The Democratic Republic of Congo and Uganda. To date, 161 schools globally have been provided with soap from the program.
In November 2015, AccorHotels announced a partnership with Cancer Council NSW to provide reduced accommodation rates for cancer patients, carers and immediate family members from regional and remote NSW who need to travel for treatment. The three year partnership offers cancer patients, carers and their families reduced rates of up to 30% at over 60 AccorHotels including Sofitel, Pullman, Quay West, The Sebel, Novotel, Mercure and ibis hotels across Sydney and NSW.

In 2015/2016, AccorHotels received over 140 room night bookings under the special Cancer Council rate in locations such as ibis Newcastle, ibis Styles Tamworth, Mercure Sydney, Novotel Newcastle Beach and Pullman Sydney Hyde Park. As well as providing accommodation, AccorHotels also assists in providing special meals that are suitable for patients when they are staying in-house and going through cancer treatment.

Since 2014 the Group has supported the Indigenous Marathon Foundation (IMF), providing accommodation at reduced rates for participants. IMF uses the marathon as a vehicle to promote healthy lifestyles to Aboriginal and Torres Strait Islander peoples. The project annually selects a group of young Indigenous men and women to complete the New York City Marathon with just six months of training. These runners are trained to become healthy lifestyle leaders by completing a Certificate III in Fitness with a focus on Indigenous Healthy Lifestyle. This qualification is used to promote community-based health and exercise initiatives, including the Deadly Fun Run Series, across the country. Runners become role models within their communities and are leaders in the promotion of health and physical exercise to address the high instance of chronic diseases such as diabetes, heart disease and renal failure.
Moving towards carbon neutral BUILDINGS
OUR BUILDINGS

To meet the global emissions reduction goal set by the Paris climate agreement, AccorHotels has committed to progressing hotels to becoming carbon neutral buildings.

To start, the Global Group is focused on areas of direct influence. By 2020, construction and renovation of all owned and leased hotels will be low carbon buildings, leveraging new designs and technologies. On average, the Global Group opens two new hotels every three days internationally and hundreds more hotels are renovated each year.

To go further and to achieve the 2020 targets, the Global Group is focused on implementing a paradigm shift which consists of the:

- development of low carbon buildings;
- innovation in energy technologies;
- innovation in construction materials; and
- innovation in intelligent buildings technologies.

The Design and Technical Services Department is primarily responsible for hotel performance, compliance with relevant internal standards and legislation. Hotels track consolidated energy and water consumption using the GAIA reporting tools. Multiple validation checks are performed by regions and at the Global Group level. The collected data is also used for emissions reporting.

Consolidated national annual reporting covers all hotels open by December 31st 2016. Excluded from the scope are:

- hotels that joined the Group after September 15th 2016;
- new unbranded AccorHotels acquisitions (during the reporting year);
- hotels closed for work during the reporting period;
- entities or independent commercial structures at the operational level similar to franchisees; and
- related activities within hotel facilities not managed by AccorHotels (e.g. shops, co-ownership) if sub-metering is in place.
ENERGY

Over the last five years, AccorHotels has built up a detailed understanding of the energy consumption profiles of hotels. The Group’s 2016 Environmental Footprint report refreshed this knowledge and provided additional analysis of consumption outside the walls of hotels.

The diagrams on this and the next page highlight the environmental challenges associated with energy consumption and the energy profiles of hotels.

Each year, AccorHotels Australia sets each hotel specific annual reduction objectives for energy and water consumption. Hotel performance is monitored using the GAIA tool. The tool tracks a variety of hotels metrics including, but not limited to, energy and water consumption, hotel characteristics (number of rooms, facilities, technical equipment etc.), occupancy rates, weather, brand family and region. From this data, a number of ratios and analysis are produced to help hotels monitor efficiencies and track progress towards targets.

A growing number of hotels have installed ‘smart’ building technologies including IoT solutions to improve data collection and automate building systems. The systems deliver the benefit of reducing energy consumption and maintenance costs. As IoT technologies are increasingly proven in hotels, the AccorHotels Global Group anticipates significant uptake.

In an effort to improve the performance of all AccorHotels branded properties including franchise hotels, the Global Group will seek to develop relevant and attractive service offers.
MAIN ENVIRONMENTAL CHALLENGES AND EFFECTS OF ENERGY CONSUMPTION

BIODIVERSITY
CARBON DIOXIDE
WATER

DAM CONSTRUCTION
Hydroelectric dam construction and the subsequent flooding of the reservoir can cause entire ecosystems to disappear and thus affect endangered species populations.

COAL AND URANIUM MINES
Coal and uranium mines can be a significant source of heavy metals that can enter waterways and impact aquatic species.

PLANT COOLANT SYSTEMS
Power stations are large consumers of fresh water which is needed to operate the facilities.

FOSSIL FUELS (NATURAL GAS, COAL, PETROL)
The impact of energy consumption on climate change is strongly linked to fossil fuel use.

WORLDWIDE ENERGY MIX
In the world, 41% of electricity is generated from coal, 22% from natural gas, 16% from hydropower and 6% from new renewable energies (e.g. wind, solar, geothermal and biomass).
ENERGY CONSUMPTION AND INTENSITY

In 2016, AccorHotels Australia hotels within scope consumed 301,939 of energy. The measurement includes metered electricity, mains and metered gas consumption. Associated direct energy consumption from these activities are included in reporting. Energy consumption associated with outsourced laundry and related services are excluded. The Global Group has adopted kWh per available room as the key energy intensity metric for the monitoring of hotel energy performance. While total energy consumption grew, reflecting the addition of new hotels, energy intensity improved, recording a 1.23% reduction in energy consumption year-on-year.

<table>
<thead>
<tr>
<th>Total energy consumption</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total consumption</td>
<td>293,755</td>
<td>301,939</td>
</tr>
<tr>
<td>Ratio kWa / average room</td>
<td>42.47</td>
<td>41.95</td>
</tr>
</tbody>
</table>

Reported energy consumption includes data from 122 validated owned, leased and managed hotels.

Like-for-like analysis provides a control for changes to hotels within scope. Energy intensity improved for like-for-like hotels by 0.75%. Like-for-like energy consumption includes data from 112 validated owned, leased and managed hotels.

<table>
<thead>
<tr>
<th>Total energy consumption (like-for-like) (MWh)</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total consumption</td>
<td>281,036</td>
<td>279,096</td>
</tr>
<tr>
<td>Ratio kWa / average room</td>
<td>42.73</td>
<td>42.41</td>
</tr>
</tbody>
</table>

The difference between total energy consumption and like-for-like consumption highlights in part the energy intensity gains associated with new buildings joining the AccorHotels network.
RENEWABLE ENERGY

During 2016, the number of hotels with onsite renewable energy systems continued to grow with a number of notable installations across owned, leased, managed and franchise hotels.

In December 2016, Pullman Quay Grand Sydney Harbour installed a 100kW Solar Photovoltaic system on its roof which has one of the best harbour views in Sydney. The system is one of the largest systems to be installed in the Sydney CBD and will provide electricity to cover the majority of base building systems.

During 2016, The Sebel Hawkesbury Resort and Spa upgraded their existing Solar Photovoltaic 30 kW system to 100 kW generating power for conferencing facilities.

Fairmont Resort Blue Mountains – MGallery by Sofitel, completed the installation of a 100 kW Solar Photovoltaic system on the main building and a further 30 kW system on the adjacent Leura Golf Club House.

Other notable 2016 installations include Ayers Rock Resort’s Tjintu Solar Field 1.8MW solar system which received $4.7 million in finance from the Clean Energy Finance Corporation (CEFC). The system will meet about 15% of the Resorts’ needs and reduce emissions associated with the transport of fuel from Alice Springs and burning of the compressed natural gas.
CARBON

**CO₂ emissions from hotels are calculated using energy consumption data including:**

- direct emissions associated with fuels (gas, fuel, oil) burned in hotels; and
- indirect emissions associated with offsite generation of electricity and purchased via network connections.

The coefficients of greenhouse gases used for electricity and fuel are from the resource centre on the balance sheets of ADEME/greenhouse gases consistent with Global Group reporting. Total emissions of greenhouse gases are expressed in CO₂ equivalent tons.

The trends associated with reported CO₂ emissions are consistent with those described for energy consumption.

<table>
<thead>
<tr>
<th>Total CO₂ emissions</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total direct CO₂ emissions</td>
<td>19,958,015</td>
<td>20,291,491</td>
</tr>
<tr>
<td>Total indirect CO₂ emissions</td>
<td>172,228,838</td>
<td>178,009,787</td>
</tr>
<tr>
<td>Total direct and indirect CO₂ emissions</td>
<td>192,186,853</td>
<td>198,301,278</td>
</tr>
<tr>
<td>CO₂ emissions per room ratio</td>
<td>27.80</td>
<td>27.60</td>
</tr>
</tbody>
</table>

Includes data from 122 owned, leased and managed hotels.

<table>
<thead>
<tr>
<th>Total CO₂ emissions (like-for-like)</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total direct CO₂ emissions</td>
<td>18,773,100</td>
<td>18,674,335</td>
</tr>
<tr>
<td>Total indirect CO₂ emissions</td>
<td>166,175,407</td>
<td>164,893,198</td>
</tr>
<tr>
<td>Total direct and indirect CO₂ emissions</td>
<td>184,948,507</td>
<td>183,567,533</td>
</tr>
<tr>
<td>CO₂ emissions per room ratio</td>
<td>28.10</td>
<td>27.90</td>
</tr>
</tbody>
</table>

Includes data from 122 owned, leased and managed hotels.

The Group also completes annual reporting under the Australian Federal Government National Greenhouse and Energy Reporting scheme.
WATER

Australia is the second driest continent on earth with only a limited capacity to provide fresh water. As pressure on water resources increases, it’s important that efficiencies be found to reduce and conserve water resources. The diagram to the right highlights the environmental challenges and effects associated with water consumption as well as the water profiles of hotels.

In order to improve the water efficiency of hotels, AccorHotels has established a minimum standard flow rate for all showers, taps and toilets that are now mandatory for Planet 21 hotels. Regular monitoring of water consumption is used to identify drips and leaks to reduce water loss. A number of hotels have installed rain water tanks to reduce water consumption from mains supply. Hotels monitor total consumption trends as well as the consumption ratio per guest (litres/night). During 2016, the Group achieved a 2.4% improvement in water consumption efficiency. Like-for-like hotels achieved a 4% improvement.

<table>
<thead>
<tr>
<th>Total Water Consumption</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total consumption</td>
<td>293,755</td>
<td>301,939</td>
</tr>
<tr>
<td>Ratio kWa / average room</td>
<td>42.47</td>
<td>41.95</td>
</tr>
</tbody>
</table>

Includes data from 122 validated owned, leased and managed hotels.

<table>
<thead>
<tr>
<th>Total Water Consumption (like-for-like)</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumption m³</td>
<td>2,269,610</td>
<td>2,202,415</td>
</tr>
<tr>
<td>Ratio litres / guest</td>
<td>264</td>
<td>253</td>
</tr>
</tbody>
</table>

Includes data from 122 validated owned, leased and managed hotels.
WASTE AND RESOURCE RECOVERY

In 2016, Planet 21 established waste and resource recovery commitments for 2020, including a 65% operations recycling rate. A new Global Group waste policy defines three priorities designed to aid the transition to a circular economy:

- **PRIORITY 1:** To treat 100% of hazardous waste at approved facilities.
- **PRIORITY 2:** To sort and value waste generated by operational Group activities. It is the ambition of the Global Group to sort and recover 95% of waste in 10 years.
- **PRIORITY 3:** Reduce the quantity and volume of the most significant waste categories: food waste, packaging waste and paper waste.

For a more detailed description of the AccorHotels waste policy, see the AccorHotels Global Group 2016 Registered Document.

GLOBAL GROUP WASTE GENERATION AVERAGES

<table>
<thead>
<tr>
<th>Average Waste Amounts by Hotel Category</th>
<th>Metric Tonne</th>
</tr>
</thead>
<tbody>
<tr>
<td>Luxury and upscale hotels</td>
<td>94</td>
</tr>
<tr>
<td>Midscale hotels</td>
<td>69</td>
</tr>
<tr>
<td>Economy hotels</td>
<td>34</td>
</tr>
<tr>
<td>Budget hotels</td>
<td>7</td>
</tr>
</tbody>
</table>

The 2016-2020 Planet 21 program requires that hotels report on the implementation of a number of different waste and recycling related activities as detailed below.

**Planet 21 in Action**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Hotels Implemented</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sort and recycle at least two types of waste: paper, glass, cardboard or plastic</td>
<td>98%</td>
</tr>
<tr>
<td>Sort and recycle paper, glass, cardboard and plastic</td>
<td>82%</td>
</tr>
<tr>
<td>Collect and recycle food oils</td>
<td>70%</td>
</tr>
<tr>
<td>Implement fat stores to collect and recycle food fats</td>
<td>69%</td>
</tr>
<tr>
<td>Recycle food waste</td>
<td>28%</td>
</tr>
</tbody>
</table>

AccorHotels Australia maintains a contractor panel of three national providers that deliver regular reporting of waste and recycling generation. While the providers service many of the hotels nationally, they are unable to provide coverage to all regions. Subsequently, the measurement and monitoring of national recycling performance in 2016 was not possible. In 2017, AccorHotels Global Group will introduce a new waste and recycling platform for the reporting and monitoring of performance in line with commitments. The new platform will enable AccorHotels Australia to improve waste and recycling reporting.

The geographical spread of hotels nationally creates waste management challenges due to variations in the proximity to appropriate services. A growing number of hotels in major metropolitan areas are having their waste collected and processed at advanced waste treatment facilities, reducing the need for onsite separation of recyclables and vehicle movements while increasing recycling rates. This approach means that 17 hotels in Melbourne and Sydney currently achieve recovery rates of over 75%, diverting valuable resources from landfill and back into the productive economy.

For the majority of other hotels nationally, diversion rates currently sit below 40%, highlighting the need for improved operational controls to achieve the Global Group’s 2020 65% diversion target.
Striving for zero waste, healthy and sustainable FOOD
OUR FOOD

During 2016, AccorHotels Australia served more than 7 million meals from 170 food outlets. The Global Group is aware that the current food model is not sustainable and would like to offer quality food to customers who have very strong expectations for sustainable development when it comes to food and drink. On this major issue, AccorHotels has committed to three key objectives: offer guests healthy and sustainable food, reduce food waste and develop urban agriculture.
MAIN ENVIRONMENTAL CHALLENGES AND EFFECTS OF AGRICULTURE

FISHING AND AGRICULTURE
Regarding fishing, 30% of fish stocks are overexploited and at risk of collapse. As for agriculture impact, pesticides released into rivers and streams can reduce insect and other invertebrate freshwater populations, essential for balancing biodiversity, by up to 42%.

ANIMAL FEED
Each year, over one million hectares of forest are destroyed to raise animals (becoming pastures or food production sites for fattening the animals).

IRRIGATION
Irrigation accelerates desertification in certain regions. In an arid region, it may take over 100 litres of water to produce a single litre of fruit juice.

LIVESTOCK DIGESTION
Of greenhouse gases emitted by the agricultural sector, 39% come from livestock digestion in animal husbandry facilities. This means over 80% of the carbon footprint of dairy products is linked to livestock production.

PESTICIDE, FERTILISER AND MANURE USE
Spreading fertilisers liberates greenhouse gases such as nitrous oxide (N₂O), whose global warming potential is 98 times higher than that of CO₂.
HEALTH AND SUSTAINABLE FOOD CHARTER

During 2016, AccorHotels Australia rolled out the Healthy and Sustainable Food Charter to all hotels. The goal of the Charter is to offer guests a true culinary experience through high-quality, healthy and sustainable food, all the while contributing to the transformation of the agricultural model and fighting against food waste.

AccorHotels Australia strives to source the best, freshest, seasonal produce from local markets nationally. Locally, AccorHotels Australia has made the following commitments in line with the Charter:

HEALTHY AND HIGH-QUALITY FOOD

- Prioritise quality produce over price.
- Offer one option for each service to satisfy healthy optimising guests (low calories, low fat etc.).
- Offer vegetarian options at all times.
- Offer gluten free options at all times.
- Provide cuts of meat (chicken, beef and pork) containing no growth hormones.
- Milk from cows that are growth hormone free.
- Do not use palm oil when cooking (frying or regular cooking).
- To limit added sugar, preference bread, pastries and sweet products containing no glucose-fructose syrup or minimise where possible.
- Offer orange and apple juice that are 100% juice at all time.

SUPPORT SUSTAINABLE FOOD MODELS THROUGH OUR SUPPLY SOURCES

- Preference products and ingredients supplied from Australian producers to avoid transportation impacts.
- Ban the use of overfished species.
- Offer one or more fish options from certified sustainable fisheries or aquaculture.

The business will begin reporting on the implementation of the Charter from 2017. The Charter is available [here](#).

HACCP

As part of AccorHotels commitment to serve consistently healthy and safe food for our guests, the business has adopted the HACCP Food Safety Methodology. HACCP provides a methodology to ensure that all raw materials, products and services that are purchased, handled and processed, conform to specified requirements and provides traceability throughout the supply chain.

With an initial focus on luxury upscale brands, hotels across the Australian network are receiving certification.
CAGE FREE EGGS

As part of AccorHotels’ commitment to end the use of caged eggs in our hotels, the Australian Procurement Department sought distributors for the supply of eggs that meet the Groups’ requirements.

Due to the scale of AccorHotels’ needs, no distributors with existing capacity could be identified. The Department subsequently established a new project with a distributor who agreed to invest in their own production capacity to meet AccorHotels’ requirements.

Free range eggs are currently available to all hotels. By the end of 2017, cage-free will be the minimum standard for eggs used in all Australian AccorHotels properties nationally.

HONEY BEES

During 2016, four hotels installed beehives on their premises. Installation of beehives is one of the actions of the Planet 21 in Action program for hotels.

Honey bees play a key role in the sustainability of the food supply chain as they are the key to the pollination of the agricultural and horticultural crops which ultimately produces a very large proportion of the food that we all eat.

Once the hotels meet minimum production requirements, the honey from the hives can be made available at the breakfast bar and used as VIP amenities.
REDUCING FOOD WASTE

For AccorHotels, the issue has three facets: ethical, ecological and economical.

ETHICS

Each year, more than 30% of world food production is lost. Less than a quarter of that wasted food would be enough to defeat the scourge of hunger, which affects 795 million people globally1. In Australia, 2 million or one in six Australians seek food relief each year, including one million children2.

ENVIRONMENTAL

Water consumption, use of fertilizers and chemical pesticides associated with agricultural production weighs heavily on the environment and the environmental footprint of the Group. Equally, if food waste was a country, it would be the world’s third largest carbon emitter. This reinforces the importance of avoiding waste.

ECONOMIC

In hotels and restaurants, it is estimated that 25% of purchased food ends up going to landfill. This waste would be 4% to 12% of total food sales for companies in the sector3. By reducing these losses, hotels can also reduce costs.

AccorHotels endeavours to follow the food waste priority pyramid when tackling the issue of food waste.

During 2016, AccorHotels Australia undertook two pilot projects to assess the potential for the use of a range of different food waste monitoring tools to help control and reduce the production of food waste in hotels. AccorHotels has already undertaken similar trials internationally with positive results. During a three month period, a trial conducted by Novotel Brisbane achieved a 30–40% reduction in food waste costs, the metric selected for global measurement and comparison. Pending a review of the Australian trials and similar trials globally in early 2017, the Group will look at options for a broad scale roll out to hotels.


MAJOR LEVER TO REDUCE THE FOOTPRINT OF THE GLOBAL GROUP

The 2016 AccorHotels Global Environmental Footprint Report identified food and beverage as:

• THE LARGEST CONTRIBUTOR TO OUR BIODIVERSITY FOOTPRINT: 88% of the global impact on flora and fauna, mostly during the farming stage.

• THE LARGEST CONTRIBUTOR TO OUR WATER FOOTPRINT: 40% of our global water consumption, mostly due to crop irrigation and livestock farming and 79% of our impact on the eutrophication of seawater: the proliferation of algae as a result of the use of nitrate-rich fertilizers in crop farming.

• THE SECOND LARGEST CONTRIBUTOR TO OUR CARBON FOOTPRINT: More than 10% of our global CO2 emissions come principally from the transport of merchandise and from livestock farming to produce meat and dairy products.
In addition to monitoring tools, hotels are implementing actions to prevent food spoilage including:

- Monitoring of food storage temperatures.
- Checking expiry dates.
- Reliably estimates of quantities of food, including for conferences.
- Limiting the number of products offered in the buffets.
- Better measuring the portions served to guests.
- Creating inventive recipes for better reuse of ‘leftovers’.
- Educating employees and customers on the fight against food waste.

In cases where food waste can’t be avoided, or consumed internally via the staff canteen, hotels have partnered with community food banks such as OzHarvest.

During 2016, 12 hotels nationally made donations to OzHarvest in Queensland, New South Wales and Victoria. In total 6,390 kgs of food, equal to 19,170 meals was donated by the hotels. The donations also support employment of OzHarvest staff during the year who were involved in the collection and distribution of the food. A number of hotel also supported OzHarvest activities by providing access to their commercial dishwashers to clean food collection containers that are distributed to donors.

Finally, for food waste that is not fit for consumption, the best way to minimise environmental impact is by advanced waste treatment options such as composting and anaerobic digestion. During 2016 more than 122.38 tonnes of food organics generated by Sydney hotels was separated and composted. AccorHotels is also investigating options for the onsite processing of food organics and is trialing a number of solutions. Expanding the separation and recovery of food organics in hotels will be key in achieving the Group’s 2020 65% recycling target.

VEGETABLE GARDENS IN OUR HOTELS

In 2016, as part of the launch of the new Planet 21 program, AccorHotels globally made a commitment to establish 1,000 vegetable gardens in hotels. The development of urban agriculture provides a response to growing urbanisation - the growing gap between agricultural rural areas that produce food for cities and consumers. Recent years have seen the emergence of new innovative approaches to bring these two worlds together including urban gardens, educational peri-urban farms and direct sales models.

Locally, AccorHotels has set a target of 60 hotels with vegetable gardens by 2020. In order to be valid, gardens need to meet certain criteria, including a minimum cultivation area of 20 m², production of plants for food consumption and regular maintenance. Each garden will be adapted to the context of the hotel and relevant space constraints.

In 2016, a review was conducted of properties which identified 16 Australian hotels with existing herb and vegetable gardens. A number of hotels have well established productive kitchen gardens with The Sebel Kirkton Park Hunter Valley and Novotel Barossa Valley Resort providing the best examples.
CASE STUDIES

THE SEBEL KIRKTON PARK HUNTER VALLEY

The Sebel Kirkton Park Hunter Valley is setting new standards for local production and sourcing of food. The hotel now sources up to 30% of its menu from the hotel’s 70 acre grounds and a further 50% from local partners and has an agreement with a local farmer who manages cattle and pigs on the hotel’s grounds. The livestock is processed at a local abattoir ensuring that the full process remains local. At Kirkton Park the emphasis is placed on creating menus that are ever changing to reflect the season produce.

The hotel Executive Chef regularly runs tours of the vegetable garden for guests. The tours provide an opportunity for guests to engage in a full sensory experience, picking their own dinner ingredients and building their understanding of nose to tail cooking and the steps from paddock to plate.

NOVOTEL BAROSSA VALLEY RESORT

Novotel Barossa Valley Resort represents everything the area has to offer with the Cellar Kitchen serving up the best local produce including vegetables from the garden. Each week a dedicated team of gardeners work to provide produce for the hotel. An extensive herb patch means the hotel is self-sufficient year round. During 2016, the resort planted a fruit orchard open for guests to forage.

In a novel recycling demonstration, baths and showers from a bathroom refurbishment have been converted into vegetable beds. Tap ware and showerheads have been installed to irrigate the vegetables and herbs.

The kitchen garden is supported by the Resort’s flourishing worm farm which uses scraps from the kitchen and conference centre to make fertiliser for the gardens.

The Resort organises regular guest experience tours including visits to local producers, markets and vineyards.
GRI CONTENT INDEX

GRI Claim - This report has been prepared in accordance with the GRI Standards: Core option.

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<td>102-8</td>
<td>Information on employees and other workers</td>
<td>People</td>
<td>Total number of employees by employment type (full and part time) and gender is provided. The other numbers are not available for the 2016 report however an appropriate reporting systems will be put in place for the 2017 and future reports.</td>
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<td>102-41</td>
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<td>Supply chain</td>
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<td>102-11</td>
<td>Precautionary Principle or approach</td>
<td>GRI Table</td>
<td>AccorHotels publicly recognise the precautionary principle as a signatory to the United Nations Global Compact and in the implementation of our risk frameworks.</td>
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<tr>
<td>102-12</td>
<td>External initiatives</td>
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<td>102-13</td>
<td>Membership of associations</td>
<td>GRI Index</td>
<td>Tourism Accommodation Australia, Accommodation Association of Australia, Australian Timeshare and Holiday Ownership Council.</td>
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<td>102-45</td>
<td>Entities included in the consolidated financial statements</td>
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<td>Vision and Commitments – Material Matters</td>
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<td>List of material topics</td>
<td>Vision and Commitments – Material Matters</td>
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<td>102-48</td>
<td>Restatements of information</td>
<td>Vision and Commitments – Material Matters</td>
<td>This is the first CR Report for AccorHotels Australia therefore there has been no restatements of information.</td>
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<td>Positive Hospitality – About this Report</td>
<td>This is the first CR Report for AccorHotels Australia therefore there has been no restatements of information.</td>
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<td>Reporting cycle</td>
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<td>102-53</td>
<td>Contact point for questions regarding the report</td>
<td>GRI Table</td>
<td>Ginni Post, Communications Manager (<a href="mailto:ginni.post@accor.com">ginni.post@accor.com</a>, +61 2 9280 9874) Tom Mallet, Sustainability Officer (<a href="mailto:tom.mallet@accor.com">tom.mallet@accor.com</a>, +61 2 9280 9702)</td>
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<td>102-56</td>
<td>External assurance</td>
<td>GRI Table</td>
<td>The 2016 report has not been externally reviewed. AccorHotels Australia intends to seek assurance for future reports as relevant internal reporting practices are refined.</td>
<td>-</td>
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<tr>
<td>102-18</td>
<td>Governance structure</td>
<td>Vision, Commitment and Approach – Governance</td>
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<td>Direct economic value generated and distributed</td>
<td>Commercial Summary</td>
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<td>Financial assistance received from government</td>
<td>Commercial Summary</td>
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<td>15</td>
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<td>202-2</td>
<td>Proportion of senior management hired from the local community</td>
<td>People</td>
<td>a. 100%, b. Senior Management refers to members of the Australian Leadership Team, c. Australian</td>
<td>-</td>
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<td>204-1</td>
<td>Proportion of spending on local suppliers</td>
<td>Partners</td>
<td>-</td>
<td>54</td>
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<td>302-1</td>
<td>Energy consumption within the organisation</td>
<td>Buildings</td>
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<td>Energy intensity</td>
<td>Buildings</td>
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<td>Water withdrawal by source</td>
<td>Buildings</td>
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<td>305-1</td>
<td>Direct (Scope 1) GHG emissions</td>
<td>Buildings</td>
<td>-</td>
<td>70</td>
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<tr>
<td>305-2</td>
<td>Energy indirect (Scope 2) GHG emissions</td>
<td>Buildings</td>
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<td>70</td>
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<td>305-4</td>
<td>GHG emissions intensity</td>
<td>Buildings</td>
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<td>306-2</td>
<td>Waste by type and disposal method</td>
<td>Buildings</td>
<td>-</td>
<td>72</td>
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<td>307-1</td>
<td>Non-compliance with environmental laws and regulations</td>
<td>GRI Table</td>
<td>In 2016, no significant fines and non-monetary sanctions for non-compliance with environmental law issued.</td>
<td>-</td>
</tr>
<tr>
<td>308-1</td>
<td>New suppliers that were screened using environmental criteria</td>
<td>GRI Table</td>
<td>Selective reporting has been provided for suppliers within Procurement Department Controlled Spend. New supplier screening by owned, leased and managed hotels outside the Procurement Department are not currently monitored.</td>
<td>55</td>
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<td>401-1</td>
<td>New employee hires and employee turnover</td>
<td>People</td>
<td>-</td>
<td>52</td>
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<tr>
<td>401-2</td>
<td>Benefits provided to full-time employees that are not provided to temporary or part-time employees</td>
<td>People</td>
<td>See People, Employee Benefits and Wellbeing. AccorHotels staff also receive Superannuation, Workers Compensation (disability and invalidity coverage) consistent with Australian legislation.</td>
<td>49, 50</td>
</tr>
<tr>
<td>401-3</td>
<td>Parental leave</td>
<td>People</td>
<td>-</td>
<td>50</td>
</tr>
<tr>
<td>403-1</td>
<td>Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs</td>
<td>People</td>
<td>a. Whilst there are multiple viable and helpful methods of Work Health and Safety Consultation, AccorHotels has determined that each Hotel with more than 20 employees (and less if is the preferred method of employees or management) is required to establish a Work Health &amp; Safety committee that allows for and facilitates consultation between management and employees. The Committees must consist of less than 50% management representatives, as per local legislation. These committees must document formal meeting minutes and produce these for all employees awareness, as well as communication to senior management of the Hotel. In addition to this, AccorHotels expects that consultation also occurs via other means, such as noticeboards, meetings, hazard / incident and feedback forms etc.</td>
<td>-</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>b. It is estimated that in excess of 95% of the workforce are represented in Work Health and Safety Committees. This is based on recent external audits of the Owned / Leased / Managed Hotel network (Quarters 3 &amp; 4 of 2016), in which 84 of 89 Hotels were able to demonstrate the existence of functional and legally complying committees. The 5 Hotels with no committees are on the small end of the scale in regards to employee numbers. In addition, knowledge of the operations in the remaining Hotels not audited indicates Committees exist.</td>
<td></td>
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</tbody>
</table>
| 403-2               | Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender | People | a. During 2016, AccorHotels reported 1392 employee related work incidents of varying degrees of severity, including near-miss incidents where no harm was caused, First Aid Only incidents, Medical Treatment incidents and Lost Time Injuries (at least one full shift lost).  
• Injury Rate (IR): This is not currently reported on across the national network. Some Hotels calculate this to determine appropriate local objectives and strategies to achieve them.  
• Occupational Diseases Rates (ODR) are not reported on currently. The main relevant diseases would be some slow onset musculoskeletal conditions and psychological illnesses. The musculoskeletal conditions that are considered illnesses, rather than injuries, are not able to be easily identified in current reports. Psychological illnesses are minimal.  
• Lost Day Rate – This is not currently reported on across the national network. Some Hotels will be calculating this to determine appropriate local objectives and strategies to achieve them. A crude figure is that there were 227 incidents that resulted in lost time (i.e. one or more full shift lost). This equates to 16% of the employee work-related incidents that were reported.  
• Absentee Rate (AR): Not reported currently via Work Health and Safety systems.  
• Work-Related Fatalities: AccorHotels had zero (0) work-related fatalities again in 2016.  
• Gender and Region: The injury rates are not segregated by gender or region currently and it does not appear relevant in our efforts to determine strategies to reduce injuries in our business. | |
|                     |                         |                | b. During 2016, AccorHotels reported 61 contractor related work incidents of various degrees of severity, including near-miss incidents where no harm was caused, First Aid Only incidents, Medical Treatment incidents and Lost Time Injuries (at least one full shift lost).  
• Injury Rate (IR): This is not currently reported on across the national network.  
• Occupational Diseases Rates (ODR) are not reported on currently. There would be minimal exposure for contractors.  
• Lost Day Rate – This is not currently reported on across the national network. A crude figure is that there were 11 incidents that resulted in lost time (i.e. one or more full shift lost). This equates to 18% of the work-related incidents that were reported by contractors  
• Absentee Rate (AR): not reported currently via Work Health and Safety systems.  
• Work-Related Fatalities: AccorHotels had zero (0) work-related contractor fatalities again in 2016.  
• Gender and Region: The injury rates are not segregated by gender or region. | |
<p>|                     |                         |                | c. Incident reporting and management is integral to the management of health and safety matters at AccorHotels. This is completed by the Hotels via the AccorHotels WHS Incident Portal. The Work Health and Safety Management System specifically details the requirements as well as many other mentions of the importance in policies and procedures. | |</p>
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<tr>
<td>403-3</td>
<td>Workers with high incidence or high risk of diseases related to their occupation</td>
<td>People</td>
<td>There are no specific occupational activities which have high risk of specific diseases. There are some minor risks for all employees associated with occupational diseases such as:  • Psychological illness: Could affect any position / occupation  • Needlestick injuries (i.e. contracted disease): Could impact housekeeping employees most likely but the chances are remote.  • Musculoskeletal disease through repetitive hazardous manual tasks: Could affect most positions / occupations in a hotel including housekeeping, front office, administrative roles, food and beverage, conference and events, and maintenance.  • Industrial deafness: We have not had reported diseases in recent years.  • Skin / UV Related Diseases: Employees working regularly outdoors, such as activities or ground / maintenance at resorts. AccorHotels has appropriate systems in place to manage these risks.</td>
<td>–</td>
</tr>
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<td>404-1</td>
<td>Average hours of training per year per employee</td>
<td>People</td>
<td>Total training hours reported. Data gender breakdown and employment category not currently collected.</td>
<td>42</td>
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<td>404-2</td>
<td>Programs for upgrading employee skills and transition assistance programs</td>
<td>People</td>
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<td>405-1</td>
<td>Diversity and Inclusion of governance bodies and employees</td>
<td>People</td>
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<td>413-1</td>
<td>Operations with local community engagement, impact assessments, and development programs</td>
<td>Commercial Summary, Community</td>
<td>Pending data from Finance Department.</td>
<td>14</td>
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<td>419-1</td>
<td>Non-compliance with laws and regulations in the social and economic area</td>
<td>GRI Table</td>
<td>In 2016, there were no fines and non-monetary sanction for non-compliance with laws and/or regulation in relation to social or economic factors issued against the Group.</td>
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<td>416-1</td>
<td>Assessment of the health and safety impacts of product and service categories</td>
<td>Engage our Guests in a Sustainable Experience – Health and Safety</td>
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<td>418-1</td>
<td>Substantiated complaints concerning breaches of customer privacy and losses of customer data</td>
<td>Guests</td>
<td>In 2016, there were no substantiated complaints concerning breaches of customer privacy or losses of customer data.</td>
<td>36</td>
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Together we are acting for Positive Hospitality

ACCORHOTELS
LEVEL 30, 123 PITT STREET
SYDNEY NSW 2000