

# Radisson Hospitality AB Slavery and Human Trafficking Statement 2019

## ABOUT RADISSON HOSPITALITY AB

Radisson Hospitality AB (publ) is one of the largest hotel companies in Europe, the Middle East & Africa (EMEA) and a member of Radisson Hotel Group.

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. It also operates the Radisson Rewards loyalty program for frequent hotel guests.

Radisson Hospitality AB features a portfolio of 500 hotels, with more than 108,000 rooms in operation or under development in 79 countries across EMEA. Radisson Hospitality AB and its brands employ 45,500 team members. Radisson Hospitality AB has an industry-leading Responsible Business Program and has been named one of the World's Most Ethical Companies by the US think-tank Ethisphere nine times.

Radisson Hospitality AB is headquartered in Brussels, Belgium.

## GOVERNANCE AND RECOGNITION

At Radisson, we believe that people are our number-one asset. Radisson's culture plays an important role in our business transformation and in our future business success. Radisson acknowledges and respects the principles contained in the United Nations Declaration of Human Rights. They are consistent with Radisson's core beliefs 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 Conduct and Ethics and the principles of the United Nations Global Compact. The Group has been a signatory to the Global Compact since 2009.

For nine years, 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.

## EMPLOYMENT AND EMPLOYABILITY

In 2019, Radisson counted 144 nationalities amongst our employees. Women comprise 43.4 percent of our employees while 56.6 percent are men. Of our total workforce, 12.5 percent is outsourced labor, mainly in housekeeping and banqueting departments. Collective bargaining agreements cover 31 percent of our employees.

## COMMITMENT TO COMBAT MODERN SLAVERY

Radisson is committed to combatting modern slavery and human trafficking, educating employees on the issue, and encouraging our partners, stakeholders and the broader business community to take a stand against slavery and 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, sexual exploitation, exploiting of 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 and include 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

Teams across the organization, and from different countries, are involved in Radisson's antislavery and anti-trafficking initiatives. Strategy and follow-up are 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 staffing, 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 Business Conduct and 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, part of immersion training for new starters in the group, is mandatory for all employees and includes a reference to the Radisson's ethics platform. The Code of Business Conduct and Ethics is conforming with the EU's GDPR regulations and other policies.

## SUPPLIER CODE OF CONDUCT

Radisson's Supplier Code of Conduct contains obligations for suppliers and the broader business community. It requires them to take a stand against modern slavery and human trafficking. The Supplier Code of Conduct supplements the Code of Business Conduct and Ethics. Its principles represent the minimum standards that Radisson expects its suppliers to achieve.

The supplier Code of Conduct prohibits the use of any form of modern slavery, human trafficking, exploitation of children or forced or compulsory labor. All work must be voluntary, and in no case should workers be mandated to relinquish government-issued identification, passports or work permits. Suppliers should ensure that the Employer Pays Principle is applied and that workers are not required to pay any recruitment fees or expenses as a condition of receiving work.

The Supplier Code of Conduct is signed by all suppliers at the corporate and regional levels and becomes a part of the supplier agreement, included in the digital repository module for contract management in the procurement system. The Supplier Code of Conduct is conforming with GDPR and other policies. This process is monitored by the corporate procurement team.

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 is committed to maintaining a high standard of business ethics, honesty and integrity. The key human rights and employment principles are grouped into three documents. Our Human Rights Policy and Human Rights Commitments cover the Group's engagement on issues such as ethical business conduct, protection of children's rights, combating modern slavery and human trafficking, and protection of employee rights.

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Our Employment Principles cover the Group's promises to its employees such as non-discrimination, freedom of association, team member well-being, positive working environment and development of talent from within.

These policy documents 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 2019, 61 percent of our managed and leased hotels have been audited.

## RESPONSIBLE RECRUITMENT

12.3 percent of employees are recruited indirectly through a recruitment agent and 12.5 percent (down from 13 percent in 2018) 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 the responsible recruitment framework. The framework for our hotels includes the use of the Responsible Recruitment toolkit, which support our recruitment practices. The toolkit provides guidance on how to prevent modern slavery and details of how to engage with employees using worker interviews, how to increase awareness of modern slavery amongst employees, how to approach a recruitment agency, and what due diligence to conduct.

The toolkit also supports hotel management teams in their efforts to prevent modern slavery, especially with outsourced labor. The toolkit has been rolled out to all geographic areas in Europe, the Middle East, and Africa. A specific training module on how to use the toolkit has been included in the Leading Responsible Business training for all Head of Departments and General Managers. In 2019, 62 percent (identical compared to 2018) of our hotels actively used the toolkit.

## SELF-ASSESSMENT QUESTIONNAIRE

As part of the Responsible Recruitment Toolkit, Radisson is using a hotel self-assessment created with specialized human rights consultancy Verité. The self-assessment questionnaire (SAQ) allows our hotels to identify potential gaps and vulnerabilities in the recruitment processes. 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. It 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 migrant workers. Elements of the SAQ have been integrated into the annual Responsible Business status report which is mandatory for all hotels.

## SUPPLIER DUE DILIGENCE

Radisson has overarching accountability for the standards of our supply chain, the treatment of our team members and the safety of our guests. 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. 100% Of corporate suppliers recognized our supplier code of conduct.

## 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 and supply chain visibility.

### Supply chain working group

Together with the industry working group of the International Tourism Partnership's (ITP) Radisson 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 geographic risk, industry, spend, volume, workforce risk, resources, impact, and likelihood of success. The framework allows Radisson to prioritize its focus and to address low-level involvement of risk management with suppliers.

### Supplier questionnaire

One of the tools Radisson uses for supplier assessment is the responsible supplier questionnaire. The questionnaire aligns with the Supplier Code of Conduct and is updated annually. The questionnaire includes a rating tool to identify the supplier's level of risk management and mitigation.

Radisson's standard supplier contract terms 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. The provided supplier information is assessed, and non-compliance is discussed with the individual supplier accordingly.

### Tendering process

In addition, the Request for Information (RFI) tendering process was reviewed and updated, allowing the Group to evaluate new and potential suppliers during the first phase of the tender process. The RFI contains multiple criteria, including a set of knock out criteria, allowing Radisson to evaluate the supplier's financial, environmental, and human resource status before signing a contract.

### Risk mapping analysis

Radisson uses a risk mapping analysis as part of our supplier due diligence to enable us to understand supplier performance. In 2019, 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 is used for supplier assessment, evaluation, and will be a discussion point in annual performance meetings with suppliers. First steps have been taken to integrate the risk mapping tool into the corporate procurement IT system allowing capacity building with the existing supplier base.

## 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. The newly updated Responsible Business training program equips the group's hotels in operation with expertise and skills on an array of topics with a special emphasis on roles hotels play in tackling modern day exploitation. We train all our employees to recognize the risks of modern slavery, sexual exploitation and human trafficking in our operations. We explain the benefits of strong measures to tackle slavery and human trafficking, as well as the consequences of failing to combat these problems. Training compliance is measured on an ongoing basis.

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## COMBATTING MODERN SLAVERY TRAINING

A specifically training, designed for Area and Hotel HR teams and recruiters, 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 imperative to Radisson. Through our partnership with ECPAT-USA and as signatory of the Tourism Child Protection Code of Conduct, we take a public stand and work to prevent human trafficking, sexual exploitation and the exploitation of women and children. We ensure all employees are trained in our human trafficking module. This module is part of our mandatory, classroom-based, Living Responsible Business training. The module includes various case-based scenarios of forced labor and sex trafficking, training employees to identify suspicious behavior and how to report forced sexual exploitation to police. 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) and together we work to address challenges, share our expertise and develop practical solutions to enable the whole industry to operate responsibly and grow sustainably.

Every business, wherever they operate, has a corporate responsibility to respect human rights. As part of ITP, we collectively commit to raise awareness of human rights risks, embed human rights into corporate governance, and address risks arising in the labor supply chain and during construction.

Together, we launched the Principles on Forced Labor in 2018 to address human rights risks in the labor supply chain. These state that every worker should have freedom of movement, no worker should pay for a job, and no worker should be indebted or coerced to work. Radisson continues as active member in the work group on the development of human rights.

Under the guidance of International Labor Organization (ILO), funded by the Government of Qatar, in collaboration with International Human Rights and Business (IHRB) members of ITP have participated in the hospitality working group in Qatar, building the capacity of the hospitality sector in Qatar to ensure sustainable growth and decent work. Radisson has been an active participant providing input for guidance tools on due diligence of recruitment practices and by sharing of best practices on specific thematic issues. Learnings from the working group are already applied in the wider scope of Radisson's operations.

## RADISSON ETHICS PLATFORM

A cornerstone of our Code of Business Ethics implementation is [ethics.radissonhotels.com](https://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 is available in eleven languages and can be utilized by all employees, outsourced employees, and agency workers. Of the 53 reports made in in 2019, none involved allegations concerning modern slavery and human trafficking.

## 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 continue to conduct risk evaluations of suppliers of outsourced labor.
- Continue to encourage hotel teams to use the Responsible Recruitment toolkit
- Further develop elements of the Self-Assessment Questionnaire in Area HR audit processes
- Continue supplier engagement and fully implement evaluations and risk mapping analysis 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 our cooperation with other industry partners via the ITP network and the human rights working group to identify and share best practices and participate in projects such as the ILO working group in Qatar
- Include and update modern slavery elements in our existing manuals, contracts, owner International Management Agreements (IMA), standards of operation, and audits

## SIGNED BY THE BOARD

This annual statement for the full financial year 2019 was approved by the Board of Radisson Hospitality AB.



**Mingju Ma**  
Chairman

Radisson Hospitality AB's Slavery and Human Trafficking Statement 2018 can be found [here](#).