

RADISSON HOSPITALITY AB SLAVERY AND HUMAN TRAFFICKING STATEMENT 2018

ABOUT RADISSON HOSPITALITY AB

Radisson Hospitality AB [formerly Rezidor Hotel Group AB] is a publicly listed company on the Nasdaq Stockholm (Sweden). Radisson Hospitality is one of the largest hotel companies in Europe, the Middle East & Africa (EMEA).

Radisson Hospitality AB is a member of Radisson, the eleventh largest hotel group in the world. Through a master franchise agreement with Radisson Hospitality, Inc. USA – Radisson Hospitality AB operates and develops hotel brands across EMEA including: Radisson Collection, Radisson Blu, Radisson, Radisson RED, and Park Inn by Radisson. Since 2016, Radisson Hospitality AB has also owned 49 percent of prizeotel. Radisson Hospitality also operates the Radisson Rewards loyalty program for frequent hotel guests.

Radisson Hospitality AB operates a portfolio of 486 hotels with more than 107,136 rooms (in operation or under development) in 78 countries across EMEA. Radisson Hospitality AB and its brands employ over 45,000 team members. We have an industry-leading Responsible Business Program and have been named one of the World’s Most Ethical Companies by the US think-tank Ethisphere for nine years.

Radisson Hospitality AB (Radisson) is headquartered in Brussels, Belgium.

GOVERNANCE AND RECOGNITION

Radisson acknowledges and respects the principles contained in the United Nations Declaration of Human Rights. They are consistent with Radisson’s core values and our commitment to be a force for good. Radisson 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, our Code of Business Ethics and the principles of the United Nations Global Compact. The Group has been a signatory to the Global Compact since 2009.

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

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

COMMITMENT TO COMBAT MODERN SLAVERY

Radisson is committed to combatting modern slavery, educating employees on the issue, and encouraging our partners and the broader business community to take a stand against human trafficking. We operate to high standards and advocate socially and environmentally sustainable business practices. Our aim is to combat and eliminate any form of modern slavery and to operate our business without slavery, exploiting children, or forced, bonded, or compulsory labor.

Radisson strives to ensure that:

- Every employee has a worker contract
- No employee is forced to work
- No employee is forced to handover government-issued identification, passports, work permits, or bank cards to a third party

- No employee is required to pay any fees in exchange for work
- No excessive deductions are made from any employee’s wages.

These expectations are applied to the practices of the labor agencies and outsourced labor suppliers that Radisson utilizes.

OUR BUSINESS AND SUPPLY CHAIN

TEAM INVOLVEMENT IN ‘COMBATTING MODERN SLAVERY’ INITIATIVE

Various teams across the organization, and from different countries, are involved in Radisson’s anti-slavery and anti-trafficking initiatives. Strategy and follow-up is coordinated by the corporate Responsible Business department. This team works closely with the Procurement team and Human Resources, both centrally and in the different geographical areas where we operate.

STRUCTURE OF OUR SUPPLY CHAIN

Radisson’s supply chain has three types of supplier categories: local, regional, and corporate. Corporate and regional suppliers are managed by our corporate procurement team, via centralized and regional procurement agreements. These suppliers provide a variety of products and services including operational supplies and equipment, furniture, fixtures and equipment, food, drinks, amenities, linen, and cleaning supplies. Local suppliers are managed at the hotel level.

GUIDING DOCUMENTS: PRINCIPLES AND POLICIES

CODE OF BUSINESS CONDUCT AND ETHICS

Radisson’s internal Code of Conduct and Business Ethics contains rules and guidelines and serves as a reminder to all Radisson employees of our policies and commitment to do what is right and ethical. The Code applies to every person

who works for us, and every one of our companies. It is distributed to all employees. All employees are trained in the Code of Business Conduct and Ethics, its implications, and reporting processes. The training is mandatory for all employees and includes a reference to the Radisson’s ethics platform. In 2018, the Code of Business Conduct and Ethics was updated to conform with the EU’s GDPR regulations and other policies.

SUPPLIER CODE OF CONDUCT

Our Supplier Code of Conduct includes obligations for suppliers and the broader business community. It encourages them to take a stand against human trafficking and modern slavery. The Supplier Code of Conduct supplements the Code of Business Conduct and Ethics. It’s principles represent the minimum standards that Radisson expects its suppliers to achieve. The Supplier Code is signed by all suppliers at the corporate and regional levels and becomes a part of the supplier agreement. In 2018, the Supplier Code of Conduct was updated in line with GDPR and other policies. The updated Supplier Code was communicated to all Radisson suppliers.

Local hotel suppliers are required to follow the Radisson Supplier Code of Conduct. However, we do not actively register which suppliers have signed at the local level.

HUMAN RIGHTS

Radisson has grouped key human rights and employment principles into two documents. Our 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 employee rights. Our Employment Principles cover the Group’s promises to its employees such as non-discrimination, freedom of association, and development

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

RESPONSIBLE BUSINESS

Radisson'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. It requires us to operate without slavery, exploitation of people, or forced, bonded, or compulsory labor. The policy 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 control of background checks for all positions that handle cash as a part of their role, or other sensitive positions. The background check must be done by an external company.

Other elements are checked including supplier contract approval, work permits for employees from outsourced companies, reference checks on other partners of suppliers, and background checks on outsourced employees in Accounting & Finance, Human Resources, Security, IT, Front Office, and Food & Beverage. An outsourced company cannot sub-contract any activities delivered to the hotel without written approval from Radisson. In 2018, 61 percent of our managed and leased hotels have been audited.

RESPONSIBLE RECRUITMENT

Two-percent of employees are recruited indirectly through a recruitment agent and 13 percent (down

from 20.7 percent in 2017) of hotel employees are outsourced. We aim to apply responsible practices when recruiting outsourced employees. To mitigate the risk of modern slavery and human trafficking, Radisson uses a responsible recruitment framework for our hotels. The Group developed a Responsible Recruitment toolkit to support our recruitment practices. The toolkit provides guidance on how to combat modern slavery and details of 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.

The toolkit supports 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, the Middle East, and Africa, and all of our HR managers have received training in how to use it. In 2018, 62 percent (up 8 percent compared to 2017) of our hotels actively used the toolkit.

SELF-ASSESSMENT QUESTIONNAIRE

Radisson engaged the specialized human rights consultancy Verité to create a hotel self-assessment tool in 2017. The self-assessment questionnaire (SAQ) is designed to identify potential gaps and vulnerabilities in the business processes of our hotels. It also assesses the risk of forced labor or human trafficking in the business processes of third-party intermediaries which provide services related to the recruitment, selection, hiring, transportation, training, and management of foreign workers.

As part of its implementation, the SAQ was tested in three of our hotels in the Middle East. Elements of the SAQ have been integrated into the annual Responsible Business status report which is completed by all hotels.

The SAQ is designed 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 to detect, remediate, and mitigate risks of labor abuse.

SUPPLIER DUE DILIGENCE

The products, services, and activities of our suppliers may impact Radisson's reputation, affecting our level of trust with other stakeholders. It is imperative that the Group'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 the Group are expected to achieve.

In addition to compliance with the supplier agreement, we expect our suppliers to comply with the laws and regulations which apply in the countries and jurisdictions where they conduct business or deliver goods and/or services.

RISK MAPPING IN PROCUREMENT SYSTEM

For Radisson to understand and control the business risk to our supply chain, we use a range of tools to increase supplier visibility.

1. Supply chain working group

Radisson was part of the International Tourism Partnership's (ITP) supply chain working group. The working group developed a risk-rating tool which allows hotels to obtain a more complete overview of our supplier risk profile. The rating weights various criteria including spend, volume, risk, impact, and likelihood of success.

2. Supplier questionnaire

The Group updated its responsible business supplier

questionnaire in 2018 to align it with the updated Supplier Code of Conduct. The questionnaire includes a rating tool to identify the supplier's level of risk management and mitigation. Our standard supplier contract terms were also updated in 2018. They now include a clause requesting that suppliers complete the responsible supplier questionnaire and provide reasonable evidence of compliance with Radisson's Supplier Code of Conduct on request. In addition, the Request for Information tendering process was reviewed and updated, allowing the Group to evaluate new and potential suppliers during the first phase of the tender process. This allows Radisson to evaluate the supplier's financial, environmental, and human resource status before signing a contract.

3. Risk mapping analysis

As part of our supplier due diligence, a risk mapping analysis was created in 2017 to enable us to understand supplier performance. In 2018, Radisson risk-mapped the top 50 percent of our corporate suppliers.

The results of the risk mapping exercise allow Radisson to have a dialogue on responsible supply chain management with our suppliers. It can be used for supplier assessment, evaluation, and will be a discussion point in yearly meetings with suppliers. In 2018, the mapping tool was integrated into 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, both in their private and work lives. We train our employees to recognize the risks of modern slavery and human trafficking in our operations. We explain the benefits of strong measures

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to tackle slavery and human trafficking, as well as the consequences of failing to combat these problems.

COMBATTING MODERN SLAVERY TRAINING

A training document, specifically designed for Area and Hotel HR teams, is used to increase awareness of modern slavery. It provides guidance on due diligence processes. This training is part of the Responsible Recruitment Toolkit and includes information on responsible practices and the use of the toolkit.

CHILD PROTECTION AND ANTI-TRAFFICKING

Protecting victims of human trafficking is very important to Radisson. 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 our 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. It encourages discussion amongst participants on what actions to take.

AWARENESS RAISING PROGRAMS

BEST PRACTICE IN THE INDUSTRY

Radisson 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 took a stand on four critical issues which the industry's stakeholders want the hotel sector to address. These issues are articulated in ITP's Goals for 2030. The four Goals set out our vision for how hotel companies can work together on targets for

carbon, water, youth employment, and human rights.

The target on human rights is to raise awareness, embed human rights into corporate governance, and work collectively within the industry to address risks arising in the labor supply chain and during hotel construction.

In 2018, ITP launched its Principles on Forced Labor, moving us closer to our Goal for human rights. The three Principles on Forced Labor are:

- Every worker should have freedom of movement
- No worker should pay for a job
- No worker should be indebted or coerced to work.

RADISSON ETHICS PLATFORM

A cornerstone of our Code of Business Ethics implementation is ethics.radissonhotels.com, a website run by an independent third-party organization. Employees can use this site to find information on our Code of Business Conduct and 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 and can be utilized by all employees, outsourced employees, and agency workers. Of the 61 reports made in in 2018, 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 must be reported to Radisson without delay. A specific

email address is provided for this purpose. The Group encourages any stakeholder with concerns about the Supplier Code of Conduct and its implementation to discuss this directly with the supplier.

If Radisson receives such a report, we will ask the supplier to comment. If necessary, we may request the supplier implement 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, they can be subjected to disciplinary action. This can include termination as a Radisson Supplier, and/or review by local authorities. However, best practice suggests we try to work with the supplier to improve their practices rather than dropping them. Suppliers are requested to notify their employees, and any sub-contractors who work for Radisson, that they may report serious or sensitive concerns, or possible breaches of the Supplier Code of Conduct.

FURTHER STEPS

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

Over the coming year we plan to:

- Continue the development of tools on the responsible recruitment framework and to make them available to our hotels. We will also conduct risk evaluations of suppliers of outsourced labor.
- Continue to encourage hotel teams to use the Responsible Recruitment toolkit

- Include elements of the Self-Assessment Questionnaire in Area HR audits
- Continue supplier engagement and fully implement evaluations for all corporate suppliers, and all high-risk and high-volume regional suppliers to ensure they are complying with our Responsible Business, Human Rights, and preventing Modern Slavery policies.
- Continue the risk mapping analysis to include all corporate suppliers and all high-risk and high-volume regional suppliers
- Continue our cooperation with other industry partners via the ITP network to identify and share best practices
- Include and update modern slavery elements in our existing manuals, contracts, owner International Management Agreements (IMA), standards of operation, and audits
- Deliver a new global Responsible Business training including modules on Human Trafficking and Forced Labor.

SIGNED BY THE BOARD

This annual statement for the full year 2018 was approved by the Board of Radisson Hospitality AB.



Mingju Ma
Chairman