



TRANSPARENCY ACT STATEMENT 2024

In alignment with the Norwegian Transparency Act, this statement provides an overview of SAS's governance, policies, and procedures pertaining to the safeguarding of human rights and fair working conditions throughout the company's value chain. It outlines our commitment to transparency and accountability, summarizing the risks identified through due diligence assessments and the measures taken to mitigate them. Annually, we share audit findings and actions on our website, complying with the legal obligations of the law, and showcasing our ethical practices and stakeholder well-being.

General information

About SAS

SAS Group ("SAS"), headquartered in Sweden, is the leading airline company in Scandinavia, serving over 124 destinations across Europe, Asia, and the United States. Annually, nearly 30 million passengers choose SAS for their travels. Our core operations encompass airline services through SAS Scandinavia, SAS Connect, SAS Link, and our production partners.

In addition to airline operations, SAS provides cargo services, ground handling, and technical maintenance. SAS Cargo is the leading provider of air freight solutions to, from, and within Scandinavia, offering services based on the cargo capacity of the SAS network and extended by dedicated truck operations.

SAS Ground Handling is a major provider of ground handling services at Copenhagen, Oslo, and Stockholm airports, offering passenger, cargo, and ramp services for SAS and other airlines. SAS Maintenance Production offers technical maintenance for aircraft and engines at six airports in Scandinavia, serving both SAS and other airlines.

Commitment to human rights and decent working conditions

Operating within the aviation sector, which spans globally and involves intricate supply chains, SAS is exposed to potential human rights impacts affecting our workforce, individuals within our supply chain, and communities influenced by our operations.

SAS is committed to upholding human rights and ensuring decent working conditions across all its operations and supply chains. This commitment is embedded in our corporate values and is reflected in our updated policies, such as the whistleblowing policy and the code of conduct. Our approach is aligned with international standards, including the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. This commitment also extends to rigorous due diligence processes, ensuring thorough evaluation and management of human rights risks throughout our business activities.

Governance of human rights and decent working conditions

Responsibilities

Responsibility for human rights and working conditions at SAS is distributed throughout the organization. Group Management, in coordination with the General Counsel, takes charge of compliance measures. Their duties include fostering a culture of compliance, appointing compliance monitors, allocating resources, establishing communication channels, and providing regular



compliance reports to the Board of Directors, while dedicated HR and procurement teams handle day-to-day compliance and due diligence processes.

The Board of Directors regularly reviews policies and oversees overall compliance, as reported by management. They ensure policies maintain relevance and effectiveness in upholding SAS's ethical standards and business integrity.

Policies and governing documents

SAS has implemented a range of policies and governing documents to support human rights and decent working conditions. The SAS Code of Conduct ("CoC") serves as a cornerstone of the company's commitment to ethical conduct and responsible business practices. It sets forth the standards of behaviour expected from SAS and its employees, extending to all subsidiaries and affiliates, regardless of local legislation. In addition to the CoC, SAS has a range of policies aimed at protecting and supporting human rights, combating corruption, discrimination, and all forms of forced labour. We require all SAS suppliers to meet our stringent sustainability and social responsibility standards, adhere to the ethical standards in our Purchasing Policy, and comply with the general terms and conditions of the UN Global Compact, along with other specific sustainability requirements.

Relevant policies and commitments in own operations

- SAS Code of Conduct
- SAS Health and Work Environment policy
- Diversity and Harassment policy
- SAS Group People policy
- Sustainability policy

Relevant policies and commitments in our supply chain

- Supplier Code of Conduct
- Purchasing policy
- General terms and conditions
- Internal Ecovadis evaluation for SAS

SAS is continuously working towards enhancing and improving its codes and policies.

Whistleblowing mechanisms

Our whistleblowing system allows all employees to confidentially report any concerns regarding human rights violations or unethical behaviour. In accordance with the duty to provide information as stipulated in the Norwegian Transparency Act, Section 6, we have established an internal procedure to receive and respond to inquiries from the public regarding how we handle actual and potential negative consequences on human rights. We have measures in place to ensure that all reports are investigated thoroughly and addressed appropriately.

However, ongoing vigilance and responsiveness are essential to maintain the system's credibility and efficiency. We are exploring the possibility to implement the possibility for reporting discrepancies and inconsistencies with our ethical standards for third parties. Encouraging a culture of transparency and accountability is key to ensuring that employees, contractors, or others feel empowered to report incidents without fear of retaliation is an important part of our whistleblowing mechanism.

The whistle-blower function was used on eight occasions throughout 2023, and all cases have been adequately treated and closed.

Due diligence process

SAS conducts thorough due diligence to identify and mitigate risks related to human rights and working conditions. These processes include regular risk assessments, supplier audits, and the implementation of corrective actions when necessary. Our due diligence efforts are continuous and aim to address potential risks in our operations and supply chains proactively.

The assessment process related to this Transparency Act statement was conducted through supervised workshops in May 2024. These workshops adhered to ISO Standard 31000 and were supplemented by the due diligence framework outlined in the OECD guidelines. Additionally, the process was enriched by integrating perspectives from established global risk assessments and insights provided by employees. SAS also engaged third-party consultants to facilitate the risk identification and prioritisation workshops, ensuring a comprehensive approach. Both top-level management and employee representatives actively participated in these workshops.

With regards to the findings from last year's due diligence processes related to Transparency Act compliance, SAS has opted to maintain all the identified risks. This decision does not indicate failed mitigating measures, but rather reflects the inherent nature of risks associated with the aviation business and related services. Additionally, a new risk related to human trafficking aboard the planes has been added to the evaluation, in addition to some identified risks related to suppliers and business partners.

In terms of risk mitigation, SAS employs a risk-based approach tailored to the perceived risk level of each supplier and business partner. While many of our suppliers operate within regulated frameworks within their respective countries, challenges arise when dealing with unregulated suppliers. For instance, textiles or catering services in certain regions, such as Asia, present higher risks for poor working conditions and labour law violations. Conversely, purchasing fuel from a reputable company like BP in Sweden is deemed low risk due to its location. Some products are thus, due to their geographical origin, at a higher risk of having issues pertaining to human rights violations and decent working conditions.

SAS operates globally and acknowledges the complexity of managing supplier well-being across diverse regions. For example, ensuring the welfare of ground handlers in Shanghai involves demanding signed CoC's from all suppliers, which outline general conditions. SAS is currently working on creating a shorter, simpler document to be a contractual requirement for all suppliers, improving clarity and enforceability.

To ensure compliance, SAS conducts on-site audits of high-risk suppliers, such as uniform suppliers in Bangladesh. While regulated suppliers undergo minimal audits, unregulated suppliers receive more scrutiny, evaluated on a case-by-case basis. This approach allows SAS to address potential risks effectively and ensure adherence to ethical standards across its supply chain. Training on SAS's risk-based approach to supply chain due diligence is currently being provided and continuously improved for all members of the procurement team.

Main Findings

From the due diligence described above, an understanding of the risks has emerged. These risks have been evaluated on two fronts: likelihood and severity. Likelihood is categorised as occurring, potentially occurring, or not occurring. Severity ranges from minor to serious to very serious. It is important to distinguish between actual cases and potential ones.



While potential risks have been identified, no actual violations of human rights or labour conditions have been uncovered. Following a thorough assessment, it became evident where the company needs to focus its efforts.

Own Operations

At SAS, our workforce serves as the foundation for all our operations. We firmly believe that our success hinges on the well-being and rights of our employees. With close to 9 500 employees our dedication to upholding decent working conditions, respecting human rights, and fostering a culture of respect and empowerment within our workforce is a top priority. However, operating in exposed environments and high-risk areas of the world we recognise several risks associated with human rights and decent working conditions.

The responsibility for overseeing human rights matters within SAS's own workforce lies with the Board of Directors and top management. They are tasked with setting goals and ambitions for respecting human rights and ensuring that appropriate policies and routines are established. The sustainability department is responsible for the daily follow-up on SAS's human rights efforts. Ultimately, Group Management holds responsibility for these policies, which are reviewed annually. Activities related to human rights are monitored and reported within the organization on a weekly, monthly, quarterly, or annual basis, depending on specific needs. Additional information about our business structure, including details of activities across different departments, can be found in the annual report available on [SAS.no](https://sas.no).

Health, Safety, and Environment (HSE) occupational risks

Safety is a top priority in all SAS operations, extending to our suppliers and prioritizing the well-being of our employees. We adhere strictly to safety procedures, quality standards, and regulations, working on maintaining a culture of continuous learning and improvement with zero tolerance for reckless behaviour or deliberate violations.

Critical to our operations are safe and secure ground handling activities, which ensure our aircraft land and depart on time and that passenger baggage is securely managed. Despite robust safety measures, ground handling remains the area with the highest rate of occupational accidents at SAS, involving crushing injuries, falls, and vehicle-related incidents during baggage handling. In 2023, the number of occupational accidents leading to absence at SAS decreased to 1 from 6 in the previous year, and occupational injuries totalled at 129 across the whole group.

This risk is thus evaluated as occurring and severe, but due to robust HSE measures SAS assesses it as moderate.

Discrimination and harassment

Airborne personnel and maintenance engineers face several risks unique to their roles. For our flight crew, as is common across the aviation industry, there are known risks of discrimination and harassment, particularly from passengers. Additionally, they may encounter violence from passengers and general safety concerns associated with flying. The mental health of airborne personnel is also at risk due to stress, physical confinement, and unruly passengers. However, SAS actively manages these risks through risk analysis and assessment, and dedicated training programs.

Although SAS has recently updated its group policies to address discrimination and harassment, including comprehensive computer-based training for all crew members, the effectiveness of these measures can be hindered by low engagement or comprehension gaps among employees. All crew



members are trained to handle challenging situations professionally and supported by established protocols. Despite our efforts to mitigate internal discrimination and harassment, SAS recognizes that harassment from passengers remains an ongoing risk that could impact our employees' working conditions.

The nature of our operations dictates that airborne personnel will be in contact with passengers, and as such harassment and discrimination will occur, however given comprehensive training for all employees SAS assess this risk as moderate.

Trade Union rights

At SAS, we uphold the right of freedom of association, which is deeply rooted in our company culture. A significant number of our employees are union members, with representation from around 38 different unions. We have established a long-standing tradition of effective communication between management and labour unions.

We have established a long-standing tradition of effective communication between management and labour unions, which is typically conducted at the national level involving unions that have established collective agreements with SAS.

In numerous countries, the ability to form and join labour unions and engage in collective bargaining is often not fully supported, facing legal restrictions or opposition. Operating within a robust Scandinavian regulatory framework that strongly supports trade union rights helps mitigate the risk of union-related issues.

However, maintaining ongoing dialogue with unions remains crucial to sustaining positive labour relations and ensuring compliance with regulatory standards. When there is a conflict between national laws and international standards, SAS commits to adhering to the highest standard.

The probability of SAS violating their employee's freedom of association is very low, yet the invasive consequence of this occurring would be severe. SAS thus assess this risk as moderate.

Supply Chain

As part of the UN Global Compact, SAS is committed to reducing its environmental impact, defending, and promoting human rights, and combating corruption, discrimination, and all forms of forced labour. It is essential that SAS suppliers adhere to these same standards. The integrity of our supply chain is important for our operational efficiency but also crucial for upholding our corporate values and fulfilling our social responsibility commitments. By working closely with our partners and providers we aim to create a supply chain that strengthens and improves the well-being of all those involved.

Collaborating with an extensive network of over 3000 suppliers across various sectors poses unique challenges in maintaining visibility and control over supply chain activities. Our suppliers, including amongst others, a diverse array of categories, including Aircraft and Engine Manufacturers, Airport and Air Navigation Providers, Fuel Suppliers, Catering Suppliers, IT Suppliers, Technical Maintenance Suppliers, Regional Production Partners, and Financial Services. This comprehensive network strategically situates most of our partners in regions where SAS operates its extensive routes, ensuring efficient coordination and delivery. However, the complexity and sheer scale of our supply chains presents risks in terms of varying regulatory environments, cultural differences, and operational practices across different regions.



Inherent to the diverse supply chain in the aviation industry there are several risks related to human rights and working conditions in the supply chain, such as respecting working hours, forced labour, child labour, human trafficking, work-related illnesses, discrimination and harassment, trade union rights, fair living wage. Due to the operational nature of the industry, this may include hazardous working conditions that could cause injuries and fatalities.

Service providers

Specific concerns with service providers in India, and ground handling in high-risk countries.

Service providers engaged by SAS are held to the same ethical standards, Code of Conduct, and required training on harassment and diversity as our full-time employees. As we continue to refine our understanding of how service providers are utilized within SAS, we recognize several key human rights risks associated with their engagement, including fair and just working conditions, protection of health and well-being, prevention of discrimination and harassment, and upholding the right to assembly and freedom of association.

Service providers in India and handling ground operations in high-risk countries pose specific concerns. These regions may have varying labour standards, regulatory requirements, and ethical considerations that could impact SAS's supply chain integrity. Our ongoing priority is to thoroughly map out the deployment of service providers across various work areas and geographical locations, aiming to understand and mitigate these risks effectively.

Due to robust due diligence practices SAS deems this risk as potentially present, but moderate.

Use of wet lease providers

Wet leasing involves an agreement where SAS leases both the aircraft and crew from another company. While these arrangements offer advantages in terms of enhanced capacity and flexibility, we remain vigilant about potential human rights violations and the risk of substandard working conditions that may occur.

SAS mitigates risks associated with wet lease providers by contracting exclusively with EU-regulated providers. However, while challenges such as regulatory changes, operational disruptions, and unforeseen events in EU countries may still impact service delivery and supply chain continuity, it will not impact the adherence to our recognised ethical standards.

By exclusively contracting wet lease providers in a heavily EU regulated market, SAS deems this risk as relatively low.

Service providers of ground handling in India, China, Thailand, and Morocco.

Engagement with service providers in regions such as India, China, Thailand, and Morocco present risks to human rights and decent working conditions related to regulatory compliance, labour practices, and geopolitical factors.

As SAS is continuously conducting thorough due diligence to assess the compliance status, operational capabilities, and reputational risks associated with these partners we consider this risk

to represent a low probability, but with a high degree of severity should it occur. Thus we deem this risk as relatively low.

Product providers

Textiles and uniforms from Bangladesh and electronics from international supply chains.

We are committed to ethical sourcing, but there are some risks associated with the procurement of textiles from Bangladesh used in our uniforms made in Portugal, and electronics from international supply chains. They pose risks related to labour practices, quality control with regards to human rights and decent working conditions. SAS have conducted on-sites visits to the textile supplier in Bangladesh to ensure full compliance all local regulations and standards.

The raw materials used in these products are often sourced from high-risk and less regulated geographical areas, as well as being industries that are highly exposed to violations of human rights and decent working conditions.

Despite thorough and good processes in place to detect any indications of breaches SAS recognises that the risk is present, albeit low, but that the associated consequences are high. As such we assess this risk to be moderate.

Fuel procurement from diverse and potentially high-risk locations.

Fuel procurement from diverse geographic locations exposes SAS to potential risks to human rights violations associated with political instability and environmental concerns.

With continuous monitoring of geopolitical developments, diversification of fuel sources, and engagement with suppliers to address sustainability issues to ensure adherence to our ethical standards we consider this risk to not likely materialise, but should it be the case the consequences could be severe. SAS assess this risk to be moderate.

Complexity and lack of transparency in the supply chain necessitate prioritization of supplier audits.

The complexity and lack of transparency within the supply chain make it challenging to identify and mitigate all risks effectively. Procurement is tasked with prioritizing supplier audits based on geographic risk levels, criticality of products or services, and past performance is essential to gain visibility into potential areas of concern and implement corrective actions.

Increased risk exposure due to lack of transparency and an adequate system solution result in SAS deeming this risk as moderate.

Business partners

Maintenance services and painting

Partnerships for maintenance services and painting operations require stringent oversight to ensure compliance with safety regulations, quality standards, and environmental practices.

Through stringent supplier requirements, current regulatory framework and close monitoring, SAS considers this risk to be low.



Overall risk for the aviation industry

Human trafficking

Operating in the aviation industry, SAS encounters certain inherent risks, among which is the unfortunate possibility of human trafficking. Although the likelihood of such incidents is low, their potential impact on the people involved, and in our operations is significant. We are committed to vigilance in detecting any signs of human trafficking on all our flights. Despite the infrequency of occurrences, the consequences for individuals and communities are profound. To mitigate this risk, we have instituted rigorous employee training programs aimed at identifying and addressing indicators of human trafficking.

Upon identifying suspicious activities related to human trafficking involving a travel agency in Greece, SAS implemented a non-refund policy for all tickets associated with such activities. No other suspicions or incidents of human trafficking has occurred in the reporting period.

The risk of human trafficking at SAS flights is low, but present, and with such high consequences we assess this risk as severe.

Mitigating Measures

SAS has proactively implemented a range of measures to address identified risks and uphold our commitment to human rights and safety. These initiatives include:

Own workforce

- Conducting safety inspections at least once a year to maintain high safety standards across our operations, along with frequent safety meetings with working groups and labour representatives.
- Providing mandatory health and safety training for all new hires and specific roles and positions, coupled with comprehensive training programs for employees on human rights, harassment prevention, and conflict resolution.
- Organizing professional development days with external experts to facilitate discussions on bullying, harassment, and other relevant topics, fostering a culture of respect, inclusivity, and continuous learning.
- Enhancing internal complaint mechanisms and establishing an anonymous whistleblowing system to encourage reporting of any misconduct or violations, with increased communication channels for employees to address grievances and concerns.
- Promoting solid market-based employment terms, involving employee representatives in processes regarding organizational change and bargaining agreements, and implementing supplementary collective agreements with unions to strengthen employee rights and representation.
- Strengthening leadership roles on board, such as the Air Purser, and defining reporting procedures clearly to ensure effective communication and resolution of issues.
- Providing additional capacity to manage roster and crew with local employees, fostering closer relationships and understanding between departments to clarify expectations and improve workflow efficiency.
- Implementing measures to improve working conditions and prevent occupational accidents for 2023, including risk assessments, action plans, and regular follow-up inspections, along with tracking and addressing sick leave and occupational injury statistics.

Suppliers and business partner

Conduct thorough due diligence on contractors before entering into wet-leasing agreements:

- Assess working conditions, wage levels, working hours, safety measures, and approach to human and labour rights of the foreign company.
- Ensure regular follow-up and inspection of working conditions for subcontractors even after an agreement is made.
- SAS is only using EASA-certified and regulated providers.

Include specific commitments in leasing contracts:

- Subcontractors must comply with minimum wage standards.
- Subcontractors must adhere to maximum working hours.
- Subcontractors must meet health and safety standards.

Key measures to identify and address the risk of negative impact on human rights and decent work in our supply chain:

- Contract terms that include Code of Conduct and Supplier Code of Conduct.
- Expectations for suppliers to align their values according to the criteria in the UN Global Compact with regards to human rights.
- Communication and dialogue with relevant stakeholders (labour unions) on identified risks, measures taken, and actions to address them.
- Follow-up and monitor suppliers listed in the sanction list.

Effectiveness of measures in place

Our measures have proven effective in mitigating many of the identified risks, especially through comprehensive training programs for all our employees. Through our policy of only using EASA-certified suppliers, we ensure that SAS adheres to industry standards, and continuous audits and supplier engagement have ensured high compliance levels. However, there is room for improvement in employee engagement and tracking the implementation and effectiveness of measures regarding human rights due diligence.

The way forward

SAS aims to enhance its due diligence processes by integrating human rights risk tracking into enterprise risk management systems, improving digital systems for tracking due diligence activities, and strengthening supplier engagement through expanded training programs.

We will continue to explore various ways to strengthen our efforts and ensure a proactive approach to risk management and stakeholder engagement throughout our value chain.



Stockholm, 27th of August 2024

Board of Directors, SAS Group

DocuSigned by:
Carsten Dilling
Carsten Dilling

DocuSigned by:
Lars-Johan Jarnheimer
Lars-Johan Jarnheimer

DocuSigned by:
Nina Björnstad
Nina Björnstad

Signed by:
Michael Friisdahl
Michael Friisdahl

Signed by:
Henriette Hallberg Thygesen
Henriette Hallberg Thygesen

Signiert von:
Kay Kratky
Kay Kratky

Initial
OSU
Oscar Stege Unger

Signed by:
Kim John Christiansen
Kim John Christiansen

Signed by:
Jens Lippestad
Jens Lippestad

Signed by:
Tommy Nilsson
Tommy Nilsson