



City date.

PwC Report Structure – Transparency Act Account

1. Introduction

This statement has been published in accordance with the requirements of the Norwegian Transparency Act. The document covers the full operations of the Scandic Hotels AS (Scandic), including its subsidiary Scandic Hotels Gardemoen AS (owns 50 % of the shares).

It sets out the steps taken by the Scandic Hotels to continue the work to assess, prevent, and mitigate the risks of modern slavery and human trafficking in its business operations and supply chains, during the period 1st July 2022, ending 31st December 2022.

Who we are

Scandic is the largest nordic hotel operator with a network of about 280 hotels with 58,000 rooms in operation and under development in six countries. Scandic has the largest network of hotels in the Nordic market and a unique offering in the mid-market for leisure and business travelers. Every day, Scandic's guests are welcomed by some 18,600 dedicated team members who every day strive to create fantastic hotel experiences for all.

Governance

Scandic Hotels Group AB holds all the shares in Scandic Hotels Holding AB, who then again owns all the shares in the respective subsidiaries:

- Scandic Hotels AB (Sweden)
- Scandic Hotels Deutschland GmbH (Germany)
- Scandic Hotels Oy (Finland)
- Scandic Hotels A/S (Denmark)
- Scandic Hotels AS (Norway)

Scandic operates according to a model with long-term lease agreements with full responsibility for the brand, hotel operations and distribution. This is the dominant model in the Nordic markets and in Germany. In many other countries, the franchise model where the hotel company controls only the brand while operations are run by a specialised management company or the property owner is more common. And some hotel companies have a fully integrated model where the property owner is also responsible for operations as well as the offering and brand.

Value proposition

With the help of our Nordic spirit, corporate culture, and way of doing things, we'll be the best hotel company we can be. World class for us isn't about five stars, but about delivering an



appreciated experience every day, both on stage and behind the scenes, for our guests, customers, team members and owners.

The foundation of the culture that characterizes Scandic was established 60 years ago. Today, all Scandic team members incorporate the values Be Caring, Be You, Be a Pro and Be Bold in their daily work and relationships.

Our policies and procedures

Scandic aims to be and to be perceived as a responsible partner in society. This includes our initiatives related to safety and security, procurement and suppliers as well as ethical business practices and anti-corruption. It also includes the extensive community involvement initiatives that we have been running at our hotels since 2001.

ANIMAL WELFARE

Promoting animal welfare is important to Scandic. Naturally, we expect suppliers to comply with legislation. But sometimes, we may need to go even further. We are constantly evaluating the various parts of our operations to determine if Scandic's requirements need to be tightened. In 2022, we took a stand on improving animal welfare according to the criteria of the European Chicken Commitment regarding conditions for poultry kept for meat as well as outdoor access. We were also acknowledged for our work to protect animal welfare by being named the most animal-friendly hotel company by animal rights organization Djurens Rätt.

TRAFFICKING & PROSTITUTION

Scandic aims to prevent trafficking and prostitution, which we know may occur at hotels. Among other things, Scandic's team members are offered training courses to help them identify instances of prostitution. In this area, we cooperate with the police and other experts to ensure that our knowledge is up to date.

SAFETY & SECURITY

Scandic is always working to keep its hotels safe and secure. Staff training is an important part of this. Every six months, Scandic carries out crisis management exercises to simulate possible relevant events including extraordinary incidents such as terror attacks and lockdowns. These are run by Scandic's Central Crisis Unit, which follows up on the results in a digital tool. In addition, Scandic also holds obligatory fire safety and evacuation courses as well as first aid training for team members. All hotels have access to emergency help from the Scandic Crisis Call Center, a 24-hour service run by trained security staff. Crisis support can include contact with psychologists and crisis support staff.

PROCUREMENT & SUPPLIERS

Right choices from the start

Scandic's procurement team receives the training and support they need to make the right procurements from the start from a sustainability perspective. For guidance, they can refer to Scandic's general and specific criteria for sustainable procurement. These include guidelines on suitable materials and substances and requirements to always apply the precautionary principle when evaluating materials and substances. During 2022, we added specific guidelines related to the Nordic



Swan Ecolabel's new requirements and updated guidelines for areas including animal welfare and materials such as leather and fur.

In addition to our Sustainable Procurement Guidelines, we have specific documents in a number of areas that also govern our business, hereunder our Sustainable Food & Beverage Guidelines and Food Waste Policy.

Sustainability part of selection process

Sustainability is one of Scandic's basic principles in connection with procurement, and a basic sustainability screening is carried out for each procurement project. This screening includes criteria related to the environment, anti-corruption, human rights and work environment. All suppliers that pass the selection process undertake to adhere to the principles in Scandic's Code of Conduct for Suppliers.

The Code was adopted by Scandic's Board of Directors with the purpose of ensuring that Scandic's operations are conducted in a manner that inspires confidence and complies with legislation and best practices for listed companies. The provisions in this Code constitute the minimum requirements for Scandic's operations. If local, national or international legislation impose more stringent requirements than this Code, these shall be complied with. The policy shall be revised annually or more often if needed. The CFO of the Group is the owner of this Code. The Director Group Procurement has operational responsibility for implementing the Code, in cooperation with the Country Managing Director of each country.

Scandic also regularly carries out risk assessments of the supplier base. If there is uncertainty regarding a supplier, an in-depth investigation is carried out through a self-assessment. If deemed necessary, this may also be followed by an onsite audit of the supplier. All deviations must be addressed in the manner described in a corrective action plan approved by Scandic. Measures to address deviations must be implemented within the agreed time frame for the supplier to remain under contract with Scandic.

BUSINESS ETHICS & ANTI-CORRUPTION

At Scandic, our most important assets are our culture and the common ethics that guide our business. This includes caring about each other, providing fair working conditions and following rules and regulations. To guide us, we have a Code of Conduct, the foundation together with its related policies, (anti-corruption, environmental and diversity & inclusion policy) that every team member at Scandic should be familiar with and live by.

Legal and appropriate behaviour is fundamental to Scandic's relationships with stakeholders and to ensure people trust us. Scandic complies with rules and legislation to prevent, discover and handle all forms of corruption, including extortion, bribery, nepotism, fraud and money laundering. Anti-corruption is part of Scandic's Code of Conduct for team members and Supplier Code of Conduct. One addition to the Code of Conduct is Scandic's Anti-Corruption Policy. Deviations from Scandic's policies can be

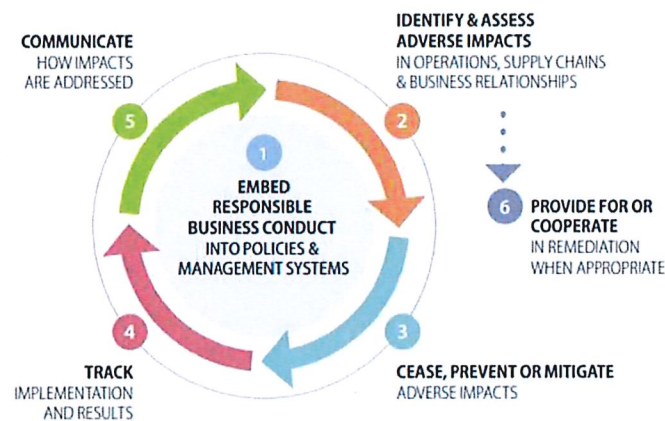


reported anonymously through Scandic's whistleblowing function, which is available both internally and externally.

Scandic always acts in accordance with the national legislation in all of the countries where we operate and takes appropriate measures to prevent the direct or indirect violation of human rights, labor law, environmental law, competition law and anti-corruption law. The Code is based on the UN Global Compact's ten principles covering the areas of human rights, labor, the environment and anti-corruption. The provisions in the Code constitute the minimum requirements for Scandic's operations. If local, national or international legislation impose more stringent requirements than this Code, these shall be followed.

2. Due diligence

Scandic supports the United Nations Guiding Principles /UNGP and OECD guidelines for multinational enterprises' approach to due diligence and recognises the need to have processes in place to identify, prevent, mitigate and account for how the impact on human rights is addressed. It is understood that this is an ongoing activity, as risks may change over time in line with operational changes or external influences.



The Transparency Act requires companies to undertake human rights due diligence in our own operations and in the full supply chain. As a nordic hotel operator offering accommodation for leisure and business travellers, all of our goods and services are acquired in the supplier market.



Own operations

Scandic has assessed the risk of causing or contributing to breaches of human rights and decent working conditions, and considered its own operations as a medium risk business in this context. Most of our employees provide different types of services, such as cleaning, facility management, cooking, and reception services, which inherently are considered as high-risk industries. In addition, we have several white collar employees working, where we consider the risk of breaches being low.

Scandic's operations are affected by seasonality and temporary work peaks, which is why we offer some team members temporary employment and need to hire personnel through staffing companies. At the end of 2022, 40 percent of Scandic's team members had temporary employment contracts.

It is better for both guests and team members when Scandic's team is healthy and and feels good. Scandic regularly monitors physical and psychosocial work environments through safety inspections and dialogues with team members. In addition, Scandic monitors the well-being of team members in employee surveys. The employee survey carried out in 2022 indicate that we need to increase our focus on physical, mental and social well-being. For this reason, in 2023, we will launch initiatives that focus on health and well-being across the company. We also already have a number of initiatives in place to strengthen team members' physical and mental health:

- Leadership development through training in Scandic's leadership compass and value platform.
- Scandic Health Club to spread exercise and food inspiration.
- Training and collaborations to prevent prostitution and human trafficking, drug use and destructive alcohol consumption.

Our business relationships

Our products and services are mainly related to Scandic's Room Collection concept which includes a selection of furnishing and fixtures that we use when building a new Scandic hotel or renovating an existing one. These are products such as wood parquet floor, carpets, closets, desks, beds, textiles, tv and lighting. We also consider providers of food and beverage as our suppliers.

We are aware that there may be significant risk of breaches of human rights and decent working conditions in the supply chain of several of the products listed above. For instance, cotton used in our textiles, even when it is grown organically, requires large quantities of water and chemicals, which again can negatively impact local communities. However, the products are mainly off-the-shelf products and we consider Scandic to be merely directly related to the risks, and not causing or contributing to the risks.

Given Scandic's size and strength, the company can place high demands on suppliers. It is important for Scandic to maintain a continuous dialogue with suppliers to support their development. In special cases, suppliers may make comprehensive changes in their operations to meet Scandic's sustainability requirements.



In addition to any risk that comes with the purchase of products related to the Room Collection concept above, when performing renovations or new builds, we consider that there may be significant risk related to the suppliers used for construction work (such as carpenters, painters, plumbers, electricians etc). Scandic is continuously working on keeping an updated portfolio of suppliers for these purposes. To reduce the risks, suppliers are to be managed through Scandic's supply chain risk management process, which includes risk screening initially performed prior agreement signature as well as adherence to Scandic's guidelines to sustainable procurement and Scandic's Supply Chain Code of Conduct (both documents being an integral part of the supplier agreement). The processes and documentation described in combination with a right for Scandic to audit the supplier reduces risks such as corruption, illicit work, toxic substances used in building material as well as incorrect recycling methods.

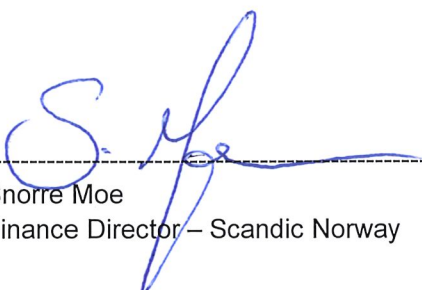
3. Whistleblowing channel and complaint mechanisms

Scandic's team members are encouraged to report on any "censurable conditions" - defined as any violations of applicable laws and regulations, firm policies and commonly approved ethical norms.

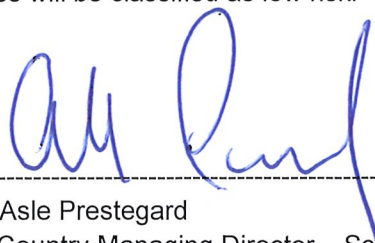
An electronic whistleblower channel has been established and is available for both team members and external parties (whether affiliated or not). Reports can be made anonymously through Scandic's webpage.

4. Our responsible path into the future

The fall of 2023, Scandic will have a deep dive into its suppliers and business partners, and conduct a due diligence with the assistance of a third party. The due diligence builds on the list of high-risk products from the Norwegian Government Agency for Financial Management (DF0) as well as industries in Norway that have defined a set of minimum legal requirements regarding wage and labour rights. These products and services are considered having inherently high risk, and products and services with similar risk profiles will be classified as medium or high risk depending on our knowledge of the industry. Other products and services will be classified as low risk.



Snorre Moe
Finance Director – Scandic Norway



Asle Prestegard
Country Managing Director – Scandic Norway