



Fully committed to our planet's future

Reconciling rapid development and respect for the planet is a challenge to which Accor responds every day. As an integral part of our strategy, sustainable development today involves all our businesses, host countries and employees. The cornerstone of this ambition is the Earth Guest program, which federates all initiatives around eight top priorities.

GROWING IN WAYS THAT ARE BENEFICIAL TO EVERYONE



"As guests of the Earth, we welcome the world." More than just a slogan, this sentence expresses Accor's philosophy. That's because growth is only meaningful if it is sustainable over the long term and if the benefits are shared as widely as possible, not only with employees but with customers and host communities as well. Growth must never represent a threat to the planet and its inhabitants. That's an imperative our teams put into practice every day.

EARTH GUEST: ONE PROGRAM, EIGHT PRIORITIES

The Earth Guest framework program is designed to share urgent sustainable development issues by orienting employees' commitment and increasing the number of initiatives deployed around the world. The program identifies priority projects to channel their energy, sets quantifiable objectives and regularly measures results. Backed by a network of 100 correspondents, Earth Guest is both the cornerstone of a long-term commitment and the key to constant improvement.

The eight priorities of the Earth Guest program:

- **Local development:** support host communities through long-term partnerships and promote fair trade.
- **Health:** deploy preventive measures and combat major epidemics, in particular AIDS and malaria.
- **Nutrition:** encourage customers to improve their eating habits, with a special focus on obesity.
- **Elimination of sexual tourism involving children:** train employees and inform customers.
- **Management of energy use:** promote renewable energy sources and equip hotels with efficient energy systems.
- **Conservation of water resources:** equip hotel faucets with flow regulators, monitor and recover wastewater, and raise customer awareness.
- **Effective waste management:** recycle more and better, and limit the amounts of waste produced.
- **Biodiversity:** create partnerships with specialized associations to build awareness and protect endangered species.

FIVE QUANTIFIABLE GOALS FOR 2010*

- Reduce consumption of water and energy in owned and leased hotels by 10%.
- Outfit 200 hotels with solar panels.
- Recycle waste in all owned and leased hotels in Europe.
- Extend throughout Europe the fight against sexual tourism involving children.
- Train employees in ways to eliminate the risk of AIDS and malaria.

*See the environmental management table on pages 106-109.

RECOGNITION FOR OUR COMMITMENT

In recognition of its sustainable development commitment and performance, Accor is now included in the four leading international socially responsible investment indexes: FTSE4Good, DJSI World, ASPI Eurozone⁽¹⁾ and Ethibel Sustainability Index⁽¹⁾.



⁽¹⁾Vigeo indexes.

Earth Guest challenges

NORTH AMERICA

103,307 rooms
(24,000 new rooms between 2006 and 2010)
16,628 employees

2007 HIGHLIGHTS

New energy efficiency program
and reduction in waste produced (p. 47)

FRANCE

126,087 rooms
(20,000 new rooms between 2006 and 2010)
14,650 employees

2007 HIGHLIGHTS

30% increase in the amount of fair trade
coffee, tea and chocolate (p. 52)
4 new hotels equipped with solar
panels (p. 44)
8.5% reduction in energy consumption (p. 48)

LATIN AMERICA AND CARIBBEAN

25,819 rooms
(16,000 new rooms between 2006 and 2010)
39,020 employees

2007 HIGHLIGHTS

Commitment in Mexico to the fight against
the sexual exploitation of children (p. 47)
Gustino program introduced in Argentina
and Uruguay (p. 53)

AFRICA

18,894 rooms
(12,000 new rooms between 2006 and 2010)
13,467 employees

2007 HIGHLIGHTS

17 countries commit to the fight against
the sexual exploitation of children (p. 47)
Support for two microfinance projects
in Morocco (p. 51)
10,000 trees program introduced
in Côte d'Ivoire (p. 49)



WITH REGARD TO ACCOR'S DEVELOPMENT

REST OF EUROPE

120,790 rooms
(62,000 new rooms between 2006 and 2010)
32,105 employees

2007 HIGHLIGHTS

Switzerland and Russia commit to the fight against the sexual exploitation of children (p. 47)
Gustino program introduced in Italy, Romania and Sweden (p.53)

ASIA

39,811 rooms
(44,000 new rooms between 2006 and 2010)
36,794 employees

2007 HIGHLIGHTS

Nearly 8,000 new employees trained to lead the fight against the sexual exploitation of children (p. 47)
First hotel equipped with solar panels, in Beijing (p. 45)

MIDDLE EAST

4,047 rooms
(14,000 new rooms between 2006 and 2010)
3,049 employees

2007 HIGHLIGHTS

New environmental protection program launched by employees (p.51)

PACIFIC

22,943 rooms
(8,000 new rooms between 2006 and 2010)
6,982 employees

2007 HIGHLIGHTS

Opening of the All Seasons Eco Resort Phillip Island (p. 45)
Aboriginal training program (p. 51)

This map shows the 2007 highlights of the Earth Guest program by region, interpreted in relation to hotel development objectives. It also clearly depicts energy use around the world—from brightly lit industrialized countries to more sparsely lit developing countries and vast stretches of darkness. Clearly, the map of social and environmental issues and the map of sustainable development challenges are one and the same.

HIGHLIGHTS OF THE EARTH GUEST PROGRAM

- 3,292 hotels (84% of the Accor network) apply the Hotel Environment Charter.
- Energy consumption reduced by 2.5%.
- Novotel undertook a project to obtain Green Globe certification.
- Code of Conduct to protect children from sexual exploitation signed in 36 countries.
- Launch of the ACT-HIV program to combat AIDS.
- 69 countries and 100,000 employees involved in Earth Guest Day 2007.



China_Litang

Taking steps before a hotel is built

At every stage in a hotel's life, Accor demonstrates its commitment to environmental stewardship, a concern that begins even before the first stone is laid.

ENVIRONMENTAL IMPACT STUDIES

Because each new hotel makes its mark on the local community and the environment, Accor has developed a special evaluation grid to assess that impact. The procedure involves two phases:

- Listing and evaluating all natural risks that might affect a hotel's life and pose a threat to employees and customers.
- Studying the possible negative environmental impact of a new building. The goal is to successfully integrate the future hotel without causing any harm to people or the natural surroundings.

SUPPORTING RESPONSIBLE GROWTH

Access to water

An important issue and a source of increasing tension around the world, access to water is a question that is carefully considered before a hotel is built. Because a new building can disrupt a delicate eco-balance, Accor measures the risks by identifying areas where the demand for water exceeds the available amount — a phenomenon known as water stress — and takes preventive measures to remedy the situation. This is the case, for example, in southern Mauritius, where a Sofitel will be built. To avoid any disruption in the supply of drinking water during the dry season, a desalination plant will be built.

Electrical power

The depletion of energy sources is significantly increasing their cost and threatening certain regions faced with rapidly growing needs. This is the case in Brazil, where supply cannot keep pace with demand. As a result, Accor Hospitality is equipping all its hotels in the country with power plants to meet their needs and not accentuate the imbalance. Other actions are also deployed to achieve energy savings, such as the installation of solar panels.



Morocco, Sofitel Agadir

LOCAL COMMUNITIES ON THE ALERT

Today, more and more local communities require environmental impact studies before authorizing hotel construction projects. This is true for hotels in all locations — not just resorts but also in city centers. One example is Brighton, England, which made the opening of an Ibis contingent on meeting a number of criteria, including the building's energy efficiency and worksite waste management.



Optimizing hotel design

During the construction phase, Accor's commitment is evident in the choice of materials, equipment and energy sources. This is what is known as eco-design.

GIVING PREFERENTIAL TREATMENT TO SOLAR ENERGY

Already 47 hotels around the world are equipped with solar panels that produce hot water. To extend this effort, Accor and France's Agency for Environment and Energy Management (ADEME) are committed to equipping 100 new hotels in France by 2010. The objective is to optimize the design of solar hot water panels in order to reduce their cost so that they pay for themselves in ten years. This powerful commitment also resonates with Accor's partners – franchised and managed hotels – which are increasingly receptive to this environmentally friendly solution. The initiative is accompanied by an overall improvement in hotel energy efficiency.

CONSERVING WATER RESOURCES

Clearly, the recovery and treatment of wastewater is a promising practice.

In Germany, for example, the Ibis in Koblenz was fitted with a gray water recovery system in 2007. The principle is as simple as it is efficient: shower water that has been filtered and purified is used in toilet flush tanks, thus reducing their consumption of fresh water by half. Another initiative involves the Sofitel San Francisco Bay in the U.S., which is taking part in a municipal program that recycles water from the hotel for use in watering lawns and gardens, and in toilets and laundries. More than 100 Accor hotels reuse their water.

PROTECTING THE NATURAL SURROUNDINGS

Integrating a hotel into its natural surroundings is an even more delicate undertaking in areas that are both rich and fragile because of their wide variety of native species. This is the case with the All Seasons Eco Resort Phillip Island, which opened in May 2007 on this Australian island, which is known for eco-tourism. Comprising 211 villas, the resort, with its bioclimatic design, special insulation and respect for wetlands, takes into account the specificities of the local environment.



RENEWING THE PARTNERSHIP WITH ADEME

For the third year in a row, Accor has renewed its partnership with France's Agency for the Environment and Energy Management (Ademe). While the priority is to develop 100 solar-equipped hotels, the partnership encompasses six themes in all — renewable energy development, energy management, waste prevention and management, international cooperation, communication and eco-design.



Equipping our hotels with solar panels has enabled us not only to reduce costs but also to lower greenhouse gas emissions while promoting the concept of environmental stewardship among our teams. This approach could easily be duplicated by other hotels.



M. DENG YUANG MING, DIRECTOR AND MEMBER OF THE BOARD OF BEIJING CAPITAL TOURISM GROUP, WHICH OWNS THE NOVOTEL PEACE





Mobilizing employees every day

Accor and its 150,000 employees demonstrate their social and environmental responsibility in many ways.

INVOLVEMENT IN SOCIAL RESPONSIBILITY PROJECTS



Leading the fight against AIDS

AIDS is one of the main causes of mortality worldwide and Accor is working to alleviate the disease through employee-awareness initiatives and results-oriented actions in a growing number of countries.

- **Training and prevention.** Accor informs and instructs those employees most at risk, especially in Africa, and targets customers through regular communication campaigns in those countries hardest-hit by the epidemic. A campaign was conducted in 2007 encouraging the brands in France to install condom dispensers in areas reserved for employees and in restrooms. As a result, dispensers can now be found in all Accor hotels throughout the country.

- **Broadening the effort.** In December 2007, a DVD was prepared to help hotel general managers conduct preventive programs for their team members. ACT-HIV is a six-step action plan designed to get hotel general managers involved in the fight against AIDS by helping them better understand the disease and ways to prevent its spread. Accor encourages voluntary screening and access to treatment, especially in countries where medical coverage is lacking.

Leading the fight against sexual tourism involving children

Combating sexual tourism that victimizes children is a priority. Accor's approach involves training programs for employees, to teach them ways to eliminate the risk, and communication campaigns for customers. In 2007, over 10,000 employees took part in these programs. Accor's partner in this initiative is ECPAT, a non-governmental organization with operations in 70 countries. ECPAT and the World Tourism Organization have drafted a Code of Conduct to protect children from sexual exploitation. Accor has signed the document in 36 countries, with 20 signatories in 2007: Mexico, Switzerland, Russia and 17 countries in sub-Saharan Africa.



Promoting personal development through training

Accor also helps employees create new career development opportunities by enabling them to expand their competencies beyond the scope of their current jobs. In Morocco, a broad-based literacy-training program was launched in April 2007. As a result, 170 employees in 13 hotels have learned how to read and write Arabic.



PRESERVING NATURAL RESOURCES

Managing waste

From hotel room design to product purchases, Accor is committed to limiting waste and to recycling more on a day-to-day basis. Recycling rates rose considerably in 2007 — 8% for paper and cardboard, 7% for glass, 5% for plastic, 7% for metal and 23% for batteries. By 2010, paper, cardboard and glass will be recycled in 60% of owned and leased hotels.

- **In France,** Ibis introduced a waste management program based on "the Waste" –10% initiative launched by Ademe in 100 French companies. Ibis France has set a goal of a 10% reduction in waste by year-end 2008. Following a 2007 audit and a waste production review, a 20-point nationwide action plan was prepared for the hotels. Among the actions are the elimination of paper placemats on breakfast trays and the use of reusable fabric covers instead of plastic covers to wrap hotel laundry.
- **In the United States,** Motel 6 has expanded its battery and light-bulb recycling program, which recycles some 60,000 light bulbs a year.

Reducing energy consumption

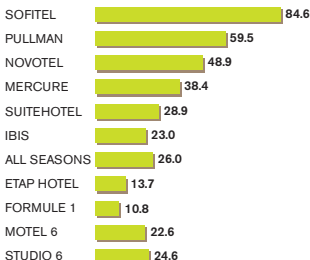
By 2010, energy consumption per room in owned and leased hotels will have been reduced by 10% and, with a decline of 2.64% in 2007, this pledge has already been met. In Europe, 35-watt and 50-watt halogen lamps are gradually being replaced by compact fluorescent lamps. By year-end 2007, more than 35,000 of these lamps had been installed, reducing electricity consumption by an estimated 24,000 megawatts. Overall, 72% of hotels worldwide now use compact fluorescent lamps. Accor North America is pursuing a program to reduce energy consumption in the Motel 6 and Studio 6 chains. The program has been recognized and approved by the US Environmental Protection Agency.

Conserving water

Accor has set a target of a 10% reduction in per-room water use by 2010. In 2007, consumption declined by 0.46% thanks in particular to the installation of flow regulators. As of year-end 2007, 190,000 showers and faucets in Europe had been fitted with these regulators, representing an estimated savings of €6 million. For the network as a whole, the percentage of toilets equipped with water-saving flush tanks increased from 35% to 44% during the year. Sofitel's per-room water consumption rate (see chart) is due to the chain's extensive facilities (kitchen, swimming pool, laundry, etc.) and to air-conditioning units in Asian hotels.

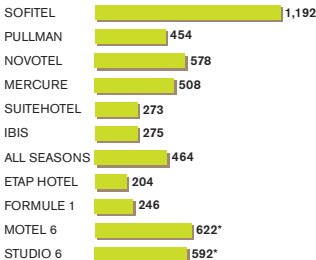
ENERGY CONSUMPTION

by brand, in kWh per day per available room in 2007



WATER CONSUMPTION

by brand, in liters per day per occupied room in 2007



* Economy hotels with a laundry and swimming pool.

For both charts, the values correspond to 84% of owned or leased hotels and 44% of managed hotels. They cannot be compared to the 2006 charts, which did not take Asia into account.

THE HOTEL ENVIRONMENT CHARTER

Launched in 1998 and updated in 2006, the Hotel Environment Charter now lists 65 actions. An environmental management tool, it enables each hotel to monitor its performance and orient environmental initiatives accordingly. In 2007, 84% of the Accor Hospitality network applied the charter, leading to improvements in most environmental indicators during the year. The Charter's reporting system was also audited for the first time.



ADVANCES IN THE ENVIRONMENTAL CERTIFICATION PROCESS

The number of establishments awarded environmental certification rose by 15% in 2007.

- Since 2004, the Ibis network has been involved in an ambitious, highly focused ISO 14001 accreditation process. At year-end 2007, a total of 205 hotels had been certified to ISO 14001 standards, of which 151 in France and 37 in Brazil. In 2010, 75% of the network will be certified. Other Accor brands are also involved in the process. Two examples are Accor Thalassa, whose facilities in nine hotels in France have been certified, and Compagnie des Wagons-Lits.
- In July 2007, 28 Novotel in 12 countries undertook a project to earn Green Globe environmental certification. To measure progress, eight performance criteria are audited. By year-end 2007, 14 Novotel had been awarded the Green Globe Benchmarked label. In 2008, around 100 hotels will pursue this approach, with the goal of obtaining certification for the entire Novotel network in 2010.



EARTH GUEST DAY: TAKING STEPS FOR A MORE BEAUTIFUL PLANET – TOGETHER, ON THE SAME DAY

A way to motivate employees, showcase corporate initiatives and maintain a competitive edge, Earth Guest day, which was held on April 22, 2007, symbolizes Accor's sustainable development commitment. The high point of Accor's involvement, this first Earth Guest day brought together nearly 100,000 employees in 69 countries around the world who took part in team projects: 20,000 trees were planted in the United States; an ecological arc was created to combat desertification in Côte d'Ivoire; various initiatives to protect animal species were taken in Austria, France

and the Netherlands; a children's defense march was held in Thailand; employees volunteered their time to work on local development projects in 35 Latin American cities; care centers for children suffering from AIDS were refurbished in South Africa and India; a sale of chocolate to finance a literacy training project was organized in Compagnie des Wagons-Lits bar cars in France, Spain and Portugal; and natural site clean-ups were organized in Saudi Arabia, Hungary, Egypt and Reunion. These were only some of the many actions that demonstrate the commitment of team members across the organization.



France - Formule 1 Nantes Est Porte de Sainte-Luce

Involving partners and customers

Hotel openings and operations, especially in emerging countries, often involve aid and support to local communities in the form of training, microfinance and fair trade programs.

HELPING LOCAL PARTNERS GET A START

Supporting local development

- **In Morocco**, Accor has been involved in two projects with PlaNet Finance, a non-governmental organization, since January 2007. The first is a microfinance program intended to boost argan oil production in the Essaouira region through support for five cooperatives that employ 500 women in all. The second aims to find jobs for 100 school-dropouts from disadvantaged neighborhoods in Tangiers and Casablanca.

- **In Senegal**, Accor is participating in a development program launched by the World Trade Organization and the United Nations. Activities have been identified that would provide useful services to Dakar hotels and create jobs. These include greenhouses to provide fruit throughout the year and job opportunities for unemployed locals as guides or in other tourism-related occupations.

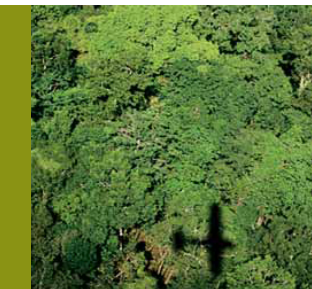
- **In Cambodia**, Accor and Agrisud have worked together since 2004 to support family-run truck farms in the Siem Reap region, with 10% of the fruit and vegetable produced for tourists purchased by the Sofitel Royal Angkor. A specifications document is being considered as a way of increasing and diversifying the amount of produce sold.

- **In Australia**, Accor strengthened its hotel skills training program for aboriginals during the year. Six program participants were offered jobs in hotels in the region.



Protecting biodiversity

Accor in Indonesia signed a partnership agreement with the company that manages Perum Perhutani National Forest, and Karya Lestari, a group of forest communities, for a forest management project that involves planting 70,000 trees covering 43.2 hectares on the island of Java. The objective is threefold – to increase the local community's involvement in the management of national forests, while providing farmers with access to land and boosting income for the local population. The project is being carried out with support from international experts.



INVOLVING OUR MAJOR SUPPLIERS

Purchasing "sustainably"

A Sustainable Procurement Charter was drafted to encourage suppliers and service providers to pursue environmental protection measures and engage in socially responsible practices. Attached to new international contracts, the Charter, which is already applied in France and two other countries, was introduced during the year in Australia, Austria, Côte d'Ivoire, Egypt, Portugal, Switzerland, Senegal and Tunisia.

Promoting fair trade

In 2007, Accor strengthened its assistance to small fair trade producers in 17 countries. In France, fair trade initiatives are supported by more than 1,000 hotels.



INVOLVING CUSTOMERS

Because of our worldwide presence and the millions of customers who stay in our hotels every year, a broad range of actions has been introduced to build awareness of planetary challenges. These include:

- **Combating epidemics.** In 2006, Accor signed the Global Business Coalition's pledge to lead the fight against AIDS, tuberculosis and malaria. As part of its commitment, Accor launched a campaign for travelers, producing two films with Air France to inform them of the risks of contracting AIDS and malaria.
- **Biodiversity.** In France, Etap Hotel, through its partnership with France's Bird Protection League (LPO), has introduced a number of actions to raise customer awareness of biodiversity issues.



France_Etap Hotel Nantes Ouest Saint-Herblain Coultron



- **Nutrition.** In response to the widespread surge in obesity, Accor Services introduced its Gustino program, which promotes healthy workplace eating habits for users of Ticket Restaurant® meal vouchers. The program is based on a simple principle: affiliated restaurants display the Gustino mascot on menus to draw diners' attention to nutritionally balanced dishes. Already deployed in ten countries, the program was extended to five others during the year. Another 2007 initiative involving Ticket Restaurant® was the publication of a booklet containing 80 healthy, inexpensive recipes, prepared in partnership with the French Red Cross.

- **Incentive travel.** As part of its revamped incentive portfolio, Accor Hospitality offers personalized trips for corporate customers designed to raise their employees' awareness of diversity, local economies, cultural heritage and biodiversity. This new program is an innovative way to reconcile rewards, incentive and the public interest.

- **Reforestation.** Late in the year, Accor decided to launch the pilot phase of a major project involving all hotel brands in April 2008. Under the slogan "Here, YOUR towels plant trees," customers are encouraged to reuse their bath towels as an environmentally friendly gesture. In exchange, Accor has pledged to contribute part of the savings on laundry bills to reforestation projects. This original initiative will be introduced in partnership with the United Nations Environment Program, as part of its "billion trees" campaign.



Brazil, Sofitel Jequitimar Guarujá