

MODERN SLAVERY STATEMENT

ABOUT THE REZIDOR HOTEL GROUP

The Rezidor Hotel Group (Rezidor) is one of the most dynamic hotel companies in the world and is a member of the Radisson Hotel Group. Rezidor leases, manages and franchises hotels across Europe, the Middle East & Africa. Rezidor is a company committed to maintaining a high standard of business ethics, honesty and integrity. The following provides an overview of our commitment to human rights and to preventing modern slavery and human trafficking.

GOVERNANCE AND RECOGNITION

Rezidor acknowledges and respects the principles contained in the United Nations Declaration of Human Rights, which are consistent with Rezidor's core values and commitment to be a force for good. Rezidor endeavors to conduct its business operations in a manner that seeks to promote and enhance human rights within its sphere of influence. This commitment is aligned with and supported by its Code of Business Ethics and the principles of the United Nations Global Compact, to which the group is a signatory since 2009.

Since 2010, Rezidor has been recognized as one of the World's Most Ethical Companies by the Ethisphere Institute, an independent think-tank and center of research promoting best practices in corporate ethics and governance.

Our aim is to bring a positive benefit to the communities in which we operate through high quality services, economic growth and employment, environmental protection and community involvement. Our commitment to ethical excellence is our heartbeat, and we are recognized as a trusted global leader when it comes to being a responsible business.

COMMITMENT TO COMBAT MODERN SLAVERY

Rezidor is committed to combatting modern slavery, educating employees and encouraging its partners and the broader business community to take a stand against human trafficking. We operate to high standards

of performance and advocate socially and environmentally sustainable business practices. Our aim is to combat and eliminate any form of modern slavery and operate free of slavery; exploitation of children; and forced, bonded and compulsory labor.

Therefore, Rezidor strives to achieve that:

- Every employee has a worker contract
- No employee is forced to work
- No employee is forced to hand over government issued identification, passports, work permits or bank cards
- No employee is required to pay any worker fees to receive work
- No excessive deductions are made from employees' wages

These expectations include the practices of labor agencies and for outsourced labor suppliers.

OUR BUSINESS AND SUPPLY CHAIN

Team involvement in 'Combatting Modern Slavery' initiative

Various teams across the organization and geographies are involved in Rezidor's anti-slavery and anti-trafficking initiatives. The strategy and follow up is coordinated by the corporate Responsible Business department. The corporate Responsible Business team works closely together with the Procurement team and Human Resources, both centrally and in our geographical areas.

Structure of Supply Chain

Rezidor's supply chain has three types of supplier categories: local, regional and corporate suppliers. Both corporate and regional suppliers are managed by our corporate procurement team, via centralized and regional procurement agreements. These cover an international variety of products and services including operational supplies & equipment, furniture, fixtures & equipment, food, drinks, amenities, linen and cleaning supplies. Local suppliers are managed at hotel level.

GUIDING DOCUMENTS: PRINCIPLES AND POLICIES

Code of Business Ethics

The Company's internal Code of Business Ethics contains rules and guidelines, and serves as a reminder of its policies and commitment to do what is right and ethical for all Rezidor employees. The Code applies to every person who works for us and every one of our companies. It is distributed to all employees. Additionally, all employees are trained in the Code of Business Ethics, its implications and reporting processes. The training is mandatory for all employees and includes a reference to the Rezidor ethics platform.

Supplier Code of Conduct

The Supplier Code of Conduct includes obligations for suppliers and the broader business community to take a stand against human trafficking and modern slavery. The Supplier Code of Conduct supplements the Code of Business Ethics and these principles are the foundation for the minimum standards that suppliers to Rezidor are expected to achieve. It must be adhered to by all suppliers on corporate and regional levels which becomes part of the suppliers' commitment. In 2017 the updated and extended Supplier Code of Conduct, with specific clauses to prevent modern slavery, was communicated to all our suppliers.

Although the local hotel suppliers are required to follow the Rezidor Supplier Code of Conduct, we do not actively register signed Code of Conducts at hotel level.

Human Rights

Rezidor has grouped key human rights and employment principles into two key documents. The Human Rights Policy covers the group's engagement on issues such as ethical business conduct, protection of children's' rights, combating human trafficking and protection of the rights of employees. The Employment Principles covers the group's promises to its employees such as non-discrimination, freedom

of association and development of talent from within. Both policies are made available to all our hotels and employees and complement the Code of Business Ethics and clarify the principles we live and work by in our hotels.

Responsible Business

Rezidor’s ambitious and award-winning Responsible Business program dates to 2001. The Responsible Business policy covers compliance with all applicable legislation regarding labor, health and safety, human rights and the environment, covers operating free of slavery, exploitation of people, forced, bonded and compulsory labor and strives to follow best practices in each of these areas.

OPERATIONAL DUE DILIGENCE

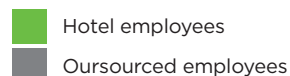
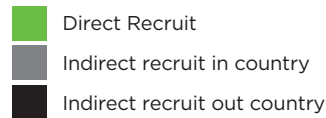
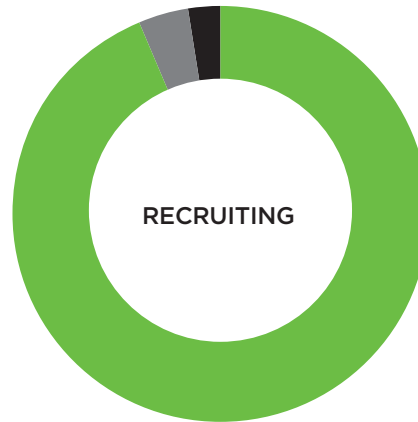
Audits

Every hotel undergoes an internal audit every second year. Elements of the audit include controlling background checks for all positions that are handling cash as a part of their role or in other sensitive positions. The background check must be done by an external company.

Other elements include supplier contract approval, work permits for employees of outsourced companies, reference checks of other partners of the supplier and background checks on outsourced employees in Accounting & Finance, Human Resources, Security, IT, Front Office and Food & Drinks. An outsourced company cannot sub-contract any activities delivered to the hotel without written approval from Rezidor. In 2017, 61% of all our managed and leased hotels were audited.

Responsible Recruitment

6.2% Of employees are recruited indirectly through a recruitment agent and 20.7% of the hotel employees are outsourced. We aim to apply responsible recruitment practices when recruiting outsourced employees. To mitigate the risk of modern slavery and human trafficking, Rezidor started with the creation of a responsible



recruitment framework for our hotels. The Group developed a combatting modern slavery toolkit in support of its responsible recruitment practices. The toolkit provides guidance on how to combat modern slavery and details on how to engage with employees, how to increase awareness of modern slavery amongst employees, how to approach a recruitment agency, and what due diligence to conduct.

It supports the hotel management teams in their efforts to combat modern slavery, especially with outsourced labor. The toolkit has been rolled out to all geographic areas in Europe, Middle East & Africa and all our HR managers have been trained in it. 54% Of the hotels are actively using the toolkit

Self-assessment questionnaire

Rezidor engaged specialized Human Rights consultant Verité to create a hotel self-assessment tool. This self-assessment questionnaire (SAQ) is designed to identify potential gaps and vulnerabilities in business processes of hotel properties and third-party intermediaries that provide services related to the recruitment, selection, hiring, transportation, training, and management of foreign workers that could indicate a risk of forced labor or human trafficking.

As part of the process, the SAQ was tested in 3 of our hotels in the Middle East.

This SAQ is intended to gather information on risks of forced labor and human trafficking that hotels may be facing, and ultimately to help hotels and its third-party intermediaries detect, remediate and mitigate risks of labor abuse.

SUPPLIER DUE DILIGENCE

The products, services and activities of our suppliers may impact Rezidor's reputation, affecting our level of trust with other stakeholders. It is imperative that the Rezidor's suppliers follow the Supplier Code of Conduct and request the same from their supply chain, including third-party labor agencies. The Supplier Code of Conduct outlines the minimum standards that suppliers to Rezidor are expected to achieve.

In addition, we expect our suppliers to comply with the laws and regulations as well as its supplier agreements applicable to operations in the countries and jurisdictions where they conduct business, or deliver goods and/or services.

Risk Mapping in procurement system

For Rezidor to understand and control the business risk of the supply chain, it is using tools to increase supplier visibility.

1. Working group



Rezidor was part of the International Tourism Partnership (ITP) supply chain working group to develop a risk rating tool to get a more complete overview of our supplier risk profile. The rating is performed weighting various criteria of spend, volume, risk, impact, likelihood of success.

2. Supplier questionnaire

The group updated its responsible business supplier questionnaire, aligning it with the updated Supplier Code of Conduct. It includes a rating tool to identify the level of risk management of a supplier.

3. Risk mapping analysis

In 2017 as part of our group supplier due diligence, a risk mapping analysis has been completed to facilitate a breakdown of supplier performance. Rezidor has done the risk mapping of its top 50 suppliers.

Advanced		Rezidor Supplier Risk Rating	
Supplier Risk management practices (supplier questionnaire) ↑	B	A	
	Supplier with low risk product or service and with active of risk management	Supplier with high risk product or service with active involvement risk management	
	C	D = Priority focus for corrective action	
	Supplier with low risk product or service with poor risk management	Supplier with high risk product or service with poor or non-existing risk management	
Poor	Low		Risk rating (risk rating tool)  High

Results of the risk mapping exercise allows a dialogue on responsible supply chain management between Rezidor and its suppliers. It needs to be considered for corrective actions, are used for supplier assessment, evaluation, and will be a discussion point for yearly meetings. In the coming year the mapping tool is anticipated to be integrated in the corporate procurement IT system.

TRAINING

We endeavor to educate and facilitate our employees to make a conscious decision in favor of environmental, ethical and social issues every day in their private and work lives. We train our employees to recognise the risks of modern slavery and human trafficking in our operations. Employees are explained the benefits of strong measures to tackle slavery and human trafficking, as well as the consequences of failing to combat slavery and human trafficking.

Combatting modern slavery training

A training document specifically designed for regional and hotel HR teams is used to increase awareness on the topic of modern slavery. This training is part of the combatting modern slavery toolkit and includes elements of responsible recruitment and use of the toolkit.

Child protection and anti-trafficking

Protecting victims of human trafficking is important. We take a public stand and work to prevent human trafficking and the exploitation of women and children. We ensure all employees are trained in a special Child Protection module. This module is part of our mandatory, classroom-based, Living Responsible Business training. The module includes various case-based scenarios, training employees to identify and report suspicious behaviour and encourages discussion amongst participants on what actions to take.

AWARENESS RAISING PROGRAMS

Best practice in the industry

Rezidor believes that the hospitality industry can be a force for good and make a positive contribution to tackle modern slavery and human trafficking. The Group is a member of the International Tourism Partnership (ITP), which provides a voice for environmental and social responsibility in the industry.

In 2017 ITP and its members announced their collective 2030 targets to impact critical issues. One of the 2030 targets is to raise awareness of human rights, embed human rights into corporate governance, and work collectively in the industry to address risks arising in the labor supply chain and during hotel construction.

Rezidor ethics platform

A cornerstone in the Code of Business Ethics implementation is www.rezidorethics.com, a website run by an independent third-party organization. Employees can use this site to find information on our Code of Business Ethics and report concerns anonymously. Any employee with concerns or questions about the Code is encouraged to raise these directly with their supervisor or person of trust in the hotel or regional organization. If this is not possible, the employee can report the issue online. The site and hotline are available in eleven languages for all employees, outsourced employees and agency workers. From the 74 reports received in 2017, none involved allegations concerning modern slavery.

Violations of our supplier code of conduct

Suppliers are expected to comply with the standards of the Supplier Code of Conduct and with all applicable laws and regulations. In cases where modern slavery, human trafficking, exploitation of children, or forced and compulsory labor is discovered in the supply chain, it needs to be reported to the Rezidor without delay on a specific email address. Rezidor encourages any stakeholder with concerns about the Supplier Code of Conduct and its implementation to discuss this directly with the supplier.

If Rezidor receives such a report, we will ask the supplier to comment and, if necessary, we may request an improvement plan to correct the issue. If the supplier does not act or respond to the report or concern and is not willing to work on correcting the issue, Rezidor may take various measures, including the exclusion of such supplier as a Rezidor Supplier and/or a report to local authorities. However, best practice suggests trying to work with the agency to improve their practice rather than dropping them. Suppliers are requested to notify their employees, and any sub-contractors working for Rezidor, that they may report serious or sensitive concerns or a possible breach of the Supplier Code of Conduct.

FURTHER STEPS

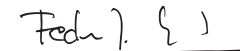
The risks of modern slavery and human trafficking in our operations and in the supply chain need our constant attention. Because of the growth of our operations, we need to continuously monitor and manage our supply chain risk. We will continue to combat modern slavery and human trafficking to minimize and manage the risks and develop better ways to increase visibility in our operations and our supply chain.

In the coming year, we anticipate:

- Continuing the development of tools available to our hotels on the responsible recruitment framework and to conduct risk evaluations of outsourced labor suppliers
- Continuing to encourage the hotel teams use of Combatting Modern Slavery toolkit
- Ongoing supplier engagement and continuing to fully implement supplier evaluation of all corporate suppliers and all high risk and high volume regional suppliers from a Responsible Business, Human Rights and preventing Modern Slavery perspective
- Continuing the risk mapping analysis to include all corporate suppliers and all high risk and high volume regional suppliers
- Continuing the cooperation with other industry partners via the ITP network to identify and share best practices
- Including and updating modern slavery elements in existing manuals, contracts, standards of operation and audits

SIGNED BY BOARD

This annual statement of the full year 2017 was approved by the Board of The Rezidor Hotel Group.



Federico J. Gonzalez
President & CEO