



Fighting Against Forced Labour and Child Labour in Supply Chains Act – Statement

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Contents

| | |
|---|----|
| Introduction..... | 2 |
| Our Organization..... | 2 |
| Structure..... | 2 |
| Supply chains..... | 3 |
| Steps to prevent and reduce risks of forced labour and child labour | 4 |
| Policies and due diligence processes..... | 5 |
| Forced labour and child labour risks | 7 |
| Remediation measures..... | 11 |
| Remediation of loss of income | 11 |
| Training..... | 11 |
| Assessing effectiveness..... | 12 |
| An Ongoing Commitment..... | 13 |



Introduction

Accor Management Canada Inc. (business number 84913 1362) and Accor Canada Holdings Inc. (sole shareholder of Accor Management Canada Inc. business number 79645 5517) are publishing this joint statement in compliance with the Fighting Against Forced Labour and Child Labour in Supply Chains Act.

This statement details the steps taken by the corporate group comprising of Accor S.A. (incorporated in France with business registration number 602 036 444) and its worldwide subsidiary undertakings including Accor Management Canada Inc. and Accor Canada Holdings Inc. (thereafter jointly referred to as “Accor Canada”) to mitigate forced labour and child labour in Accor’s business and supply chain during the calendar year of January 2023 to December 2023.

Our Organization

Structure

Organizational structure

Accor is an asset-light world-leading hospitality group operating in 110 countries, offering unique experiences in approximately 5,600 hotels. Accor offers the most diverse brand portfolio of the industry with 45+ hotel brands across all segments, from luxury to economy, as well as entertainment, restaurants & bars, spas, co-working and business services.

Under the leadership of Sébastien Bazin, Accor’s Chairman & CEO and Jean-Jacques Morin, Group Deputy CEO, as of 1st of January 2023, Accor’s operations are now relying on two dedicated divisions: a Premium, Midscale & Economy division and a Luxury & Lifestyle division, both supported by a Group Management Board and a Global Shared Platform delivering expertise and services to both divisions including Digital, Technology and Procurement.

The “Premium, Midscale & Economy” division brings together brands from the Group’s Premium, Midscale and Economy segments and is structured around four regions; Americas, Europe & North Africa; Middle East, Africa Turkey & Asia Pacific; and China. The “Luxury & Lifestyle” division is structured around four brand collections, Raffles & Fairmont; Orient Express; Sofitel, MGallery & Emblems; and Ennismore.



Organizational mandate

Accor manages, operates and franchises hotels and provides hospitality services worldwide. In Canada Accor operates under the entity of Accor Management Canada Inc. and Accor Canada Holdings Inc. Accor is directly involved in the operation of owned and managed hotels while franchise owners and their managers have control over the operations of the franchised estate in accordance with the relevant franchise agreement terms.

Number of employees, both in Canada and outside Canada.

There are more than 300,000 hospitality experts employed under Accor brands worldwide. Of these, 166 are employed by Accor Management Canada Inc.

Supply chains

As part of a global organization, Accor Canada's supply chains cross multiple borders and jurisdictions to source the products and services we need. Accor's supply chain consists of suppliers who sell goods and services to owned, managed and franchised hotels who may purchase goods or services from suppliers carefully selected by the Group. Accor hotel owners may make independent decisions on procurement including whether to purchase through the Accor Group procurement service or from their own suppliers.

Accor Canada hotel owners can buy products and services in two ways.

1. They can use Accor's Corporate Procurement system, which supports international and national contracts for both standardized products and those adapted to local needs. These 'nominated purchases' are made through Accor Management Canada Inc.'s Procurement team in this region.
2. The other option is to buy from their own suppliers ('non-nominated' purchases).

Owned, leased and managed hotels: Accor Management Canada Inc. is directly involved with their operation, but hotel owners have an ability to make independent decisions about whether to use nominated or non-nominated suppliers. Whichever approach they choose, they are contractually obliged to support our Ethics and CSR commitments, including human rights commitments, as part of their purchasing processes.

Franchised hotels: Franchisees and their hotel managers control hotel working conditions and purchasing arrangements, so Accor Management Canada Inc.'s involvement is indirect. However, they must comply with the franchise agreement terms, which include clauses about respecting our Ethics and CSR commitments, including human rights commitments.



Steps to prevent and reduce risks of forced labour and child labour

Steps taken in the previous financial year to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere by the entity or of goods imported into Canada by the entity include:

- Requiring suppliers to have in place policies and procedures for identifying and prohibiting the use of forced labour and/or child labour in their activities and supply chains
- Developing and implementing anti-forced labour and/or -child labour contractual clauses
- Auditing suppliers
- Monitoring suppliers
- Developing and implementing training and awareness materials on forced labour and/or child labour
- Engaging with civil society groups, experts and other stakeholders on the issue of addressing forced labour and/or child labour

Additional information describing the steps taken can be found below:

In 2023, the Group carried out the following actions, detailed in the vigilance plan (please refer to Section 3.5 of Accor's 2023 Universal Registration Document for further details):

- a new human rights policy was defined and disseminated to all Group employees. The human rights policy is also accessible via the Accor website.
- an e-learning training module on human rights was developed and made available to employees.

In 2006, Accor was the first hotel Group to sign a partnership with the NGO ECPAT (End Child Prostitution, Pornography and Trafficking of Children for Sexual Purposes). Through this long-standing partnership, the Group developed its 'We Act Together for Children' (WATCH) program in 2014, which helps hotels identify and respond to cases of child sexual exploitation.

Additionally, building on the groups 'WATCH' training program, in 2022 Accor Canada developed and implemented a mandatory training program for its hotels in Canada to address labour trafficking (forced labour). This training was developed in collaboration with local NGO partners with specialized expertise.

The training is ongoing and has three objectives 1) to raise awareness on the issue of sex and labour trafficking 2) to outline the signs and behaviors for employees to look out for 3) what a colleague should do if they suspect an incidence of sex or labour



trafficking. The training also includes specific leadership and security guidance, with a clear escalation protocol to follow.

Additionally, Accor Canada is a member of 'The Code' (short for The Code of Conduct for the Protection of Children from Sexual Exploitation in Travel and Tourism) which is a multi-stakeholder initiative with the mission to provide awareness, tools and support to the travel and tourism industry to prevent the sexual exploitation of children. This membership is renewed annually, including the calendar year of 2023.

Policies and due diligence processes

The policies and due diligence processes Accor Canada has in place related to forced labour and/or child labour include:

- Embedding responsible business conduct into policies and management systems
- Identifying and assessing adverse impacts in operations, supply chains and business relationships
- Ceasing, preventing or mitigating adverse impacts
- Tracking implementation and results

Additional information describing Accor Canada's policies and due diligence processes in relation to forced labour and child labour can be found below:

Accor Ethics and CSR Charter

Accor's Code of Ethics and Corporate Social Responsibility Charter provides the framework for our approach to responsibility in terms of management ethics, integrity and legal compliance as well as our responsibilities to our employees, society and the environment.

The Charter is publicly available on the following webpage:

<https://group.accor.com/en/group/our-commitments/accor-ethics-and-compliance>.

Accor Human Rights Policy

Accor's Human Rights Policy is part of Accor's commitment to upholding human rights and recognizing their importance and universality. The Policy proceeds from the Accor Code of Ethics and CSR Charter. It is designed to clarify and reaffirm these commitments and also describes what we expect from our business partners. The Accor Human Rights Policy clearly states, among other commitments, that the Group rejects all forms of child labour and forced labour, and upholds the rights of migrant workers.



The Policy is publicly available on the following webpage:
https://group.accor.com/-/media/Corporate/Group/PDF-for-pages/Human-Right/Accor_HUMAN_RIGHTS_POLICY_EN_Sept-2023.pdf

Accor's Responsible Procurement Charter and Hotel Purchasing Guide

Procurement plays a major role in the Group's sustainable development strategy and contributes positively to Accor's performance. The involvement and performance of all the Group's suppliers is therefore essential. Accor's Responsible Procurement Charter therefore reflects Accor's intention to share its principles and commitments with all of its suppliers. It also formalizes Accor's expectations of all the companies with which the Group has direct or indirect business relationships throughout the value chain (suppliers, service providers, subcontractors, etc.).

Accor expects its suppliers to follow and respect the same human rights principles in their activities. As a reminder of these principles and to limit the risks within their supply chain, Accor has published a Purchasing Guide for hotels that includes commitments related to human rights and forced labour. An internal audit has also been carried out to assess the implementation of these principles with the nominated suppliers.

Accor and its employees are also committed to respecting and ensuring respect for these principles. The Charter is therefore the cornerstone of sustainable commercial relationships and is intended to be systematically associated with purchasing or listing contracts.

The Charter is publicly available on the following webpage:
https://group.accor.com/-/media/Corporate/Group/Documents/2023/04/28/Responsible_Procurement_Charter_vEN.pdf

Accor Integrity Line

Employees may, in all circumstances, report any concern, doubt or question about the application of the Charter or Policy to their line manager, the Ethics and CSR correspondents, their Compliance Officer, or the Legal and Talent & Culture departments.

Employees may also use the Accor Integrity Line to report any behavior or situation that infringes upon the commitments of the Charter, the Policy, or any convention or legal or regulatory standard, in accordance with the Group's whistleblowing procedure. This reporting system is available on a website that is accessible 24/7 and offers its content in 29 languages: www.accorintegrity.com. Accor prohibits any and all forms of retaliation against an employee who uses internal whistleblowing measures to express their concerns in good faith.



Forced labour and child labour risks

Accor has identified risks to the best of our knowledge and will continue to strive to identify emerging risks. Risks include:

- The types of products sourced
- The use of outsourced, contracted or subcontracted labour
- The use of migrant labour
- The use of forced labour

Identification of Risks:

- Accor hotels operate under a variety of different business models from owner-operated hotels to franchise hotels. Although Accor has mechanisms in place to mitigate this risk, as outlined in this report, the variation in the organization's business model can result in Accor having less control over a hotel's employment practices or supply chain.
- Accor's supply chains are complex - as part of a global organization, Accor Canada's supply chains cross multiple borders and jurisdictions to source the products and services we need. This exposes the group to local and international human rights risks, including forced and child labour risks.
- Some Accor hotels use temporary workers and sub-contracted employees, particularly in peak periods, in labour-intensive areas such as housekeeping and maintenance. These employees can fall outside Accor's direct influence when it comes to their employment terms, payment arrangements and working conditions.

The Group's risk management system is built around:

- a cross-function and consolidated mapping of major risks, aimed at ensuring that risks identified are part of an appropriate action plan;
- maps specific to a risk or risk category, designed to facilitate the steering of risk mitigation programs by the operating divisions and corporate functions.

Ethics and sustainable development risk map

In connection with the Duty of Vigilance to which Accor is subject, this risk map covers all risks related to human rights, health and safety, protection of the environment, and business ethics. Its results are presented to Accor's Ethics, Compliance & Sustainable Development Committee.

Each risk is rated using two four-tier scales based on its probability and the intensity of its potential impacts (environmental, financial, human, or reputation). The



probability scale takes account of the probability of the risk occurring (by using Verisk Maplecroft country risk indexes) and the number of hotels at the sites exposed. The impact scale takes into account the extent of the negative consequences of the risk and the degree to which Accor would be responsible for these consequences.

In 2022, the Group involved the hotels in the process of assessing risk and identifying risk management measures by sending a questionnaire to all the hotels covering three topics: classification of the six key risks based on their local prevalence, assessment of the relevancy and effectiveness of the rollout of the risk management measures proposed by the Group, and identification of local best practices that could be adopted Group-wide.

Lessons learned from the questionnaires showed that occupational health and safety risks are a priority for hotels (musculoskeletal disorders linked to uncomfortable postures and tasks), followed by discrimination and forced labour risks.

Responses to the questionnaire were used to assess and rank risks in the Group's host countries, and determine which risk management measures have already been implemented and which ones still need to be rolled out. The information gathered will also be used to better target the action plans by region.

Supplier risk map

To meet the Group's commitments, a plan was devised for more effective control over its nominated supplier solutions based on a map of suppliers' environmental, social and ethics risks.

Based on an external mapping developed by consulting firm EY, the Procurement Department assessed the 104 Procurement categories against 16 risks divided into five families (environment, human rights, working conditions, health and safety, and ethics). This new methodology resulted in the classification of the 104 Procurement categories into three risk levels (low risk, high risk and very high risk).

A risk management process was defined enabling specific controls to be triggered at referenced suppliers according to the level of risk identified.

Additional information describing the parts of the entity's activities and supply chains that carry a risk of forced labour or child labour being used, as well as the steps that the entity has taken to assess and manage that risk, can be found below:

Respect of human rights

Accor is extremely attentive to and engaged in defending the human rights of people involved or impacted by the Group's operations throughout the world. To



protect and respect human rights in its business and sphere of influence, Accor applies the internationally recognized principles set out in the following documents:

- United Nations Universal Declaration of Human Rights;
- Declaration and fundamental conventions of the International Labour Organization on fundamental principles and rights at work;
- United Nations Guidelines on Business and Human Rights;
- United Nations Convention on Children's Rights.

Knowledge of and compliance with the law provides an essential framework for the Group's actions. In view of the ethical principles defended by the Group, Accor requires each employee and partner to adopt responsible behavior.

Accor also works with more than 4000 listed suppliers around the world. To assess the risks to which its value chain is exposed, the Group leverages compliance audits and assessments integrating human rights criteria. The Group's alert and reporting mechanisms also make it possible to detect and address any potential malfunctions.

Policies

The Ethics and CSR Charter confirms Accor's commitment to respecting fundamental principles, particularly human rights and the health and safety of individuals. This Charter guides employees on the behaviors to adopt and the actions to take in accordance with the Group's rules. It applies to all employees.

To strengthen its commitments, Accor developed and published a Human Rights Policy in 2023 and is working on deploying it throughout the Group. This Policy clarifies and reaffirms the Group's commitments and defines its expectations with its commercial partners.

The Sustainable Development and Talent & Culture Departments are responsible for the human rights approach taken with employees, customers and communities based on the following commitments:

- preserving the right to freedom of association and collective bargaining;
- rejecting child labour and combating all forms of forced labour;
- respecting and promoting fundamental labour rights;
- fighting against human trafficking and child sexual exploitation;
- combating all forms of harassment;
- combating all forms of discrimination;
- protecting the health and safety of employees and guests;
- respecting the privacy of employees and guests.

These risks are assessed on a country-by-country basis through the mapping carried out as part of the vigilance plan.



Aligned with the Ethics and CSR Charter and the Human Rights Policy, the Responsible Procurement Charter commits suppliers to respect working conditions, workers' rights and the implementation of Accor's commitments to human rights.

Responsible procurement chain

Accor's activity and performance, both financial and nonfinancial, are closely linked to its partners: hotels under management agreements and franchise contracts, and also suppliers.

In terms of procurement, the risk for the Group may relate to the purchase of products or services by head offices or hotels under the Accor brand:

- not from sustainable supply chains;
- provided by suppliers who do not comply with international ethical standards and conventions.

The Procurement Department consequently plays a major role in controlling this risk.

Supplier selection process

Accor's Procurement policies define precisely the controls to be applied when selecting suppliers in order to limit financial, ethical and CSR risks and to contribute to the Group's commitments:

- for head offices: a procurement policy for the Procurement Department and all head office teams, updated in in 2023 in order to reflect the Group's new organization, and extended to all Accor head offices (Sequana and global head offices);
- for hotel procurement: a procurement policy for the Procurement Department's teams for supplier selection and listing, which was introduced in 2020;
- for hotels: a hotel purchasing guide, which was deployed to all hotels in 2023.

An online training program for the purchasing teams on the supplier listing process is scheduled for 2024.

Vigilance plan

Accor has drawn up a Vigilance Plan in accordance with French law no. 2017-399 of 27 March 2017 on the duty of vigilance of parent companies and contractors.

This plan includes vigilance measures to identify risks and prevent serious harm to:

- human rights and fundamental freedoms;
- individual health and safety;



- environmental protection and biodiversity preservation

The Vigilance Plan covers all Accor business activities at all its locations around the world, as well as those of the subcontractors and suppliers with which it has an established business relationship.

Governance

In 2022, governance regarding the duty of vigilance was formalized with the establishment of a Vigilance Committee. This Committee brings together the departments mainly concerned: Procurement, Risks, Talent & Culture, Human Rights, Internal Audit, Sustainable Development, and Security. Governance is led by the Legal and Compliance Department. The Vigilance Committee's mission is to monitor and control the commitments made by the Group with regard to its vigilance obligations. It meets once a month on average. This Committee reports to the Ethics Committee.

Remediation measures

No remediation activities have been taken because no instances of forced or child labour have been identified.

Remediation of loss of income

To date, Accor Canada has not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in our activities and supply chains.

Training

Accor Management Canada Inc. currently provides training to employees. This training is mandatory for some employees, including all hotel General Managers and front-line employees.

Additional information on the training Accor Management Canada Inc. provides to employees on forced labour and child labour can be found below:

In 2006, Accor was the first hotel Group to sign a partnership with the NGO ECPAT (End Child Prostitution, Pornography and Trafficking of Children for Sexual Purposes). Through this long-standing partnership, the Group developed its 'We Act



Together for Children' (WATCH) program in 2014, which helps hotels identify and respond to cases of child sexual exploitation.

In 2022 Accor Management Canada Inc. updated this training, in collaboration with local NGO partners to incorporate training for employees on labour trafficking.

In 2023, Accor developed an online training module on human rights and forced labour to make employees aware of the Group's commitments, enable them to identify at-risk situations, and report them to the appropriate parties.

Assessing effectiveness

Accor Canada has policies and procedures in place to assess its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains. This includes:

- Partnering with an external organization to conduct an independent review or audit of the organization's actions
- Working with suppliers to measure the effectiveness of their actions to address forced labour and child labour, including the tracking of relevant performance indicators

Additional information on how Accor Canada assesses its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains can be found below.

Accor's supplier risk mitigation strategy is progressive. It applies different controls according to whether the category of products or services falls into our Low Risk, High Risk or Very High Risk categories. The level of scrutiny increases as the risk rises.

Differentiated Risk

Suppliers in all categories understand that complying with the principles in Accor's Responsible Procurement Charter is not negotiable and is signed and appended to all nominated contracts. By signing our purchasing contract, they give us the right to monitor and audit their CSR performance.

This plan includes several levels of control:

The commitment of all nominated suppliers by :

- Signing the Responsible Procurement Charter, formalizing the Accor commitments expected from nominated suppliers in terms of ethics, respect for human rights, protection of employee rights, respect for the environment and compliance with applicable laws and regulations, regardless of their



volume of business with Accor and procurement category. This Charter, annexed to the contracts, is a contractual obligation.

- The signature of the contractual clause dedicated to environmental and social obligations in nominating contracts, provides for, in particular, the commitment of referenced suppliers to carry out assessments and/or audits at Accor's request.
- The evaluation of referenced suppliers identified as at 'high' or 'very high' risk and representing a business volume with Accor of more than €30,000 per year, as follows:

The evaluation of referenced suppliers involves an environmental, social and ethical assessment carried out by a third party (EcoVadis) on the basis of a questionnaire specific to the sector's size and sector of activity of suppliers. The CSR performance of nominated suppliers is measured on the basis of the quality of the answers to the questionnaire and analysis of the supporting documents provided.

The audit of nominated suppliers identified as 'very high risk', representing a business volume with Accor over €30,000 per year and with an EcoVadis score of less than 43 out of 100 are subject to an on-site audit by a third party (Intertek or Bureau Veritas depending on the country). This audit is based on six criteria (labour rights, working conditions, health and safety, management system management system, ethics and environment). Depending on the non-conformities identified during the audit, corrective action is requested from the supplier and followed up.

Accor also audits Very High Risk suppliers when there are major changes in the supply chain, such as new production facilities, products or sub-contractors.

In some circumstances, supplier can submit recent audit results. The audit must be no more than 18 months old, conform to international CSR standards and have no critical non-conformities.

All audits are carried out at the supplier's major sites (e.g. factory production lines) and, if possible, when Accor products are being produced.

Additionally, Accor is also rated by external organizations such as Ecovadis to assess the Group's own environmental, social and governance (ESG) performance. In 2023 Accor's Ecovadis scoring was 60/100 in "Labour and Human rights" section and 90/100 in "Responsible Procurement" section.

An Ongoing Commitment

Accor will continue to further develop its existing efforts to prevent human rights abuses and to combat modern slavery and human trafficking across its own



operations and those of its partners. Accor's commitment to addressing human rights issues, including forced labour, child labour and human trafficking is a central part of its Ethics & CSR Charter. As an industry leader, Accor believes in inspiring and encouraging as many as possible to follow its lead – employees, customers, partners and local communities.

This report has been approved by the board of Accor Canada Holdings Inc. and the board of Accor Management Canada Inc. in accordance with the requirements of s.11(4) of the Act.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Name: Denis Klurfeld

Title: Authorized Signatory

Date: May 24, 2024

I have the authority to bind Accor Canada Holdings Inc. and Accor Management Canada Inc.