

Stockholm, 12 April 2023

Pandox Fair Play
**Environmental
Policy**

This Environmental Policy was adopted by the Board of Directors of Pandox Aktiebolag (publ) (reg. no. 556030-7885) on 12 April 2023.

Purpose and ambition

The purpose of Pandox's Environmental Policy is to establish a common approach among the Company's employees, business partners and other stakeholders based on Pandox's values and ambitions in the area of the environment.

Pandox's goal is to commercially integrate sustainability into its business model. This requires Pandox to continually measure, analyse and manage the environmental impact of the Company's business processes and investments within both Property Management and Operator Activities.

Pandox's ambition is to be proactive, open and constructive in its dialogue with business partners and other stakeholders regarding environmental issues and the opportunities and challenges that these present. It is by working together with business partners and tenants that the greatest value can be created.

Scope and responsibility

Pandox's Environmental Policy applies to all Pandox employees. All employees also have a responsibility to identify situations in the workplace where there are related environmental risks, whatever their department or position. The Environmental Policy is incorporated into the annual Group-wide digital training in the Code of Conduct. The Policy is also appended to all new employment contracts and is included in new employee orientation.

Pandox's Senior Vice President and Director of Sustainable Business is responsible for drawing up the Environmental Policy, for any required updates to it and, together with the respective manager, for its implementation in the organisation. The Policy is adopted annually by Pandox's Board of Directors and is available on the Company's website.

Governance

Pandox works to prevent, detect and remedy all forms of environmental risk. The Purchasing Policy and Maintenance Policy complement this work. The precautionary principle and the substitution principle are guiding principles in decisions with environmental impacts. The Policy is based on the environmental principles of the UN Global Compact (www.unglobalcompact.org) and relevant legislation in the countries where Pandox operates. Everyone involved in Pandox's operations has a responsibility to comply with applicable legislation and with the Company's policies, guidelines and internal procedures.

Pandox has a Sustainability Committee that continually addresses, makes decisions on and is responsible for strategic sustainability and environmental issues and associated opportunities. The Committee consists of representatives of Pandox's management team and experts.

The Senior Vice President and Director of Sustainable Business is responsible for ensuring that sustainability aspects are integrated into Pandox's day-to-day operations, together with the person responsible for the area concerned. The SVP and Director of Sustainable Business also leads a Sustainability Forum along with experts, the property development manager and administrators that drive the green investment programme and BREEAM certification of the properties in Operator Activities.

Guidelines

The focus of Pandox's environmental work is on (1) emissions, energy and water, (2) waste, (3) materials use, (4) chemicals and (5) biodiversity. The goal is to reduce the Company's environmental impact in four stages: reduce demand through behavioural changes; increase resource efficiency in production and distribution; reuse, recover and recycle energy, water and materials; and switch to renewable energy sources wherever applicable. The Company is also to identify opportunities to improve health and wellbeing aspects and enhance the biodiversity of green areas at or directly next to the hotel properties.

To achieve these goals Pandox uses an internally designed environmental management system (EMS) as a framework for delivering reductions in its environmental impact through the following measures:

- Reduction targets for energy, water and waste as part of the green investment programmes for hotels within Operator Activities.
- Improvement measures within the green investment programmes in Operator Activities and annual action plans.
- Monitoring and analysis of performance against targets for both Property Management and Operator Activities.
- Quarterly reviews in which environmental data is checked and validated, then communicated internally to Operator Activities and the management team through the Green Update report.

Pandox applies the following guidelines in its activities:

1. Reduce emissions, energy use and water use

- Monitor and check airborne emissions from Pandox's operations, with a focus on reducing greenhouse gas emissions and preventing air, soil and water pollution.
- Monitor and actively work to use water and energy more resource-efficiently.
- Prioritise the use of renewable energy such as wind, solar, hydroelectric and geothermal energy where possible.
- Install new technology to improve efficiency and monitoring where needed.
- Development of internal governing documents such as travel instructions for guidance on environmental impacts from travel.
- Monitor, analyse and work actively to increase the properties' resilience to physical climate change and related transition risks that affect the Company.

2. Minimise waste

- Monitor and check waste generated from Pandox's operations.

- Enable and make it easier for employees to sort waste at source.
- Prioritise waste management according to the waste hierarchy: reduce, reuse, recycle, energy recovery, landfill.
- Where appropriate, reduce waste from packaging, single-use products and other sources of unnecessary resource use.
- Hazardous waste is to be collected separately from non-hazardous waste, stored properly and be managed by personnel with appropriate certification.

3. Sustainable materials and products

- Work to minimise the environmental impact of materials used for renovating properties by using reused, recycled and renewable materials as far as possible.
- Strive to minimise construction waste and demand for new materials through proactive investment and maintenance strategies, maximising the useful life of existing structures and materials.
- Purchase eco-labelled products where possible and financially reasonable.
- Reduce the use of plastics.

4. Chemicals and hazardous substances

- The use of chemicals and hazardous substances should be kept to an absolute minimum.
- If such chemicals and substances are used, these must be managed, stored and disposed of safely.
- Chemicals and hazardous substances must be stored in suitable containers, clearly labelled and documented in Safety Data Sheets (SDS).
- Minimise and continually aim to reduce the environmental impact of refrigerant use, incorporating, where feasible, the application of free cooling approaches and the substitution of chemical refrigerants with low-impact alternatives.

5. Biodiversity in Operator Activities

- Give consideration to biodiversity when developing the properties in Operator Activities.
- Evaluate BREEAM New Construction certification for all new development projects, BREEAM Refurbishment and Fit-out for major refurbishments and BREEAM In-Use for existing properties that include biodiversity.
- Encourage green spaces such as gardens, grounds or green roofs and walls, carefully selecting plant species and habitat support features for animals to increase the biodiversity of both existing and any newly created green areas.
- Include biodiversity as part of the evaluation prior to major renovations and/or extensions or under the green investment programmes based on the relevant BREEAM methodology and criteria, to ensure that green measures are in line with best practice recommendations and in accordance with local and regional priorities.

Follow-up and compliance

Pandex reports its environmental impact annually as part of the Company's sustainability reporting. If a breach of the policy occurs or is suspected, report the incident to your line manager without delay. If this is not possible, inform your line manager's manager in accordance with the grandfather principle. Incidents or suspected incidents can also be reported via a whistleblowing service. In this case the report can be made anonymously. See Pandex's Whistleblowing Guidelines. The guidelines and the link to the whistleblowing service can be found on Pandex's website.



Reports of potential breaches of the policy will be treated in confidence and investigated in accordance with the appropriate procedure. Pandox will ensure that individuals who report possible breaches in good faith are not subject to repercussions by Pandox as a result of their report.

For more information about Pandox's sustainability work see www.pandox.com/sustainability