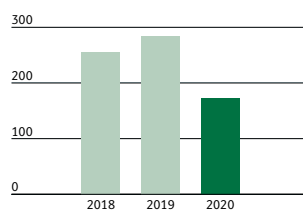# Pandox's sustainability agenda

Pandox has certified its first three hotels according to plan and with a BREEAM rating at level Very Good. Additional nine properties started their certification processes in 2020
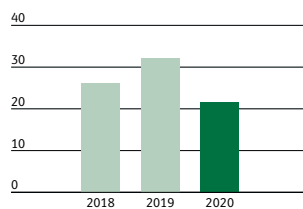
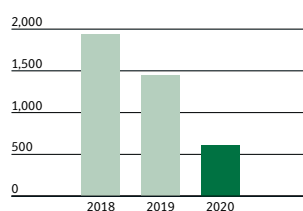82% satisfied guests in Pandox's hotels

81% satisfied employees

Energy consumption within Pandox's Operator Activities, kWh/sqm

CO$_2$ emissions within Pandox's Operator Activities, kg CO$_2$e/sqm

Water consumption within Pandox Operator Activities, l/sqm

Director of Sustainable Business
Pandox's role in a sustainable world

Despite a global pandemic where Pandox was in the eye of the storm, we showed determination during the year in reaching our long-term goal: to offer sustainable hotel properties to our tenants.

As a leading hotel property owner, Pandox has significant opportunities to influence how our properties are renovated, developed and, to some extent, operated in a climate-smart and resource efficient way. This enables us to contribute to the UN Sustainable Development Goals. This is particularly important for us and other businesses in the property industry, because the sector accounts for 36 percent of energy consumption and greenhouse gas emissions in Europe. The energy requirements are expected to escalate unless the transition to greater resource efficiency is speeded up [1].

ORGANISED TO ACCELERATE
To create meaningful results, a greater understanding of these issues is needed within the organisation. A genuine commitment and focus are required from the Board of Directors and executive management. It also calls for an agile organisation that is able to manage and make progress on this using the right expertise, systems and processes.

Since 2018 Pandox has worked in a more structured way with sustainability. Now, we therefore have both the right resources and focus to address issues at an accelerated pace. With reliable data and the right priorities, monitoring processes and communication, we can address the climate challenges in an entirely different way than before.

SUSTAINABILITY AFFECTS EVERYONE
Sustainability directly and indirectly affects all Pandox employees. Examples of this are business ethics, diversity and inclusion in the workplace, human rights, supply chain transparency when contracts are signed, compliance, and awareness of resource effiency and productivity in actions related

to energy and water. This is not about checking a box on a list, but rather an approach that starts and ends with each individual.

THE TAXONOMY
The politicians are increasingly driving sustainability issues. The upcoming EU Taxonomy Regulation is a good example. Pandox will be subject to the taxonomy. In 2020 we invited our largest shareholders for a dialogue and started a process in order to report relevant information in the next Sustainability Report in 2021.

GREEN INVESTMENTS
During the pandemic, when occupancy at Pandox's 156 hotels fell dramatically, the importance of having control and operating properties resource efficiently became even more clear. We are therefore firmly committed to our green investment programme, even though some of the more capital intensive investments have been postponed for one or two quarters. In the properties where the

rollout of our green investment programme has begun, we were able to use climate-smart solutions to adapt energy consumption in real time to match actual needs – a process we will continue in the years ahead.

FOCUS ON GREEN LEASES
Going forward, one of our main priorities will be to sign green leases with our tenants in the Property Management segment. This was put on hold during the pandemic when the focus was on other issues. We need to work together to identify new proactive steps to ensure that our properties and their operation are sustainable and well-equipped for the climate transition, to increase our competitiveness and to promote investments that drive cash flow and provide a good return.

Stockholm, March 2021
Caroline Tivéus

[1] https://ec.europa.eu/info/news/new-rules-greener-and-smarter-buildings-will-increase-quality-life-all-europeans-2019-apr-15 en

Pandox's value chain

Pandox owns 156 hotel properties. Hotels are operated by external hotel operators in 136 of these under leases in the Property Management business segment. This means that Pandox is not responsible for the day-to-day operation of the hotels and has no influence over it. In these cases Pandox only has control over technical maintenance and operation, as well as development, renovations, configuration and extensions. The remaining 20 properties are own operation within the Operator Activities business segment in an integrated collaboration with Property Management. In the Operator Activities segment Pandox has full control over sustainability-related issues, hotel operations, technical maintenance and operation, and developing the properties.
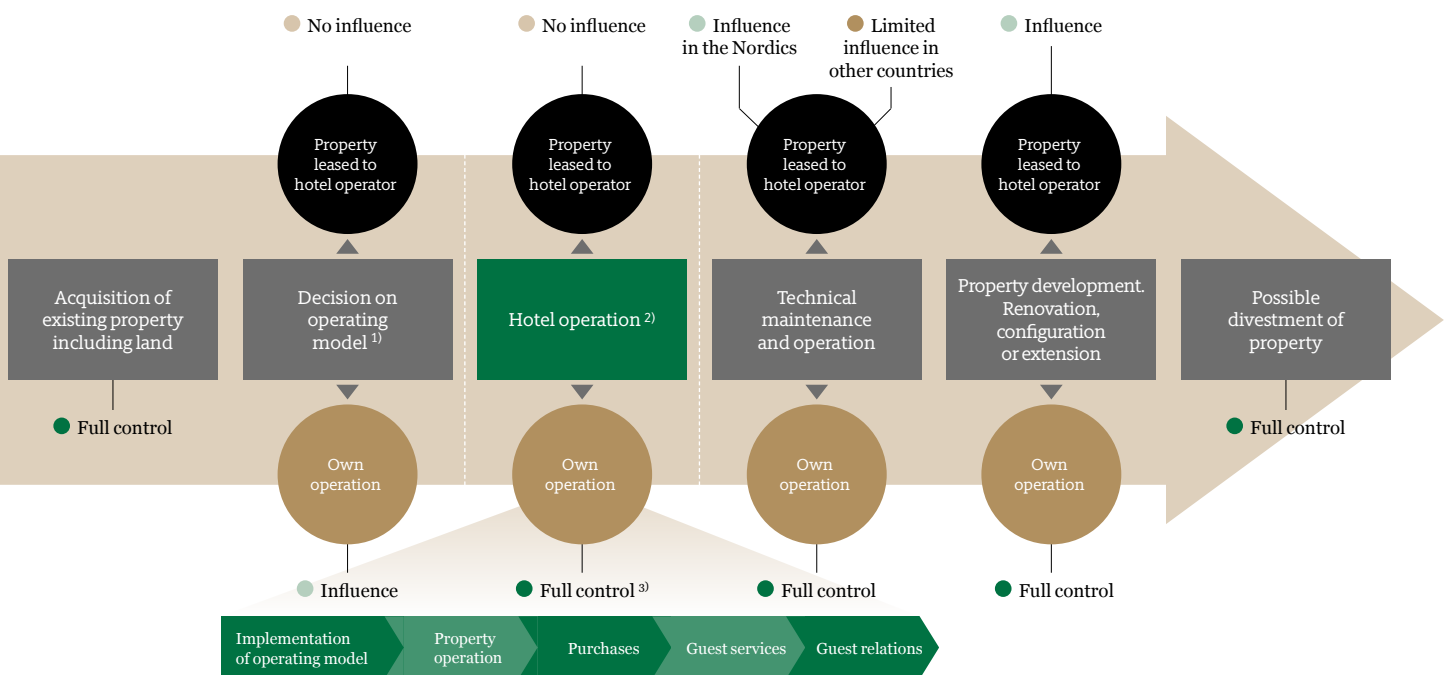
Pandox's influence in the value chain

Pandox's influence on implementation of sustainability measures and on subcontractors engaged:

● Full control   ● Influence   ● Limited influence   ● No influence

1) Pandox uses four operating models: (1) Lease agreement with hotel operator (2) Own operation under management agreement (3) Own operation under franchise agreement (4) Own operation with independent brand. Read more on pages 22–27. If Pandox takes over a property where a lease already exists, Pandox cannot terminate the lease with the existing tenant before the contract term ends.

2) There are many different aspects of operating hotels in which sustainability is an important consideration, for example in property operation, purchasing, food and beverage, waste, cleaning and marketing.

3) Exceptions in the form of management agreements may in a few cases affect Pandox's control.

Responsibility and influence in the value chain

Pandox operates throughout the value chain of a hotel – from acquisition and property development, through both technical maintenance and operating hotels itself, to remodelling, renovation or possibly selling properties. The business is organised in two segments: Property Management and Operator Activities. The ways in which Pandox can pursue sustainability differ between the business segments.

In Property Management, which makes up 84 percent of the property portfolio's market value, responsibility is shared between the hotel operator and Pandox. Pandox's responsibility in property-related matters is set out in the lease with the hotel operator. The hotel operator is in general responsible for operating the hotel, but its responsibility with respect to investing in technical installations varies between the Nordics and other countries. Overall, Pandox has greater responsibility for the properties in the Nordics than in other countries. It is the hotel operator, not the property owner, who is responsible for purchasing electricity, water, heating and cooling for the hotels. From a purely theoretical standpoint, Pandox is therefore limited in its ability to influence which steps are taken to reduce energy and water consumption at the hotel properties operated by Pandox's tenants in the Property Management segment. Pandox's ambition is to influence this by creating joint incentives in green leases. In the Operator Activities segment, which accounts for 16 percent of the market value, Pandox has full control over the property and the operation of the hotel.

Pandox's sustainability targets and strategy

Pandox's ambition to offer its tenants sustainable properties contributes to the UN Sustainable Development Goals, to reduce climate impact from operations and to manage risks related to climate change. These aims also have a positive impact on Pandox's results through investments and new commercial opportunities that drive cash flow.

The targets for this are presented in the section on the Company's focus areas.

The Company's sustainability strategy is based on Pandox's vision and business objectives, its impact on communities in terms of sustainability and climate change, and which issues the stakeholders consider to be important for Pandox to work on.

Current trends and the risks and opportunities identified by the Company are also taken into account.

In 2020 Pandox reviewed its material topics in sustainability, dividing them into five focus areas and linking them to the UN's Sustainable Development Goals. See below.

▶ Pandox's vision, business concept, goals and strategy
  Read more on page 16.

▶ Value chain
  Read more on page 43.

▶ Sustainability risk
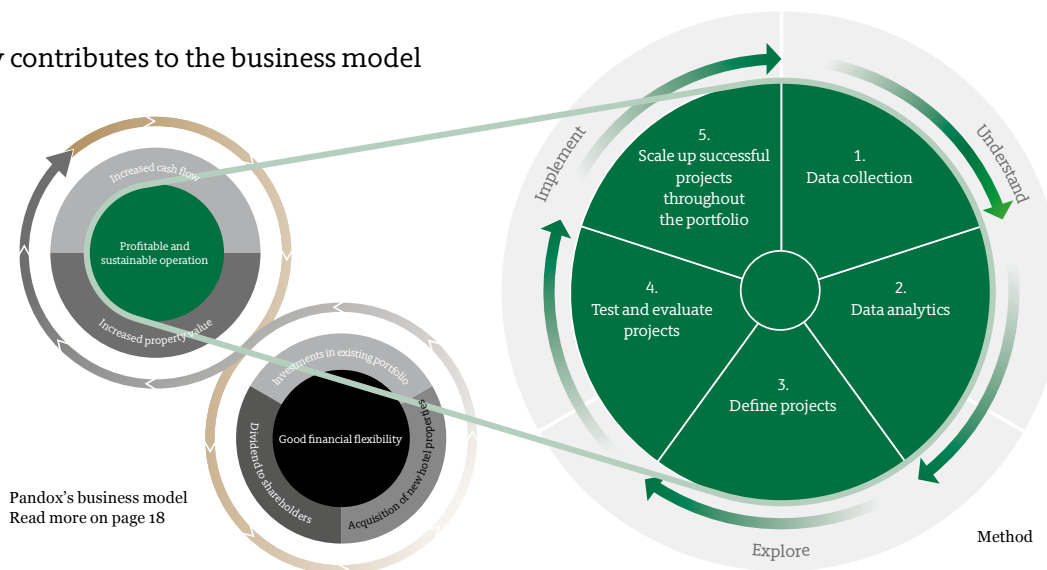 Read more on page 84 .

▶ Stakeholder dialogue and materiality analysis
  Read more on page 147 in Note K2.

Pandox's five sustainability focus areas and material topics contribute to the UN Sustainable Development Goals

1 Environment and climate
- Reduce energy consumption
- Reduce emissions of greenhouse gases and mitigate climate change
- Reduce water consumption
- Reduce the volume of waste and food waste

6 CLEAN WATER AND SANITATION · 7 AFFORDABLE AND CLEAN ENERGY · 8 DECENT WORK AND ECONOMIC GROWTH · 11 SUSTAINABLE CITIES AND COMMUNITIES · 12 RESPONSIBLE CONSUMPTION AND PRODUCTION · 13 CLIMATE ACTION · 15 LIFE ON LAND

2 Responsible and fair business
- Good business ethics and anti-corruption
- Sustainable supply chains
- Zero tolerance for trafficking and prostitution

3 GOOD HEALTH AND WELL-BEING · 4 QUALITY EDUCATION · 5 GENDER EQUALITY · 8 DECENT WORK AND ECONOMIC GROWTH · 10 REDUCED INEQUALITIES · 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

3 Guest satisfaction and safety
- Satisfied guests
- Guest health and safety
- Guest integrity and data security

3 GOOD HEALTH AND WELL-BEING · 8 DECENT WORK AND ECONOMIC GROWTH

4 Attractive and equal workplace
- Attractive workplace that encourages development
- Heath and safety in the workplace
- Fair employment terms and equal rights

3 GOOD HEALTH AND WELL-BEING · 4 QUALITY EDUCATION · 5 GENDER EQUALITY · 8 DECENT WORK AND ECONOMIC GROWTH · 10 REDUCED INEQUALITIES

5 Living local communities
- Support living and safe local communities

4 QUALITY EDUCATION · 10 REDUCED INEQUALITIES · 11 SUSTAINABLE CITIES AND COMMUNITIES

Sustainability contributes to the business model

Pandox's business model
Read more on page 18

Method

Integrated sustainability

Sustainability is integrated into Pandox's business model. There are five focus areas for sustainability with clearly defined activities and targets. The focus areas take into account the fact that the way Pandox can address sustainability differs between the Property Management and Operator Activities business segments. For example in terms of the level of influence Pandox has, depending on standard practices and contract structures.

Pandox's sustainability work aims to promote profitable and sustainable hotel operation using processes based on data collected from the organisation. The data is analysed and used as a basis for the Company to determine which projects are relevant. Pandox's entrepreneurial culture and its size as a leading hotel property company give the Company the speed, flexibility and ability to test and evaluate various pilot projects. This minimises the

risk for taking the wrong decisions. Pandox then has the option to scale up successful projects and apply them to more properties in the portfolio. This enables the Company to ensure that it has the right investment priorities – regardless of whether the focus is on environmental, social or other issues.

▶ Pandox's strategies and business model
Read more on pages 16–18

Climate change and the political agenda

Climate change is high up on the global political agenda today. Politicians are raising standards and introducing new laws and subsidies to speed up the climate transition.

Climate activists such as Greta Thunberg and increased coverage in the media have also resulted in end-consumers and employees starting to expect more from companies. In a survey, one in three responded that it is very important for employers to take action on climate issues. This is a way for companies to develop [1].

Net zero greenhouse gas emissions
In order to meet the goal in the Paris Agreement of keeping the increase in global average temperature below 2 °C, the EU has undertaken to reduce total emissions by 40 percent by 2030, compared with 1990 levels, and to reduce emissions of greenhouse gases (GHG) by 80–95 percent by 2050 [2].

Sweden has adopted a climate policy framework with the long-term goal of net zero GHG emissions by 2045 in order to meet its commitment under the Paris Agreement [3]. As a result, stakeholders are increasing their expectations on listed companies. Many companies have now set

their own targets to reach net zero GHG emissions. Pandox intends to conduct its own analysis of this over the next two years.

Taxonomy
The EU Taxonomy Regulation for sustainable, environmentally sound investments is another example of what the EU is now doing to drive the transition forward. The EU wants to secure financing for sustainable growth and to direct capital towards companies that are working in a structured way on their climate transition.

The Taxonomy will make sustainability a regulated area for the financial sector by introducing a legal definition of what can be called a sustainable investment. Financial market players must report which share of their holdings meet the criteria in the Taxonomy. These criteria are passed on to companies so they can report on this. Resource-efficient and sustainable properties are expected to have a business advantage in terms of potentially lower financing costs. Pandox has started an analysis process in cooperation with PwC in order to report the Company's share of revenue originating from sustainable activities. The aim is to finish the analysis by the end of 2021.

Pandox's support for external initiatives and conventions, and memberships

International conventions and initiatives
- UN Global Compact
- UN SDGs and Agenda 2030
- ILO Declaration on Fundamental Principles and Rights at Work
- UK Modern Slavery Act
- International Bill of Human Rights

Membership in associations, organisations and industry initiatives
- Visita sustainability reference group
- Sweden Green Building Council
- European Public Real Estate Association (EPRA)
- Fastighetsägarna

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[1] Young Professional Attraction Index 2020, Academic Work.

[2] https://www.naturvardsverket.se/Miljoarbete-i-samhallet/Miljoarbete-i-Sverige/Uppdelat-efter-omrade/Klimat/Sveriges-klimatataganden/

[3] https://www.naturvardsverket.se/Miljoarbete-i-samhallet/Miljoarbete-i-Sverige/Uppdelat-efter-omrade/Klimat/Sveriges-klimatlag-och-klimatpolitiska-ramverk/

Focus area
Environment and climate

Pandox's most important contribution to more sustainable growth is in developing profitable green properties and signing green leases with hotel operators. The goal is to create resource efficient properties and ensure resource efficient operation to reduce Pandox's climate footprint while also growing the business.

Pandox's targets and results in the environment and climate focus area

Targets	Who is affected	Outcome 2020	Outcome 2019	Contributes to the UN SDGs
BREEAM certification for buildings with rating Very Good 12 out of a total of 20 properties in Operator Activities no later than 2023 compared with 2020		15% of 20 hotels	Started this year	Targets 6.4, 7.2, 7.3, 8.4, 11.6, 12.4, 12.5, 13.1 and 15.5
Sustainability certification for operation 100% of hotels operated by Pandox, no later than three years after acquisition		100% of 20 hotels	83% of 16 hotels	Targets 6.3, 6.4, 7.2, 7.3, 8.4, 11.6, 12.4, 12.5 and 13.1
80% of external hotel operators' hotel operations no later than 2025 compared with 2018		80% of 136 hotels	69% of 138 hotels	Targets 6.3, 6.4, 7.2, 7.3, 8.4, 11.6, 12.4, 12.5 and 13.1
Use renewable energy In at least 90% of all properties in Operator Activities by the end of 2023, compared with 2019		85% of 20 hotels	80% of 16 hotels	Target 7.2
Install solar panels 30% of all hotels in Operator Activities no later than 2023, compared with 2019. Calculated based on the current 20 hotels		15% of 20 hotels	19% of 16 hotels	Target 7.2
Reduce food waste By an average of 30% per hotel in Operator Activities by beginning of 2023, compared with 2020		Paused due to Covid-19	Implementation started	Targets 8.4, 12.3 and 12.5
Reduce resource consumption Implement Pandox's green investment programme no later than 2023 to reduce energy consumption, carbon emissions and water consumption		For outcome see page 50	For outcome see page 50	Targets 6.4, 7.3, 8.2, 8.4 and 11.6
Sign green leases 1–5 signed leases no later than 2025, compared with 2019		Paused due to Covid-19	–	Targets 6.4, 7.2, 7.3 and 8.4

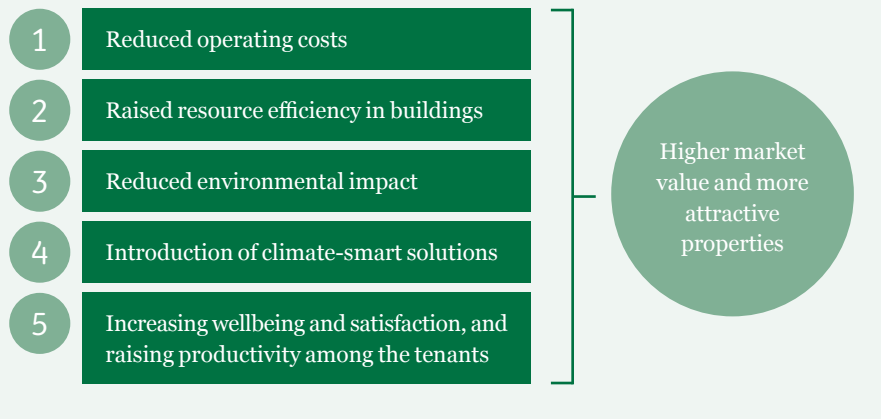Property Management   Operator Activities – hotels operated by Pandox

Environmental certification of properties

Pandox's main environmental impact comes from the properties – primarily from heating and electricity and the use of building materials. Pandox is therefore focusing on various activities to reduce energy and water consumption and to increase resource efficiency in operation, production and distribution. The Company intends to increase its reuse and recycling of energy, water and materials, and to transition to renewable energy sources when this is possible. An important aspect is to certify all 20 buildings in the Operator Activities segment according to BREEAM In-Use, to obtain an independent quality certification for the work done on the properties.

BREEAM is the established standard in Europe for green buildings. The certification process involves assessment and a scoring system in the following areas: energy, transport, water, pollution, waste, health and wellbeing, land use and ecology, materials, innovation and management. Certification is a tool to improve environmental performance by taking steps during construction as well as in management and operation, and is a way to internally increase knowledge of and commitment to environmental efforts. Pandox's goal is to achieve a rating of Very Good.

The aim is to certify 12 of the properties no later than 2023. In 2020 three of four planned properties were certified with a rating of Very Good. They are located in Bremen,

The benefits of BREEAM certification

1. Reduced operating costs
2. Raised resource efficiency in buildings
3. Reduced environmental impact
4. Introduction of climate-smart solutions
5. Increasing wellbeing and satisfaction, and raising productivity among the tenants

→ Higher market value and more attractive properties

Dortmund and London. The fourth property, in Glasgow, was impacted by Covid-19 restrictions and had to postpone the process until the beginning of 2021. The other eight properties have held launch meetings.

All certifications follow the green investment programme to ensure that Pandox will benefit from the relevant BREEAM scores and business benefits in the areas of energy and water. Decisions will be made in 2021 on the remaining eight properties in Operator Activities that are not included in the green investment programme.

It is also important to certify Pandox's properties in the Property Management seg-

ment. Here, however, agreement and co-operation with Pandox's tenants before certification decisions can be made are needed. This requires upgrading of, for example, systems, technical installations and access to operations-related information. It also requires significant involvement by the tenant's personnel to produce the relevant documentation. This is not yet within the boundaries of existing agreement structures. Certification of the pilot project for the extension of Scandic Luleå, which began in 2019, is therefore very significant. The process is expected to be completed in 2021 at the Very Good level for New Construction.

Hotel Indigo Brussels City

ENVIRONMENTAL CERTIFICATION OF HOTEL OPERATIONS
Pandox's ambition is for all of the hotels in Operator Activities to have Green Key certification – unless they already have another environmental certification – within three years of being acquired or operation being transferred. At the end of 2020, 100 (83) percent of the hotels were environmentally certified. Green Key certification is one of the leading standards in environmental

responsibility and sustainable operations in the tourism industry, including hotels.

In Property Management, 80 (69) percent of the tenants' hotels have some form of environmental certification. Examples of certifications used are Green Key, Nordic Swan, ISO 14001 and Green Tourism. Pandox follows up annually on environmental certification and is in discussion with the tenants who do not yet have any certification in place.

◤ Read more in Sustainability Note K8

! Reduction of GHG emissions* in 2020 equivalent to

380
return flights

Stockholm–Montreal for one person.**

* Scope 1 and 2.
** One return flight Stockholm–Montreal for one person in economy class = 1,917 kg CO_2e (Source: klimatsmartsemester.se).

! Reduction of energy consumption in 2020 equivalent to

38 million
hours of TV watching

in a hotel room.*

* A 42" plasma TV uses 0.350 kWh per hour.

Reduced climate impact

GREEN ELECTRICITY

Pandox is working towards a long-term goal to increase the use of renewable energy sources as part of the Company's objective of offering green properties. In 2020, 77 (87) percent of the total of 114 (95) hotels reporting data to Pandox used some form of renewable energy, such as electricity from wind or hydro power. In Property Management the corresponding figure was 76 (89) percent. Data collected for 2020 covers more hotels in the property portfolio that do not use renewable energy.

In Operator Activities the percentage for renewable energy was 85 (80) percent. Holiday Inn Lübeck converted to green electricity during the year. Radisson Blu Glasgow also signed a green electricity contract that will go

Solar panels at Holiday Inn Brussels Airport

into effect in the first quarter of 2021. Pandox also acquired four hotels without green electricity contracts in 2019. Two of the hotels converted to green electricity in 2020 and two have signed contracts that starts in Q1 2021. As of the date of publication of the Annual Report 90 percent of properties in Operator Activities were using green electricity.

In some hotels Pandox has no influence over the choice of energy source. This is the case for Hilton Garden Inn London Heathrow Airport, where the building is not connected to the national grid but instead obtains electricity via Heathrow Airport.

SOLAR PANELS

When the conditions are good, Pandox installs solar panels or solar heating units on the roof of buildings in the Company's Operator Activities segment. This is often done in connection with a planned renovation of the roof and building. However, not all buildings are suitable for solar panels due to the slope of the roof, access to solar radiation etc. The goal is for 30 percent of the hotels in Pandox's Operator Activities segment to have solar panels on their roofs no later than 2023. Solar panels will be installed at the Hilton Brussels Grand Place, Holiday Inn Lübeck and Hilton Garden Inn London Heathrow Airport.

REDUCED GHG EMISSIONS

For Pandox it is important to learn more about GHG emissions happening upstream in the value chain and that the Company is

indirectly responsible for. A first step in this process was the implementation of a, so-called, spend analysis of supplier ledgers for 2020. The Company's most significant Scope 3 emissions upstream in the value chain come from purchased goods, materials and services (mainly in connection with refurbished properties). Pandox is aiming to refine its analysis of emissions in Scope 3 in the years ahead.

Downstream in the value chain there are emissions from tenants operating hotels, which is the largest emissions category. In 2020 Pandox managed to gather emissions data in Scope 3 from more tenants than in previous years, but the process is continuing in order to include all of them and to increase awareness of the issue among tenants.

Business travel is business critical for Pandox in order to develop its properties, analyse market trends and monitor the competition. Pandox has travel instructions in the handbook for head office employees encouraging them to choose alternatives to air travel when it is feasible. Pandox also uses digital meeting services such as Zoom and Teams to increase the number of digital meetings. In 2020 the number of kilometres flown decreased by 65 percent and train journeys by 25 percent, mainly due to travel restrictions in the wake of Covid-19.

The Company's total carbon offsets amounted to 35 (97) metric tons of CO_2e emissions through a solar energy project in India. The project has Gold Standard certification.

Water consumption

Water shortage is an accelerating problem in some parts of the world. There are also areas in Europe that are classified as water-stressed, i.e. where the amount of fresh water is no longer sufficient to meet the needs of society. Pandox uses water in water-stressed areas, including London and Brussels.

Pandox is aiming to reduce its water consumption by installing water-saving equipment and changing employee and guest behaviour around water consumption. Today the majority of the hotels in Operator Activities are involving guests in this effort by informing them of the hotel's ambition to reduce water consumption. The hotels are, for example, asking the guests to hang up their towel if they are fine using it again. They are also encouraging guests to limit

the length of showers and water running in water taps.

In 2020 Pandox continued the implementation of a metering system for water consumption at hotels in Operator Activities. Any leaks or deviations from the normal daily water consumption are registered in real time, making it possible to quickly identify

> ! Reduction of water consumption in 2020 equivalent to
>
> **1.7 million**
> ● filled bathtubs.*
>
> * A filled bathtub holds around 150 litres of water.

and remedy problems such as leaks by responding to an alert. A total of 10 (6) of the 20 (16) hotels operated by Pandox currently have relevant leakage detecting systems. They are located in, for example, Brussels and London. Once rollout of the green investment programme is complete in 2023, all 12 hotels in Operator Activities involved in the programme will have systems in place to identify leaks, including meters to manage water consumption more precisely. Shower heads and faucet nozzles that reduce water consumption without compromising guest comfort are also being installed.

Waste

By setting clear targets, Pandox aims to constantly reduce the volume of waste in operations. In 2020 Pandox generated 1,5 (4,0) metric tons of hazardous waste in the form of IT equipment and batteries etc., and 1,276 (3,528) metric tons of non-hazardous waste such as domestic waste, paper and plastic in Operator Activities. 540 (1,699) metric tons of waste was recycled.

In order to set relevant targets for each property in Operator Activities, each property need to undergo a review taking into account national laws and practices, and the situation of the individual properties. Pandox launched a pilot project at Crowne Plaza Brussels – Le Palace in 2020. This will result in a plan

including clear waste reduction targets. The plan will be implemented in 2021. A similar waste analysis will be conducted for all hotels operated by Pandox no later than 2022 to set targets for each hotel which will be aggregated into a Group-wide target.

On 1 January 2020 Pandox started to phase out all plastic bottles in guest rooms and restaurants at all hotels within Operator Activities, aiming to complete this process in 2021. The use of glass bottles will be encouraged instead. Crowne Plaza Brussels – Le Palace has water stations for guests in the corridors. At Hotel Indigo more than 15,000 plastic bottles were replaced with glass bottles during the year.

Chemicals

Chemicals are mainly used in hotel cleaning in Operator Activities. Pandox is aiming to reduce the amount of harmful chemicals as they not only have a negative impact on the environment, but also on employee health and the work environment.

In 2020 Holiday Inn Brussels Airport and The Hotel, Brussels started using an entirely water-based solution combined with high-tech microfibre mops and cloths to clean hotel rooms, while maintaining at least the same high quality as before. This means that chemicals are only needed to clean toilets, resulting in a significant reduction in the amount of chemicals used for cleaning.
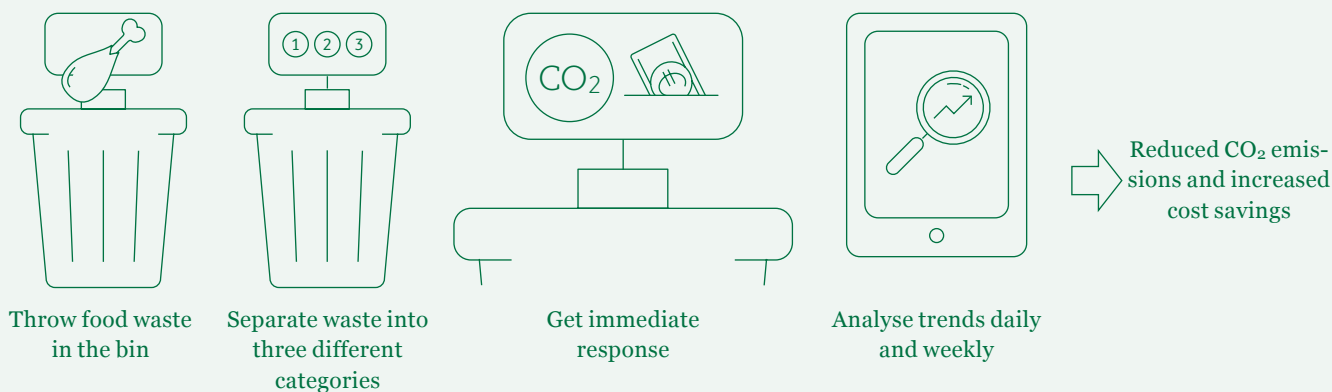

Reduce food waste

On average food waste represents 4–12 percent of a hotel company's food costs [1]. To reduce food waste, Pandox implemented a pilot project in 2019 with Radisson Blu Hotel, Dortmund, Crowne Plaza Brussels – Le Palace and The Hotel, Brussels, in cooperation with food tech company Winnow. Categorising and registering all food that is thrown away provides a better understanding of overproduction and improved purchase planning. Measured as a percentage of sales revenue, costs were reduced by just over 40 percent on average, due to less waste from costly ingredients and reduced production of low-demand buffet items.

The plan was to roll out the project at the majority of the hotels in Pandox's Operator Activities segment in 2020, aiming to reduce food waste by an average of 30 percent per hotel by the end of 2023. Due to Covid-19 the project has been postponed until occupancy resumes to normal levels, since the project is based on volumes. Winnow's new artificial intelligence solution will be used in the rollout. This involves a computer and camera automatically scanning and categorising all food that is thrown away.

[1] According to analysis conducted by Winnow.

Pandox is reducing food waste in cooperation with food tech company Winnow

Throw food waste in the bin

Separate waste into three different categories

Get immediate response

Analyse trends daily and weekly

Reduced CO_2 emissions and increased cost savings

The greatest potential for savings is reducing overproduction of food. Through a simple system the employees are made aware of how behavioural changes can reduce the climate footprint and at the same time reduce costs.

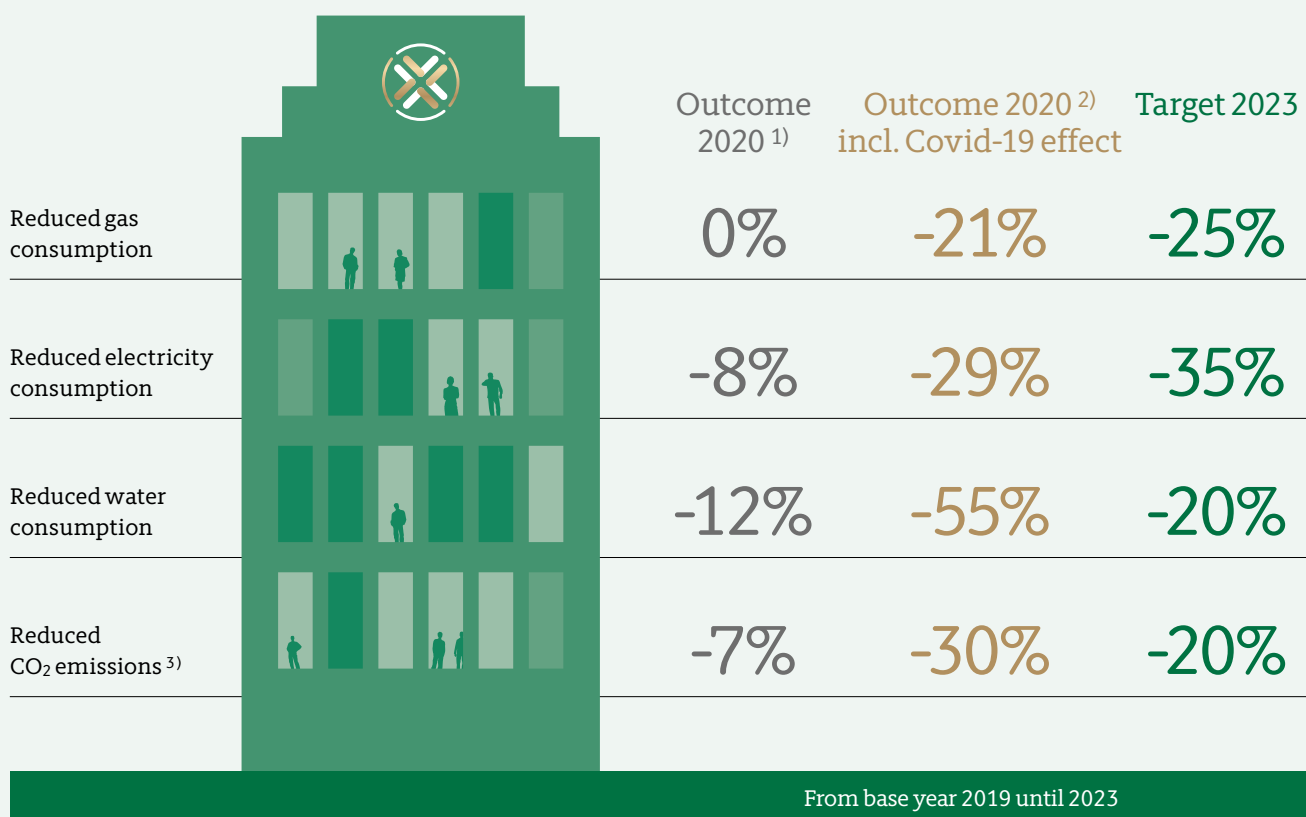# Pandox's green investment programme

As Pandox only acquires and owns buildings that already exist and that are often older, there is significant potential and responsibility to develop and renovate the properties to make them more resource efficient. Pandox therefore introduced a green investment programme in 2019 for the years 2020–2023. The timeframe has not been appreciably impacted by Covid-19. However, the capital-intensive investments have been postponed for one or two quarters and consequently the significant savings effect will not be evident until 2021. The programme includes 12 of Pandox's 20 properties in Operator Activities. They are located in Germany, Belgium, England and Finland. The programme

is focusing on measures to reduce energy and water consumption, and on technical installations such as building monitoring systems with integrated submeters. At the end of the year, 58 percent of the hotels had building monitoring systems installed and all had submeters. The aim is for all to have building monitoring systems in place before end of 2021. It is also important to generate engagement and awareness in this area among hotel general managers so that the programme receives the necessary attention – especially among those in charge of technical systems – to achieve successful outcomes. This includes educating these individuals in how to manage the new systems, how to monitor consumption on a daily basis

and how to adapt the system to actual needs. The investment amount is around MSEK 80 and the average return is expected to be around 20 percent.

Through the green investment programme Pandox can work proactively on the technology in the properties, increase resource efficiency and reduce energy and water consumption. This provides significant cost savings and allows Group targets to be set for water and energy consumption. The investments are also helping to increase guest comfort through better control over heating, ventilation and cooling systems. The target for 2021 is to include the remaining eight hotels in Operator Activities in the programme.

Hotels operated by Pandox

	Outcome 2020 [1]	Outcome 2020 [2] incl. Covid-19 effect	Target 2023
Reduced gas consumption	0%	-21%	-25%
Reduced electricity consumption	-8%	-29%	-35%
Reduced water consumption	-12%	-55%	-20%
Reduced CO_2 emissions [3]	-7%	-30%	-20%

From base year 2019 until 2023

[1] The capital-intensive investments began at the beginning of 2021, which means the substantial savings will not be realised until later in 2021.

[2] The dramatic reduction in occupancy has affected the figures for 2020.

[3] The lower emissions reduction compared to the reduced use of electricity is due to the fact that the majority of the properties transitioned to green electricity in 2017 and 2018.

Property inspections

Pandox carries out annual internal product and lease inspections within Property Management. The purpose is to ensure that the properties are in good condition and tenants are meeting their commitments. The inspections lead to direct actions and form a basis for contract negotiations. A total of 69 (80) such inspections were performed in 2020.

Pandox also performs construction engineering evaluations on a regular basis to check on the condition and functioning of the buildings. This is particularly important in connection with planned refurbishment, extensions or development. In 2020 a new digital project system was launched in which project managers for each new project provide information on whether the project includes green actions that are considered to reduce carbon emissions, such as in the choice of building materials, installation of LED lights and solar panels. The goal is to be better able to measure the results of actions taken.

A construction engineering survey of the property is also performed in connection with acquisitions, based on functions and regulatory requirements, but also focusing on environmental risks such as contaminated land.

In addition, Pandox's insurance brokers perform annual risk assessments of 10 percent of Pandox's properties focusing on the risk of fire or property damage. Starting in 2020 this assessment includes risks caused by climate change, such as a building's exposure to floods, heavy rainfall, earthquakes, heatwaves etc.

Green leases

To achieve Pandox's goal of offering its tenants green buildings, it is important to increase awareness of and engagement in environmental and climate efforts – both among employees and tenants. One important objective is to have green leases with tenants in place. The aim is to create joint incentives to reduce the climate impact of properties and operations, because working together is critical to achieve the best outcomes. The long-term goal is to enter into green leases with all business partners.

The started dialogue had to be postponed due to the ongoing pandemic in 2020. Pandox hopes to be able to resume this dialogue in 2021, alternatively when existing agreements are to be renegotiated.

Energy saving projects in Property Management

In 2020 many planned projects that included energy saving actions within Property Management had to be postponed due to Covid-19. An example of a project that was implemented is the extensive upgrade of ventilation at Scandic Alexandra in the city of Molde. There were numerous separate ventilation units in the building with no heat recovery system. A total of five new heat recovery units were installed to the ventilation system with an expected yearly saving of around 150,000 kWh. Other ventilation units were fitted with frequency control to match operation to actual needs more efficiently. These are now also equipped with heat recovery. New control and regulation equipment was also installed to optimise operation.

At Scandic Malmen in Stockholm the lighting environment was updated by replacing the lighting on the entrance level in the lobby, restaurant and bar with LED lighting. Pandox invested in light fittings and Scandic invested in lighting control systems. The new lighting is expected to provide an annual reduction in electricity consumption of 50,000 kWh, which is around 4 percent of the total consumption.

At Scandic Segevång in Malmö 63 bathrooms have been renovated to provide an estimated reduction in consumption of around 2 million litres of water annually, which is around 15 percent of the hotel's total water consumption. In addition, energy consumption is expected to be reduced by around 4,000 kWh due to more efficient lighting in the bathrooms.

Skyline Airport Hotel at Helsinki Airport underwent a renovation of all 214 rooms during the year. All lighting in hotel rooms, bathrooms and corridors were replaced with LED, and savings of around 85,000 kWh per year are expected. Taps and toilets were replaced with low-flow solutions and this is expected to save around 7 million litres of water per year.

Clarion Collection Hotel Arcticus in the city of Harstad has been one of Pandox's smaller hotels for many years, but has been extended with 37 new rooms. The extension has its own heat recovery ventilation unit, which will reduce the amount of energy purchased as heat from exhaust air will be used instead of being expelled. The unit is linked to the existing control and regulation system for optimal monitoring and control. All lighting installed is LED and the corridors are equipped with motion sensors to provide effective and pleasant lighting for the guests. To obtain a better indoor environment, external sun protection has been installed on the facades.

A comprehensive renovation of hotel rooms and bathrooms and a technology upgrade at NH Bloom in Brussels began in 2020. Around 50 percent of the renovations are complete and are providing both water and electricity savings. Activities that will have a significant impact on energy and water consumption will be implemented in 2021. They include a new cooling system with more efficient pumps, new control equipment for hotel rooms and a new cogeneration unit.

Room and bathroom renovations at NH München Airport, NH Frankfurt Airport and NH Salzburg were put on hold in the second quarter but will continue according to an updated plan in 2021/2022. The renovated rooms and bathrooms are equipped with LED lighting and water-reduction solutions, such as low-flow faucets, shower heads and toilets.

◢ For data on energy consumption, water consumption, waste generated and GHG emissions, see the Sustainability Notes K4, K5, K6 and K7.

Scandic Malmen, Stockholm.

Focus area
Responsible and fair business

As a leading hotel property company, Pandox wants to act responsibly and decently in all business relationships. The Company intends to be a long-term and reliable partner and to take steps to mitigate the risk of corruption and violation of human rights that exists in the industry.

Pandox's targets and results in the responsible and fair business focus area

Targets	Who is affected	Outcome 2020	Outcome 2019	Contributes to the UN SDGs
Every year ensure that 100% of the Group's employees have completed Pandox's Code of Conduct training		91%	83%	Targets 3.4, 4.4, 4.5, 5.1, 5.5, 8.5, 8.7, 8.8, 10.2 and 16.5
No form of prostitution or sexual abuse is to occur in our organisation		1 case	0 cases	Target 8.7
Zero tolerance for corruption in Pandox's own operations and in the supply chain		2 cases	0 cases	Target 16.5

Pandox (Property Management + Operator Activities + head office)

Business ethics and anti-corruption

Pandox's Anti-Corruption Policy and Code of Conduct for employees form the basis for good business ethics and compliance with laws and practices. Ongoing training is also needed to ensure compliance with the Policy and Code. Pandox therefore has a target for all employees to conduct the Company's digital Code of Conduct course. In 2020, 91 (83) percent of the employees completed the course.

As Pandox has operations in the British market, the Company is also subject to one of the world's strictest anti-bribery laws, the UK Bribery Act, which is an extraterritorial law and therefore covers all markets where Pandox is active.

Pandox has zero tolerance for corruption, as is clearly stated in the Anti-Corruption Policy. During the year all employees who

are in the risk group for exposure to corruption at hotels within Pandox's Operator Activities segment completed an advanced digital course in anti-corruption. If there is the slightest indication or suspicion of corruption, employees are to consult with their manager or manager's manager.

Two cases of corruption were reported; one was an employee who used its position in a supplier relationship for private purposes and the other was a supplier who offered services privately to employees without charging VAT. Pandox took immediate action and ended its working relationship in both cases.

To promote an open culture where employees and external stakeholders are not afraid to report irregularities, an external whistleblower system is available. Two

reports were received in 2020. They involved sexual harassment and a conflict of interest. The cases were investigated and handled according to Pandox's internal processes to avoid being repeated in the future.

Read more in Sustainability Note K10.

Human rights

Pandox is a member of the UN Global Compact and has therefore pledged to work according to its Ten Principles in areas such as human rights, labour right, the environment and anti-corruption. Pandox has zero tolerance for criminality, prostitution or sexual exploitation.

In 2020 an inventory was done of the level of training in human rights at each of the hotels in Operator Activities, with a particular focus on human trafficking and prostitution. The results showed that the majority of the hotels provide regular courses. The courses are of very high quality and are usually produced by established organisations in the area. They provide a deeper understanding of how to identify, prevent and handle these issues. Only a few individual hotels do not have their own comprehensive training and these have been given access to the courses of other hotels.

One case of prostitution was reported in 2020 at a hotel in the Netherlands. The hotel staff discovered the case and it was immediately reported to the local police.

Pandox has also produced and published a Modern Slavery Act statement in which the Company strongly opposes all forms of exploitation, servitude and child labour.

Control over the supply chain

Pandox's Code of Conduct for Business Partners describes the expectations that Pandox has of its suppliers regarding human rights, labour, the environment and anti-corruption. The Code of Conduct for Business Partners is based on the Ten Principles of the UN Global Compact and the ILO Declaration on Fundamental Principles and Rights at Work.

In 2020 Pandox took a number of steps to improve its work on promoting sustainable supply chains. The Code of Conduct for Business Partners was updated to clarify the requirements with respect to human rights and the environment. The Company also implemented a digital audit system for supplier audits. Suppliers within Property Management classified as high risk, primarily in the construction industry, were required to fill out a self-assessment form in which they evaluated their own sustainability work. A total of 90 suppliers received the form and 88 percent responded. Pandox then invited 54 suppliers to participate in an online training workshop to help them get started or to improve their existing sustainability-related policies and processes. This will be followed up in 2021.

Pandox has also started individual dialogue with suppliers whose performance was in the lowest 10 percent of the respondents based on the self-assessment form. The purpose is to encourage and support them to work more professionally and in a structured way on sustainability topics that are critical for Pandox.

The audit process also allows Pandox to foster and intensify relationships with the suppliers who are highly ranked. From the beginning of 2021 new suppliers within Property Management must be audited according to this process before a contract is signed. Pandox will also start random inspections beginning in 2021.

To increase knowledge and expertise, relevant employees have completed an internal course on sustainable supply chains. With respect to food and beverage suppliers, Pandox has been able to use its position to enable all hotels in Operator Activities – regardless of brand – to use Hilton's supplier platform. This is a digital purchasing system and it guarantees that the suppliers have been audited and that any discounts will benefit the users. It also minimises situations where bribery might occur.

In 2020 the Purchasing Policy for maintenance and development in Property Management was introduced to set internal standards for conscious purchasing procedures. The Policy covers aspects such as waste services and purchasing of wood, paint and bathroom products in connection with renovations. Wooden products are to be environmentally certified, paint must be water-based and bathroom products need to have low-flow solutions without compromising the guest experience. A Maintenance Policy was also introduced to describe the work processes and procedures to be used within Pandox in this area. The objective is to ensure structured processes and good documentation of planned actions in each property, which will also help in budget planning in the medium term.

! 88%
of the targeted suppliers reported on their sustainability work in 2020

For data on anti-corruption and supplier audits, see Notes K10 and K11.

Focus area
Guest satisfaction and safety

Satisfied guests at the hotels, operated by Pandox, is the result of successfull operation. Pandox's properties must be safe and secure for those working there on a daily basis and those temporarily visiting. The Covid-19 pandemic has put new pressure on the organisation.

Pandox's targets and results in the guest satisfaction and safety focus area

| Targets	Who is affected	Outcome 2020	Outcome 2019	Contributes to the UN SDGs
Guest satisfaction At least 80% of the guests at Pandox-operated hotels would recommend Pandox hotels to others		82%	85%	N/A
Guest safety Guests at Pandox-operated hotels must always experience Pandox's operations and hotels as safe		No incidents reported	No incidents reported	Targets 3.4 and 8.8
Guest privacy and data security Zero tolerance for incidents in own operations		No incidents reported	One incident reported	N/A

Operator Activities – own hotel operations   Pandox (Property Management + Operator Activities + head office)

Satisfied hotel guests

Guest satisfaction is the most important indicator in the Operator Activities business segment as it shows how well a hotel is living up to the guests' expectations and indirectly how competitive the products Pandox offers its guests are, in the form of attractive properties. Drivers of guest satisfaction include personal service, individual attention, products that offer value for money, safety, consistent quality of service and product delivery, community engagement and a focus on the environment. People booking conferences and travelling in business in particular want hotels to be environmentally certified. Leisure travellers have also started to require this, as more and more people become aware of the climate crisis today.
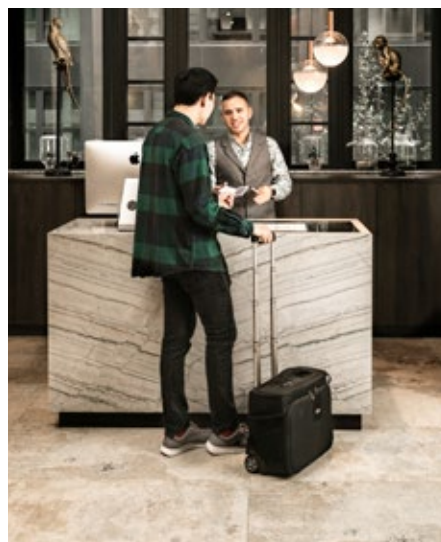
Pandox's long-term objective is for guest satisfaction to exceed 80 percent for hotels that have been included in Operator Activities for one year or more. Guest satisfaction was 82 (85) percent according to Pandox's annual guest survey, which was conducted by an external party in 2020. The decrease can mainly be linked to restrictions due to Covid-19 such as those that limited supply, for example restaurant closures.

! 82% (85%)
satisfied hotel guests in 2020

Hotel guest health and safety

Hotel guests expect the hotel to deliver a safe and memorable experience. The hotel premises are to be safe and the employees must have the right skills to operate them in a safe and secure way.

Within the Property Management segment it is the tenant who is responsible for all forms of security such as perimeter protection, for example window and door alarms, security guards and surveillance cameras. Within Operator Activities, Pandox is responsible for security. Hotel safety is an area covered in Pandox's Code of Con-

duct for employees. In addition, all hotels in Pandox's Operator Activities segment have emergency preparedness plans and safety policies in place.

Safety is also a topic covered in the Pandox Code of Conduct training. The employees also receive training in first aid and all hotels regularly perform fire and evacuation drills. No incidents relating to hotel guest health and safety were reported in 2020.

▶ For more information on employees and guests, see Notes K9 and K12.
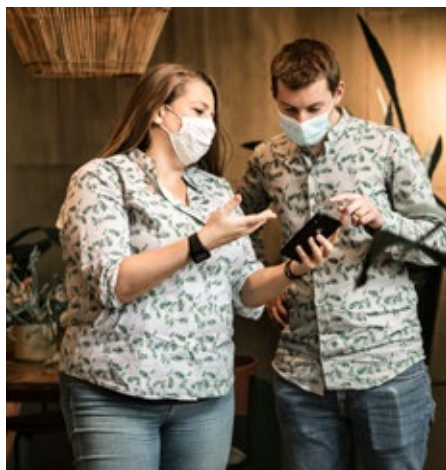
Pandemic-related actions

In response to Covid-19 Pandox introduced additional safety measures to ensure that guests can be safe while on the premises. Pandox ensures that all public spaces at the hotels, such as toilets, reception areas and lobbies, as well as the surfaces touched the most within the hotel, are cleaned more frequently.

Many hotels within Operator Activities, such as Hilton hotels, use a safety seal for conference rooms and hotel rooms. This is an additional assurance that the room has been cleaned and can be used safely. The

hotels also constantly provide updated information on various restrictions in order to guide and reassure the guests.

Pandox has also increased ventilation to improve the air quality and installed CO_2 sensors to measure carbon dioxide levels in the indoor air and to optimise air flow. The Company has also increased the number of times the water system is flushed to minimise the risk of Legionnaires' disease while fewer guests are on the premises.

Being proactive during the pandemic

Say hello to Patrick Krueger, Director of Operations Germany. Can you tell us about some actions you took to increase safety during the pandemic?
"One important step we took was to proactively obtain the Bureau Veritas SafeGuard hygiene label for five hotels that we operate ourselves. The hotels were the first in Germany to obtain this certification which guarantees that appropriate health, safety and hygiene protocols are in place. The purpose is to be able to provide a safe environment for guests and employees during the pandemic. It includes training personnel in the increased hygiene standards required during a pandemic. The certification was then communicated to the guests via the hotel's website and in display at the hotel, to reassure the guests that they could feel safe on the property. This initiative was highly appreciated by employees and guests."

Patrick Krueger,
Director of Operations Germany

Data security and customer integrity

Data security and protecting the guests' personal data are critical for Pandox. The Code of Conduct for employees contains guidelines on integrity and information security. To minimise the risk of a data breach, training in data security takes place locally at each hotel as well as through the mandatory Group-wide digital training. To protect the guests' personal data Pandox uses technical and organisational protective measures, such as firewalls and password-protected systems. Employees must also respect the guests' privacy and ensure that their personal data is treated confidentially.

In 2020 there were 0 (1) GDPR breaches and no customer data was lost.

Why are there so few women in hotel general manager positions in Europe?

What is it like being a woman and a hotel general manager in an industry where two out of three general managers are men? Ellen Deboeck, General Manager at Hilton Grand Place in Brussels, shares her thoughts.

WHAT IS IMPORTANT IN ORDER TO SUCCEED IN THE ROLE OF GENERAL MANAGER?

"Ultimately it's about making a difference through the right leadership, decisions and priorities. Communicating a clear vision to the team and staying updated of new trends in travel, communication and conferences."

WHY DO YOU THINK THERE ARE SO FEW WOMEN IN HOTEL GENERAL MANAGER POSITIONS IN EUROPE?

"Plenty of studies show that gender equality in the workplace adds value. Still, despite the fact that women make up 50 percent of the workforce in Europe, only a third of general managers are women. But I think this is changing. Today gender equality is high up on the agenda – both in the media and in businesses – in a way that was not the case a few years ago. This reflects the current situation. A heightened focus on gender equality is increasing opportunities for women to reach higher positions."

WHAT IS THE BIGGEST CHALLENGE IN BEING A WOMAN AND A GENERAL MANAGER?

"The biggest challenge is the stereotypical assumptions and hidden biases that prevent gender equality in the job market. Women in managerial positions are asked questions about their work-life balance – something that men are never asked about. Also, there is an assumption that women are more driven by their emotions and less able to make decisions, which is entirely wrong."

WHAT DO YOU CONSIDER TO BE THE MAIN OPPORTUNITIES?

"At Pandox we can make a difference and continue working towards breaking the glass ceiling. When we build our careers and achieve success we are honouring all the inspiring women who came before us – who paved the way for our generation. Similarly, it's our duty to pave the way for the next gen-

"Pandox's culture is very attractive to female leaders. All the right conditions exist for female leaders to have the chance to perform at a high level. We also provide an atmosphere of individual freedom, trust and respect. We need to work in a more structured way on this issue."

Ellen Deboeck, General Manager at Hilton Brussels Grand Place.

eration and try to make sure the hotel industry offers gender equality in the workplace. I see this as part of our responsibility as leaders. But above all, more gender equality helps make companies better.

WHAT CAN PANDOX DO TO BETTER SUPPORT WOMEN IN GENERAL MANAGER ROLES?

"Pandox's culture is very attractive to female leaders. All the right conditions exist for female leaders to have the chance to perform at a high level. We also provide an atmosphere of individual freedom, trust and respect. We need to work in a more structured way on this issue and be observant so

that we don't inadvertently negatively impact motivation or opportunities for women in our company. This creates the right conditions for growth! I've had the good fortune to be surrounded by inspiring leaders who have given me opportunities to have an impact, and who have taught me how the industry works and how to achieve results in a very competitive sector. Some areas where improvement is needed are networking and mentorship, and identifying and developing talented women. We should ask our people what they need and make sure we create a culture that is stimulating for them and makes it easier to thrive.

"I start each work day by checking the energy and water consumption in our energy system. This allows me to quickly identify any problems and fix them."

Abdel Jabbar Rharssi, Cluster Chief Engineer, Hilton Brussels Grand Place and The Hotel, Brussels.

Green heroes

You don't notice them at first. That's because true heroes are not the type to boast. They work quietly and methodically behind the scenes to make sure that the buildings are resource efficient and offer a good indoor environment for employees and guests. Abdel Jabbar Rharssi is one of them, which is why he received Pandox's "Green Hero of the Quarter" award for his work on sustainability at two of the Company's hotels in Brussels.

Abdel Jabbar Rharssi has worked for Pandox since 2018. He started working at The Hotel in Brussels and is now also responsible for Hilton Brussels Grand Place. Abdel was named a Pandox Green Hero in 2020. His proactive stance, good technical knowledge and a profound business focus are what led to him receiving this award.

HOW DOES SUSTAINABILITY FIT INTO YOUR DAY-TO-DAY WORK?
"I start each work day by checking the energy and water consumption in our energy system. This allows me to see if any items of machinery or equipment are not performing optimally, so I can quickly take steps to fix the issue and save energy. I can also identify any water leaks and reduce the risk of potential damage to the building. We think first, make a considered decision and then act.

We've installed submeters so we can see how much energy is being consumed in different parts of the building. This provides us with valuable information. For example, one submeter showed high nighttime consumption for one of our tenants in the building, even though they only operate during the day. We worked with their operations manager to change the nighttime settings and this enabled us to save energy and money."

WHAT'S THE BEST THING ABOUT YOUR JOB?
"I appreciate my colleagues and the fact that we work together to solve any problems that arise. Most of the work we do is behind the scenes – not always visible – but it's still vital in ensuring that everything is working properly. It's encouraging to meet satisfied guests who like our hotel and want to come back."

Focus area
Attractive and equal
workplace

Pandox's corporate culture is the key to the Company's success. It provides the right conditions for motivated and independent employees with clear authority in their roles, and for equality in the workplace. Pandox has 1,148 employees from 91 different countries, which reflects the diversity in the hotel industry.

Pandox's targets and results in the focus area attractive and equal workplace

Targets	Who is affected	Outcome 2020	Outcome 2019	Contributes to the UN SDGs
At least 80% satisfied employees in annual survey		81%	80%	Targets 3.4, 4.4, 4.5, 5.1, 5.5, 8.5, 8.7, 8.8 and 10.2
Increase the percentage of women in the roles of general manager and hotel manager		30%	13%	Targets 5.1, 5.5 and 10.2
Start collecting sickness absence data from the beginning of 2020		Executed	N/A	Targets 3.4 and 8.8

Operator Activities – own hotel operations

Pandox (Property Management + Operator Activities + head office)

Effects of the pandemic

When the Covid-19 pandemic was in full force in 2020, 760 employees were furloughed and 179 had to be laid off, calculated as the number of full-time equivalents. Since support packages varied from country to country, more workers were furloughed in the countries where the most support was provided. However, the majority of the hotels were not fully closed because they needed to be prepared to start up again without too much of a delay once restrictions were lifted. This proved to be a good strategy when some restrictions were eased during the summer.

For more information, see Note K9.

Attractive employer

Pandox makes every effort to be one of the most attractive employers in the industry. In order to be an attractive employer, Pandox offers a dynamic but also secure working environment that encourages development and does not tolerate discrimination or harassment. Employees are offered a clear mandate to succeed in their role at work. As the Company has a lean organisation, having a strong moral compass and independence is essential.

In 2020 a survey was introduced for hotel employees within Operator Activities. The purpose is to measure employee satisfaction on a quarterly basis and the short-term target is a score of 80 percent. The employees also have an opportunity to suggest improvements. The 2020 result was 81 (80) percent. No incidents of discrimination were reported in 2020.

Employee turnover is another indicator of how satisfied the employees are. The turnover of Pandox's hotel employees was 36 (22) percent in 2020. Employee turnover at the head office was 8 (2) percent. All of Pandox's employees are able to join a trade union. Collective agreements are used in Operator Activities and collective bargaining takes place. In 2020 a total of 72 (70) percent of employees within Operator Activities were covered by collective bargaining agreements.

Also, workplace evaluations of the physical and psychosocial work environment are carried out every three years or when significant changes are made within the organisation, such as in connection with renovation or remodelling.

Development opportunities

Personal development is a company priority. Pandox's ambition is to offer all employees training, development opportunities and career planning, as well as flexible ways to find balance in their lives. In 2020 performance and career development reviews were conducted with 43 (66) percent of Pandox's employees. The reduction relates to Operator Activities and is due to fewer hours worked by the employees in 2020.

As the majority of the employees in Operator Activities were furloughed, only a few courses were completed during the year.

Health and safety

All employees are to have a healthy, safe and secure work environment. Risk assessments are carried out on a regular basis. Risks identified are usually associated with building sites and physical risks at hotels, such as the risk of fire and of trips, slips and falls. All employees receive annual training, information and instructions on safety. There are procedures in place to review evacuation routes and check emergency lighting and signs on an ongoing basis. While renovations are taking place emergency exit routes must be maintained by keeping evacuation routes clear and by keeping emergency lighting in working order and fire detection systems active.

During the year 0 (0) work-related deaths occurred and 1 (5) workplace injury of a more serious nature occurred. This involved a server slipping on a wet floor, resulting in a broken knee. Pandox has also started collecting data on sickness absence to analyse the current situation and to see if the Company needs to establish common goals for this going forward.

Contractors taken on for renovation, remodelling or extension work are instructed in Pandox's health and safety routines and, in their capacity as employers, are formally responsible for investigating and taking steps if any of their employees are injured at work. Pandox has no formal responsibility for the employees of the tenants. However, Pandox does try to influence their practices through its Code of Conduct for Business Partners, which describes what the Company expects of them.

▶ For more information on health and safety see Note K9.

Health and wellness

Pandox aims to ensure that employees have a good work-life balance and encourages physical activity to promote wellbeing and improved performance. Pandox Movement is an initiative for the head office and the Property Management segment where employees participate together in sports and other physical activities. Employees are encouraged to challenge themselves and set ambitious goals, such as taking part in races such as "Spring för Livet" (Run for Your Life). Last summer around 30 key employees together climbed Kebnekaise, Sweden's highest mountain, in a joint leadership challenge aimed at increasing team spirit. This was a particularly important internal initiative in the wake of Covid-19.

Hotels in the Operator Activities segment are themselves responsible for the health and wellbeing programmes offered to the employees and this is often determined by which brand they operate under. Some hotels offer employees wellness opportunities in the form of use of the hotel's gym, pool and sauna before or after their shift. Some hotels offer employees help to stop smoking as a way of promoting better health. In 2020 some initiatives were paused or had to change course due to restrictions relating to Covid-19.

Employees at Pandox's head office were offered a health survey to complete at specific intervals depending on their age. The employees were also able to obtain computer screen glasses paid for by the Company.

▶ For data on the employees' health and safety, see Sustainability Note K9.

PANDOX'S CORE VALUES
It is important to the Company that all employees have a strong moral compass, take the initiative and are independent. This is because Pandox is a lean organisation filled with a spirit of entrepreneurship where everyone helps out and every employee is vital. Pandox also has an amusing company symbol in its illustrations of Pepper the dog, who is always up to his tricks. He is there to remind all employees to enjoy themselves and not to take themselves too seriously.

Diversity and gender equality

Future generations of employees will want their employer to take responsibility in the community and focus on sustainability issues such as gender equality, diversity and the climate [1]. The hotel industry is characterised by diversity – both in terms of nationality and age groups. Pandox's employees should reflect the diversity that exists among the guests. There is, however, a lack of women in senior roles overall, and particularly outside the Nordics. Pandox is therefore requiring equal gender representation in the recruitment process for senior roles in the Operator Activities segment. Of the three new general managers recruited in 2020, two are women and one is a man. The total percentage of female general managers at the end of 2020 was 30 (13) percent.

Also, an analysis of diversity and inclusion among the employees was to be conducted during the year to provide the Company with a clearer picture of how they feel about their work situation. As the majority of the employees were furloughed, this process has been postponed until 2021. The purpose is to ensure that Pandox is living up to its ambition of being a fair and equal company. The results of the analysis will be presented to the executive management team, so that they are well-informed about the challenges and opportunities that exist within the Company. The process will also include some concrete proposals on how to proceed in promoting gender equality and diversity.

! 1,148
(1,433) employees in total
of which
- 1,100 (1,392) in Operator Activities
- 11 (9) in Property Management
- 37 (32) at the head office

! 91
different countries where Pandox employees were born

[1] Most important when choosing an employer – Young Professional Attraction Index 2020, Academic Work.

Focus area
Living local communities

Hotels play a vital role in the local community. Hotels create jobs, experiences and a place to stay, but they also make a positive contribution to development in society and to safe and vibrant city centres.

Pandox's targets and results in the living local communities focus area

Targets	Who is affected	Outcome 2020 for 20 hotels	Outcome 2019 for 16 hotels	Contributes to the UN SDGs
Community projects Every hotel and the head office will be involved in at least one project to support the local community in 2020 (Target: at least 19 projects)		18 hotels	15 hotels	Targets 4.4, 4.5, 8.6 and 10.2
All hotels are to have facade and/or entrance lighting to increase safety in the vicinity		14 hotels	11 hotels	Target 11.7

Operator Activities – own hotel operations   Pandox (Property Management + Operator Activities + head office)

For a living local community

Hotels have a significant role to play in the local community by providing experiences, meetingplaces and a place to stay for the night, and as employers and purchasers of local products and services. Hotels are also a vital part of the tourism industry as they generate income for the government at the national and municipals levels and for the local community. By working closely with the local community and employing people who live in the area, hotels can also support social sustainability. The hotel properties also play an important role in helping to create safe and vibrant city centres. Safety in the area around hotels can be improved by, for example, lighting up entrances and facades. 14 of 20 hotels in Operator Activities have lighting at their entrances and 15 have surveillance cameras.

Community engagement

One aspect of Pandox's leadership is contributing to local communities where the Company operates and in areas where Pandox's employees have particular expertise, skills and interests. Pandox's community engagement strategy requires all hotels in Operator Activities, as well as the head office, to support at least one local project. The choice of organisation or project is determined by the employees, as real engagement comes from the grass roots.

In 2020 all hotels except for 2 (1) in Operator Activities were involved in a local project and progress is being monitored in 2021. Examples of projects include providing food to homeless people and offering internships to young people with disabilities.

A selection of Pandox's joint projects

ENBACKSSKOLAN IN TENSTA

Pandox is working closely with Enbacks-skolan in Tensta, a school in a socio-economically vulnerable area outside Stockholm. The purpose is to broaden the students' network of contacts in the job market and to lower entry barriers in society by facilitating integration through, for example, workplace visits and practical workplace experience. Unfortunately this initiative had to be postponed due to Covid-19 restrictions. However, Pandox is going to help Enbacksskolan to hold Sweden's first education fair for schools in vulnerable areas in 2021. The goal is to create an arena for those at vulnerable schools to discuss current topics, share their experiences and pursue various issues.

The podcast studio at Enbacksskolan, which was created by Pandox and the school two years ago, won the international Quality Innovation Award in 2020 in the Innovation in the Education Sector category. Various organisations in society and experts on different topics that students and parents do not normally come

into contact with, are interviewed in podcast format. This gives students the opportunity to turn sociology theory in the classroom into a practical exercise. The podcast format acts as a channel to increase interaction and the students' awareness, knowledge and community engagement. This initiative also led to a partnership with the Järva news agency.

Pandox also wants to offer the students leisure activities outside their neighbourhood, which many of them seldom leave. This provides them with a safe and enjoyable way to experience other parts of Stockholm with surrounding areas. Through this initiative Enbacksskolan was able to arrange a trip to Romme so that students in grade 7 to 9 could learn to ski in the winter season. Bus trips were arranged to various bathing spots and theme parks during the summer break, as many students have parents who cannot afford a holiday. Students in grade 8 and 9 went to a camp in the Björnö nature reserve in August where they camped for two nights. Many of these students had not spent time in nature before and the experience encompassed a range of subjects such as biology, physical education and science. According to the students, this trip was the highlight of their year.

MASKROSBARN

Pandox supported children's rights organisation Maskrosbarn's summer campaign during the summer. The summer is especially difficult for children whose parents struggle with addiction or mental illness, or for children exposed to violence. According to children's rights organisation BRIS, the number of calls it received relating to mental illness increased by 30 percent every week between the months of March and May 2020.

The purpose of the campaign was to raise funds in order to offer recreational activities that allow children to take a break from their everyday lives. Another objective was to make summer camps available to more children, allowing them to get away from a dysfunctional home life and meet trained coaches and others in similar situations.

GIVING PEOPLE

Summer 2020 was particularly difficult financially for many families where parents were laid off or furloughed. In response Pandox decided to support the organisation Giving People which provides families in vulnerable areas with groceries. Bags of groceries were distributed to families who cannot afford to buy the essentials to get by, which is

especially important when all meals had to be eaten at home during the pandemic. In many families the only food the children get is what is served at school.

THE SALVATION ARMY

Pandox decided to give the Salvation Army a Christmas gift. The Salvation Army (in Sweden Frälsningsarmén) is a Christian organisation active in 90 cities in Sweden that supports groups such as single mothers and pensioners who are in need of food, clothes, hygiene products, nappies and, not least, advice and support in contacts with various authorities. Many are living at the subsistence level and some even below it,

and therefor find it hard to put food on the table for their children. In December the Salvation Army distributed gift cards for ICA grocery stores. The amounts varied depending on the size of the household.

K　Sustainability

K1　ABOUT THE SUSTAINABILITY REPORT

Pandox's annual Sustainability Report has been prepared in accordance with the GRI Standards and meets the Core level. The report also constitutes Pandox's statutory Sustainability Report and meets the disclosure requirements in the Swedish Annual Accounts Act regarding sustainability reporting. The Sustainability Report also constitutes Pandox's Communication on Progress Report relating to the Ten Principles of the UN Global Compact. During the year Pandox also took the first step towards alignment with TCFD reporting and this process will continue in the years ahead.

The Sustainability Report covers the full year 2020. No material changes have taken place in the organisation and supply chain since the previous year. Nor were there any changes in the property portfolio in 2020 due to sale or acquisition of properties. However, the two properties that Pandox acquired at the end of 2019 are included in the 2020 Sustainability Report, as are two hotels that were reclassified from Property Management to Operator Activities in 2020. The last report was published on 15 March 2019.

Sustainability reporting is based on the Company's material topics and summarised in five focus areas that are included in Pandox's Fair Play 2.0 sustainability strategy. The sustainability strategy was produced based on a stakeholder dialogue and on a materiality analysis to form a complete picture covering the sustainability topics that are material for the Company and its stakeholders. A review of the material topics, based on SASB Standards, was carried out in 2020 to ensure that Pandox reports on the topics that financial players consider important.

The focus of the report is the same as in previous years and it covers the parts of the business that Pandox has operational control over. Pandox's business activities are divided into two business segments: Operator Activities (20 hotel properties) and Property Management (136 hotel properties). Sustainability data includes Pandox's head office, Operator Activities and Property Management. However, in the case of hotel properties in Property Management, social and economic sustainability data relating to operating the hotel properties are not included, since this is the responsibility of the tenants. When it comes to environmental data, Pandox tries, as far as possible, to collect and report data on energy and water consumption and on waste and emissions at the hotels within the Property Management segment where the hotels are operated by tenants. Emissions data is reported in Scope 3. All of Pandox's 20 hotels in Operator Activities are included. In the Property Management segment 94 of the hotels are included. This represents 69 percent of the 136 hotels in the segment and includes all Scandic and Nordic Choice hotels. In order for Pandox to collect environmental and energy data from the tenants, these companies must first give their consent. 30 percent of the tenants have competition-related and/or organisational considerations that result in them not yet consenting.

Hotels reclassified from Operator Activities to Property Management are included in the environmental data up to the date of reclassification. The base year for environmental data is 2019.

Employee data is reported in full-time equivalents (FTEs) as of 31 December 2020 based on normal annual working hours for a full-time position in the the respective country.

The information Pandox's Sustainability Report has not been externally audited.

Changes in 2020 reporting

In previous years Pandox has provided sector-specific disclosures on energy intensity and emissions intensity (CRE-1 and CRE-3), which were part of the GRI G4 sector supplements for the construction and property industry. GRI has now retired these and refers actors to GRI 302-3 and 305-4, which Pandox reports on. Pandox also introduced five company-specific disclosures this year to cover the most important aspects of the sustainability strategy.

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K2   MATERIALITY ANALYSIS AND STAKEHOLDER DIALOGUE

Feedback from Pandox's stakeholders on our sustainability work is important in determining how the Company sets its priorities internally and which improvement measures are implemented. The most important stakeholder groups are Pandox's shareholders, tenants, investors, interest groups, suppliers and employees. These main stakeholders may in turn have different expectations and requirements with respect to Pandox's sustainability work.

Materiality analysis

In 2018 Pandox carried out a materiality analysis to ensure that the sustainability topics where in areas the Company has the greatest impact on the external environment and that the most important topics to the stakeholders are prioritised in future sustainability work. The most important stakeholder groups were identified by determining the stakeholders' influence on and interest in Pandox's operations. In order to subsequently define and prioritise the most relevant sustainability topics, Pandox carried out interviews and online surveys with the most important

stakeholder groups. Through external benchmarks, status analysis and interviews with employees, Pandox identified the most relevant sustainability topics in the value-chain. These sustainability topics were then prioritised based on the positive and negative impact they have on Pandox's communities from an environmental, social and economic perspective. The results were validated at a workshop attended by senior executives.

A review of the material topics, based on SASB Standards, was carried out in 2020 to ensure that Pandox is reporting on the topics that financial players consider the most important. Climate change and the pandemic were also in focus in society and among our stakeholders during the year.

The review showed that the materiality analysis conducted previously still is applicable. The same sustainability topics are still relevant for Pandox. However, in order to clarify how Pandox is working with them, they were condensed during the year into five focus areas: Environment and climate; Responsible and fair business; Guest satisfaction and security; Attractive and equal workplace; and Living local communities.

Materiality analysis
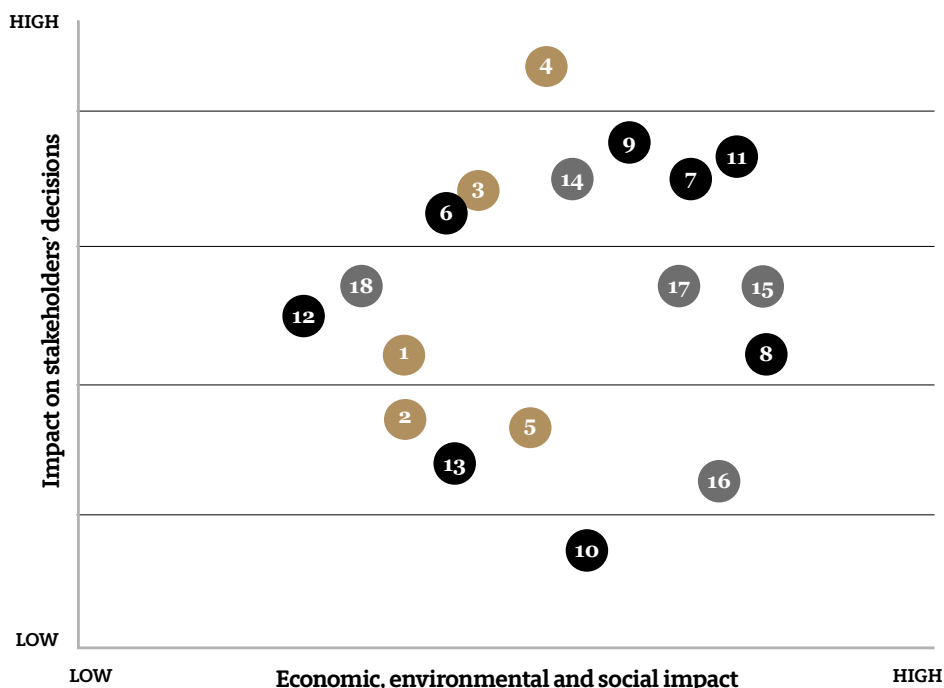
SUSTAINABILITY TOPICS

Environment
1. Environmentally certified buildings
2. Increase the use of sustainable materials
3. Reuse and recycle materials, and minimise waste
4. Reduced energy consumption and CO_2e emissions
5. Reduced water consumption

Social
6. Training and professional development for employees
7. Diversity, equal opportunities and non-discrimination
8. Employee health and safety
9. Fair employment terms for employees
10. Freedom of association and the right to collective bargaining
11. Hotel safety
12. Local community engagement
13. Proactive efforts to prevent trafficking and prostitution at hotels

Governance
14. Board of Directors and executive management team are committed to sustainability
15. Ensure customer privacy and protect customer data
16. Proactive anti-corruption efforts
17. Sustainable supply chain
18. Transparent sustainability reporting

▶▶   Note K2 Materiality analysis and stakeholder dialogue, cont.

RESULTS OF STAKEHOLDER DIALOGUE IN 2018

Stakeholder group	Dialogue format	Three most important sustainability topics
Guests	Survey	• Fair employment terms for employees • Reuse and recycle materials, and minimise waste • Reduce energy consumption and CO_2e emissions
Business partners	Survey/interview	• Reduce water consumption • Proactive efforts to prevent trafficking and prostitution at the hotels • Fair employment terms for employees
The community	Survey	• Environmentally certified buildings • Diversity, equal opportunities and non-discrimination • Board of Directors and executive management team are committed to sustainability
Suppliers	Survey	• Reduce energy consumption and CO_2e emissions • Diversity, equal opportunities and non-discrimination • Hotel safety
Analysts	Interview	• Training and career development for employees • Fair employment terms for employees • Sustainable supply chain
Investors	Survey	• Reduce energy consumption and CO_2e emissions • Ensure customer privacy and protect customer data • Transparent sustainability reporting
Shareholders	Survey	• Reuse and recycle materials, and minimise waste • Hotel safety • Fair employment terms for employees
Board of Directors	Survey	• Reduce energy consumption and CO_2e emissions • Diversity, equal opportunities and non-discrimination • Hotel safety
Hotel employees	Survey	• Reuse and recycle materials, and minimise waste • Fair employment terms for employees • Training and career development for employees
General managers	Survey	• Training and career development for employees • Reuse and recycle materials, and minimise waste • Local community engagement
Office employees	Survey	• Reuse and recycle materials, and minimise waste • Hotel safety • Sustainable supply chain
Executive management team	Survey	• Reduce energy consumption and CO_2e emissions • Board of Directors and executive management team are committed to sustainability • Hotel safety

Ongoing dialogue with stakeholders

In addition to the specific stakeholder dialogue on sustainability that took place in 2018, Pandox has ongoing dialogue with its stakeholders throughout the financial year.

Topics covered in dialogue with tenants are set out in the contract. Due to the revenue-based rent system, the parties work together in a constructive way to understand the market and achieve common goals. In 2020 these conversations were dominated by Covid-19.

Regarding employees a quarterly employee surveys is conducted. Dialogue with shareholders and investors takes place on a quarterly basis when the interim reports are produced, through road shows, informal meetings and through surveys on what they want to see in the Annual Report. In 2020 Pandox also invited its ten largest shareholders for a dialogue on the upcoming EU Taxonomy Regulation and on what expectations they will have of Pandox. This will impact internal strategy work. For more information on the Taxonomy, see page 45.

Pandox also arranges an annual Hotel Market Day focusing on trends and knowledge transfer. Pandox's most important stakeholders are invited to this event.

Pandox has a structure for dialogue with suppliers through its supplier audit process. This allows Pandox to support and develop cooperation and to encourage suppliers to work in a more professional and structured way on sustainability. To read more about the supplier audit process, see page 53.

Dialogue with interest organisations takes place in connection with their evaluation of Pandox's sustainability work, and in results from studies such as GRESB, Sustainalytics and CDP. On these occasions there is also a direct dialogue with the organisations about improvements and opportunities.

This page has not been subject to review.

▶▶ Note K2 Materiality analysis and stakeholder dialogue, cont.

PANDOX'S MATERIAL TOPICS FOR SUSTAINABILITY AND HOW THEY LINK TO GRI REPORTING

Focus area	Material sustainability topics	Reported GRI disclosures and company-specific disclosures
Environment and climate	Energy consumption	GRI 302-1 Energy consumption within the organisation GRI 302-2 Energy consumption outside the organisation GRI 302-3 Energy intensity
	GHG emissions and impact on climate change	GRI 305-1 Direct (Scope 1) GHG emissions GRI 305-2 Indirect (Scope 2) GHG emissions GRI 305-3 Other indirect (Scope 3) GHG emissions GHG 305-4 GHG emissions intensity
	Water consumption	GRI 303-5 Water consumption
	Waste and recycling	GI 306-2 Management of significant waste-related impacts
	Sustainability-certified properties and hotel operations	*Company-specific disclosures* P-1 Percentage of sustainability-certified properties P-2 Percentage of Pandox's Operator Activities that are sustainability-certified
Responsible and fair business	Sound business ethics/Anti-corruption	GRI 205-3 Confirmed incidents of corruption and actions taken
	Sustainable supply chain	GRI 308-1 New suppliers that were screened using environmental criteria GRI 414-1 New suppliers that were screened using social criteria
	Zero tolerance for trafficking and prostitution	*Specific disclosures:* P-3 Number of incidents of prostitution or trafficking
Guest satisfaction and security	Satisfied guests and partners	*Company-specific disclosure:* P-4 Guest satisfaction in Operator Activities
	Guest health and safety	GRI 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services
	Customer privacy and data protection	GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data
Attractive and equal workplace	Attractive workplace that encourages development	GRI 401-1 New employee hires and employee turnover GRI 404-3 Percentage of employees receiving regular performance and career development reviews
	Heath and safety in the workplace	GRI 403-9 Work-related injuries GRI 403-10 Work-related ill health
	Fair employment terms and equal rights	GRI 405-1 Diversity of governance bodies and employees GRI 406-1 Incidents of discrimination and corrective actions taken
Living local communities	Contribution to local communities	*Specific disclosures:* P-5 Percentage of hotels in Pandox Operator Activities including head office that have community projects

This page has not been subject to review.

K3 SUSTAINABILITY MANAGEMENT

Decision-making body on sustainability

The Board of Directors has overall responsibility for the strategic focus of sustainability and climate work. The Board of Directors also makes decisions on significant investments, such as the green investment programme. Feedback is given to the Board through a half-year board report and an annual oral presentation.

The CEO and the executive management team are responsible for day-to-day operation of the Company and report to the Board of Directors. They are responsible for delivering on targets and strategies and for taking decisions on general operational matters, including sustainability. They are also to ensure that systems are in place to monitor and control the Company's operations and risks, including climate-related risks and opportunities.

The Sustainability Committee, consisting of representatives from the executive management team, experts and the Director of Sustainable Business, addresses ongoing issues and decisions relating to sustainability work. In 2020, for example, the Committee discussed the green leases that make it possible to work in a structured way on sustainability in Property Management as well. The Sustainability Committee was also a driver in the development of a separate green investment programme and has initiated a BREEAM certification process for all properties in Operator Activities.

The Director of Sustainable Business is responsible for ensuring that sustainability is integrated into Pandox's day-to-day operations in consultation with individuals responsible for the relevant areas, who are often the heads of the business areas. The Director's participation in executive management meetings ensures that sustainability is always high up on the agenda and integrated in the Company's business transactions. The Director of Sustainable Business reports sustainability performance to executive management on a continual basis and reports to the hotel managers in the Operator Activities segment through, among other things, the quarterly Green Update reports. Sustainability is also a permanent element in the strategic kick-off meetings for the executive management team, Board representatives, head office employees, Property Management representatives, and key decision-makers within Operator Activities.

All Pandox employees are responsible for incorporating sustainability into their work in accordance with the Company's policies and strategies.

IMPORTANT GOVERNING DOCUMENTS

Pandox has two codes of conduct, one for the employees and one for business partners, as well as the following policies: Environmental Policy, Anti-Corruption Policy, Human Rights Policy, Tax Policy, Purchasing Policy, Maintenance Policy, Personal Data Policy, Information Security Policy and Insider Policy. In addition to this Pandox has produced a Modern Slavery Act statement.

Governing documents

The Code of Conduct for employees states the ethical guidelines for Pandox's operations. As part of their workplace orientation every new employee learns about the Code of Conduct in a Group-wide digital course. The Code of Conduct also stipulates that the employees are not permitted to take a political stance in the Company's name. The Code is based on the Ten Principles in the UN Global Compact and the underlying conventions and declarations that cover human rights, labour rights (ILO), environmental protection and anti-corruption.

Pandox's Code of Conduct for Business Partners is also based on these principles and describes the expectations that Pandox has on its suppliers regarding human rights, labour rights, the environment and anti-corruption.

Pandox's Anti-Corruption Policy supplements the Code of Conduct and states that the Company has zero tolerance for all forms of corruption.

The Human Rights Policy states that we must respect and promote human rights in all of our operations, including the value chain and the communities where we operate.

Pandox's Environmental Policy establishes the values and guidelines for Pandox's environmental work. Areas covered include energy and water consumption, emissions and waste. The precautionary principle is part of the Environmental Policy and involves the Company proactively avoiding environmental risk.

Pandox's Tax Policy states that Pandox must always act in compliance with the tax rules in effect. All taxes and levies are paid according to local laws and regulations in the countries where Pandox operates. Tax management is to be ethical and commercially sound. In the event of uncertainty, the precautionary principle and transparency applies. Aggressive or advanced tax planning is not allowed. As a good corporate citizen, Pandox believes paying tax as part of its social responsibility.

All of the above policies are signed by the Board of Directors and communicated on Pandox's website.

In 2020 a formal Purchasing Policy and a Maintenance Policy were produced in order for Pandox's properties to be operated in a uniform manner and to make proactive plans for each property for the short and medium term. The purpose is to facilitate budget planning, but these policies will also be helpful in the BREEAM certification process for the properties.

Monitoring and control

In order to perform an accurate status analysis and prioritise the right activities and investments, Pandox continued to collect sustainability data on a monthly basis in 2020 in areas such as water and energy consumption as well as waste. This data is validated every quarter. At the end of the year all of the Company's hotels in Operator Activities, as well as 70 percent of the hotels in Property Management, were included in the system. For 2021 the goal is for all hotels to report into the system. In 2020 additional progress was made in efforts to integrate sustainability throughout the value chain. The data collection system has enabled analysis to be performed to assess and prioritise between different environmental investments. Analysis of the data resulted, among other things, in the green investment programme, which is being rolled out in Operator Activities in the period 2020–2023. The system has also facilitated knowledge transfer and identification of good examples.

To ensure compliance with the Codes, Pandox has internal control procedures such as the "four eyes" principle which requires two signatures on contracts to minimise the risk of errors or corruption. When recruiting, the "grandfather" principle is applied, whereby the CEO is always involved in the recruitment of key management roles.

Whistleblower system

Pandox values an open culture and works to ensure that employees are not afraid to report irregularities and problems in the workplace so that they can be addressed. Pandox therefore has an independent, external whistleblower system available to employees and other stakeholders. Any suspected irregularities or deviations from Pandox's policies can be reported anonymously into the system. Matters reported are handled by Pandox's General Counsel in consultation with the Director of Sustainable Business.

This page has not been subject to review.

K4 ENERGY

Altogether, energy consumption is reported for the 114 out of a total of 156 properties for which Pandox received data – 20 Hotels in Operator Activities and 94 in Property Management. Energy intensity per square metre decreased during the year due to lower occupancy as a result of Covid-19. The same applies in terms of our hotel guests. 38 (29) percent of the total energy consumed in 2020 came from renewable energy sources such as wind power, hydropower and solar. Fuel includes gas, pellets and fuel oil. Four hotels produce their own electricity and heat. In 2020

this amounted to 310 MWh. This production is included in the energy consumption data for non-renewable electricity and heat, as no source information is available. The table "Energy consumption within the organisation" below shows data for Pandox's 20 properties in Operator Activities and Pandox's head office. The table "Energy consumption outside the organisation" shows energy consumption downstream in the value chain by tenants in the Property Management segment. Data from 94 of 136 properties is included. Read more on page 48.

ENERGY CONSUMPTION WITHIN PANDOX'S ORGANISATION [1]

(MWh)	Renewable energy			Non-renewable energy			Total		
	2020	2019	2018	2020	2019	2018	2020	2019	2018
Fuel	2,020	2,359	2,260	22,810	29,296	29,451	24,830	31,655	31,711
Electricity	22,130	22,776	23,079	6,507	15,484	17,999	28,637	38,260	41,078
Heating	0	0	0	6,119	9,010	8,434	6,119	9,010	8,434
Cooling	0	0	0	4,579	8,089	6,671	4,579	8,089	6,671
Total energy consumption	24,150	25,135	25,339	40,015	61,879	62,555	64,183	87,014	87,894
Total weather-normalised energy							62,980	87,839	88,360
Energy intensity, kWh/sqm							169	265	284

[1] The data covers Pandox's own operations, i.e. 20 hotels in Operator Activities and Pandox's head office. The weather-normalised energy consumption is calculated using heating degree days (HDD). HDD is defined as the number of degrees and is calculated based on the difference between the average outdoor temperature and a base temperature; the latter is 18 degrees Celsius for all locations studied. The energy consumption is then normalised according to the average HDD over the past 10 years. Energy intensity per square metre is based on weather-normalised energy. No energy produced internally is sold.

ENERGY CONSUMPTION OUTSIDE OF PANDOX'S ORGANISATION [1]

(MWh)	Renewable energy		Non-renewable energy		Total	
	2020	2019	2020	2019	2020	2019
Fuel	100	232	18,139	2,589	18,239	2,821
Electricity	83,847	80,758	22,205	475	106,052	81,233
Heating			94,595	79,591	94,595	79,591
Cooling			3,629	3,088	3,629	3,088
Total energy consumption	83,947	80,990	138,568	85,743	222,515	166,733
Weather-normalised					200,317	165,865
Energy intensity, kWh/sqm					174	228

[1] This includes energy consumption downstream in the value chain, i.e. among tenants who are responsible for operating hotel properties in the Property Management segment. 94 of the total of 136 properties are included in the data reported for 2020, including all Scandic and Nordic Choice hotels. Data for 2019 includes 62 hotels, which explains the year-on-year increase. In order for Pandox to collect environmental and energy data from the tenants, these companies have to give their permission. 25 percent of the tenants have competition-related and/or organisational considerations that result in them not yet permitting this. The total percentage of renewable electricity was 68 (96) percent thanks to the operators signing renewable energy agreements.

K5 CARBON EMISSIONS

Altogether, carbon emissions are reported for the 114 of the total 156 properties for which Pandox received data. This is an increase from 2019 as data from only 77 of the total of 155 properties was available then.

The total GHG emissions in Pandox's own operations (Scope 1 and 2) decreased in 2020. This includes 20 (15) hotels in Pandox's Operator Activities segment and the head office. Emissions intensity amounted to 21.5 (28) kg CO_2e/sqm. Pandox's fuel combustion in its own operations and emissions from refrigerants give rise to Scope 1 emissions. The Company purchases electricity, district heating and cooling, which give rise to Scope 2 emissions. Pandox's total GHG emissions in Scope 1 and 2 amounted to 7,979 metric tons of CO_2e, which is equivalent to 4,162 return flights between Sweden and Montreal for one person in economy class, according to klimatsmartsemester.se.

In 2020 Pandox conducted an analysis of Scope 3 emissions with the help of a so-called spend analysis of supplier ledgers for 2020 [4]. The analysis shows lifecycle emissions for each supplier. As total 2020 emissions include several Scope 3 categories it is not possible to compare 2020 with previous years.

The Company's most significant Scope 3 emissions upstream in the value chain come from purchased goods, materials and services (mainly in connection with remodelling properties). In second place is capital goods, which are goods with an extended life recognised as non-current assets in the financial statements.

Downstream in the value chain are emissions from tenants operating hotels, which is the largest emissions category. Pandox is aiming to refine its analysis of emissions in Scope 3 in the years ahead.

PANDOX GROUP'S GHG EMISSIONS

(metric tons CO_2e)	2020	2019	2018
Scope 1 [1]	4,276	5,761	5,628
Scope 2 (market-based) [1] [2]	3,703	2,946	3,115
Total emissions Scope 1 and 2	7,979	8,707	8,743
Change, %	−8.4	−0.4	–
Change, metric tons CO_2e	−728	−36	–
Scope 3 emissions [3]	137,795	19,613	20,913
1. Purchased goods, materials, services [4]	93,000	–	–
2. Capital goods [4]	6,000	–	–
3. Production of fuel and energy [1]	1,209	1,741	1,832
4. Upstream transport [4]	1,000	–	–
5. Waste generated within the organisation [4]	4,000	–	–
6. Business travel [4]	2,000	206	470
13. Downstream leased assets [1]	30,586	17,666	18,611
Total emissions Scope 1, 2 and 3	145,774	28,320	29,656

[1] Emission factors come from Defra, IEA, GaBi and RE-DISS. In certain cases emission factors have been obtained directly from suppliers. Pandox's operations in different countries report into the Sphere system, which compiles data and provides underlying calculation factors. The greenhouse gases included in the calculations are carbon dioxide, methane, nitrous oxide and ozone.

[2] Scope 7 571 emissions calculated according to the location-based method amounted to 9,229 (9,229) metric tons CO_2e.

[3] Pandox reports Scope 3 for the categories of emissions considered the most material according to the GHG Protocol.

[4] These emission calculations are based on purchasing data, with suppliers being classified into their respective sectors. An emissions factor for carbon emissions per SEK spent in the sector concerned is then applied. The emissions factors are based on an environmentally extended input output analysis, which includes the entire value chain for the purchase in question.

This page has not been subject to review.

K6 WATER

Altogether, water consumption is reported for the 113 of the total 156 properties for which Pandox received data. One hotel within Property Management was excluded since no water consumption data was available. The total water consumption decreased in 2020 due to the fact that restrictions during the pandemic reduced the number of guests at the hotels. The projects to reduce water consumption through the green investment programme have started yielding results. Read more about this on page 50. The increased water consumption per guest night in 2020 was due to the need for some maintenance flushing of pipes and sanitation equipment, even in the absence of guests, to avoid the problems that can arise if they become too dry. The increase was also due to the fact that consumption was distributed over fewer guest nights.

In 2020 Pandox conducted a more in-depth analysis of which of the hotels operated by Pandox are situated in areas experiencing extremely high levels of water stress. The analysis shows that it is mainly densely populated areas in Northwestern Europe, especially around London and Brussels, that are water-stressed, i.e. water demand is much greater than the supply [2].

WATER CONSUMPTION WITHIN PANDOX'S OWN OPERATIONS [1]

(m$_3$)	2020	2019	2018
Total water consumption	227,226	446,908	480,796
– of which water consumption in water-stressed areas [2]	74,667	–	–
Water intensity (litres/sq m)	611	1,438	1,550
Water intensity (litres/guest night)	389	264	288

[1] The water consumption data is for Pandox's 20 hotels in Operator Activities. Pandox's head office is located in rented space in an office building owned by another property company and water consumption is not measured separately.
[2] WRI's water risk indicators are expressed as percentages and are calculated by dividing the total withdrawal by the available surface water and groundwater. The higher the figure the greater the competition for water. The table shows extremely high water stress = > 80 percent. Pandox has used the *WRI Aqueduct 2019 Water Risk Atlas* as the source to determine which hotels are in water-stressed areas.

WATER CONSUMPTION OUTSIDE OF PANDOX'S OWN OPERATIONS [1]

(m$_3$)	2020	2019
Total water consumption	803,799	983,296
– of which water consumption in water-stressed areas [2]	11,426	-
Water intensity (litres/sqm)	705	1,195
Water intensity (litres/guest night)	246	173

[1] The water consumption data is for 93 of the 136 properties in Property Management. One hotel had to be excluded as no consumption data was available.
[2] WRI's water risk indicators are expressed as percentages and are calculated by dividing the total withdrawal by the available surface water and groundwater. The higher the figure the greater the competition for water. The table shows extremely high water stress = > 80 percent. Pandox has used the *WRI Aqueduct 2019 Water Risk Atlas* as the source to determine which hotels are in water-stressed areas.

K8 SUSTAINABILITY CERTIFICATION

The goal is for all properties in Pandox's Operator Activities to be certified according to BREEAM In-Use with a rating of Very Good. In 2020 Pandox's first three properties were certified according to plan, with a rating of Very Good. The certification process for a fourth property was severely impacted by restrictions during Covid-19 and is expected to be completed next year. An additional nine properties will be certified no later than 2023 and the final eight properties no later than 2025.

All hotels in Pandox's Operator Activities segment have sustainability-certified hotel operations, and among Pandox's tenants, 82 percent have certified hotel operations. Read more on page 47.

K7 WASTE

The volume of waste was significantly lower in 2020 than in 2019 due to reduced occupancy at the hotels as a result of Covid-19 restrictions. The data for waste generated in 2020 is for 18 of the 20 hotels in Operator Activities and for Pandox's head office. Novotel Den Haag World Forum and Novotel Hannover cannot produce any data since they share waste management with two convention centres. In 2020 Pandox focused on improving the reliability of the data in order to include it in the Annual and Sustainability Report. The 2019 data includes 15 hotels. Pandox does not use the methods of reuse, deep well injection or storage on site.

WASTE GENERATED AND WASTE DISPOSAL METHODS IN PANDOX'S OPERATIONS [1]

(metric tons)	2020		2019	
Disposal method	Non-hazardous waste	Hazardous waste	Non-hazardous waste	Hazardous waste
Recycling	540	1.4	1,699	4
Composting	31		44	0
Energy recovery	372		895	0
Incineration	0	0.016	0	1
Landfill	333		890	0
Total volume of waste	1,276	1.5	3,528	5

[1] The data for waste generated in 2020 is for 18 of the 20 hotels in Operator Activities and for Pandox's head office. Novotel Den Haag World Forum and Novotel Hannover cannot produce any data as they share waste management with two convention centres. In 2020 Pandox focused on improving the reliability of the data in order to include it in the Annual and Sustainability Report. The 2019 data includes 15 hotels. Pandox does not use the methods of reuse, deep well injection or storage on site.

SUSTAINABILITY-CERTIFIED PROPERTIES [1]

	Total number of BREEAM-certified properties	
Pandox properties	2020	2019
Number of certified properties	3	0
Certified area, sqm	44,833	0
Percentage of certified properties in Operator Activities, %	15	0
Certified properties as a percentage of all properties, %	2	0

[1] The data shows the number of hotels certified to BREEAM In-Use within Pandox's Operator Activities segment.

SUSTAINABILITY-CERTIFIED HOTEL OPERATIONS [1]

	Total		Breakdown 2020				
	Number of certified hotels		Type of certification				
Pandox properties	2020	2019	Nordic Swan	Green Key	ISO 14001	Green Tourism	Other
Number of certified hotels	129	115	47	22	17	23	38
Certified area, sqm	1,700,82	1,519,197	549,091	377,108	254,633	292,343	321,481
Percentage of certified hotels in Operator Activities, %	100	89	0	55	10	10	65
Certified hotels as a percentage of all properties, %	83	74	30	14	12	15	24

[1] A hotel may have several types of certification. The total therefore indicates the number of hotels with one or more types of certifications and the floor space of these hotels. The breakdown cannot therefore be added up and compared with the total. The most common ecolabel is Nordic Swan, for which Scandic accounts for the largest share, followed by Green Key, which is the most common ecolabel in Pandox's Operator Activities segment. For an overview of the hotels' sustainability certifications see page 76.

This page has not been subject to review.

K9 EMPLOYEES

All employee data is reported in FTEs (full-time equivalents). FTEs are calculated by dividing an employee's scheduled hours by each country's statutory working hours for a ll-time position. Please note that the results differ from the employee data reported in Note C7 which is based only on statutory working hours in Sweden.

The number of employees is as of 31 December 2020.

Social sustainability data includes all employees employed by Pandox. This includes employees within Operator Activities, Property Management and at the head office.

Number of employees

The majority of Pandox employees have permanent positions, but additional employees with temporary contracts are needed during the hotels' high season. Part-time work is common in the hotel industry.

In 2020, 760 employees were furloughed and 129 had to be laid off, calculated as the number of full-time equivalents, due to Covid-19. However, the majority of the hotels were not fully closed as they needed to be prepared to resume operations immediately once restrictions were lifted, as happened during the summer for example.

The Nordic region is the only region where the number of employees increased in 2020 compared to the previous year.

NUMBER OF EMPLOYEES (FTES) BY GENDER, TYPE OF EMPLOYMENT CONTRACT AND WHETHER FULL-TIME OR PART-TIME [1]

	2020			2019		
	Women	Men	Total	Women	Men	Total
Permanent employment	507	552	1,059	600	671	1,271
Temporary employment	46	43	89	91	71	162
Total	553	595	1,148	691	742	1,433
Full-time	449	533	982	517	625	1,142
Part-time	59	18	77	83	46	129

[1] Reporting broken down in this way began in 2019 and there is therefore no data for 2018.

THE NUMBER OF EMPLOYEES (FTES) BY REGION AND EMPLOYMENT CONTRACT (PERMANENT OR TEMPORARY) [1]

	2020			2019		
	Permanent employment	Temporary employment	Total	Permanent employment	Temporary employment	Total
Nordics	88	1	89	66	1	67
Europe	856	87	943	881	159	1,040
Canada	116	0	116	324	2	326
Total	1,060	88	1,148	1,271	162	1,433

[1] Reporting broken down in this way began in 2019 and there is therefore no data for 2018.

Diversity and gender equality

Pandox has significant diversity among its employees in terms of ethnicity, gender, religion and age. The gender balance is not as equal in senior management positions, with the majority of general managers being men. In 2020 the figures improved, much thanks to Pandox's requirement for equal gender representation in the recruitment process for senior positions within Operator Activities. This is a prioritised area for the Company. There are plans to carry out a diversity and inclusion survey in 2021. Read more on page 59.

GENDER DISTRIBUTION BY EMPLOYMENT CATEGORY [1]

	2020			2019		
	Total number	Gender distribution,%		Total number	Gender distribution,%	
		Women	Men		Women	Men
Board of Directors	6	33%	67%	6	33%	67%
Executive management team	9	22%	78%	9	22%	78%
Operator Activities						
Senior management	63	41%	59%	14	14%	86%
Middle management	138	46%	54%	175	46%	54%
Other hotel employees	899	50%	50%	1,203	49%	51%
Property Management						
Senior management	0	0	0	0	0	0
Middle management	2	0	100%	1	0	100%
Other administrative employees	9	11%	89%	8	13%	86%
Head office						
Senior management	5	40%	60%	4	50%	50%
Middle management	1	100%	0	1	100%	0
Other head office employees	22	64%	36%	18	72%	28%

[1] For 2019 the number of general managers within Pandox's Operator Activities segment is provided. For 2020 the breakdown is for the hotel's entire management team. The gender balance is somewhat more equal, although the majority at the senior management level are men.

▶▶ Note K9 Employees, cont.

AGE DISTRIBUTION BY EMPLOYMENT CATEGORY

| | 2020 | | | | 2019 | | | |
| | Total number | Distribution by age group, % | | | Total number | Distribution by age group, % | | |
		<30 years	30–50 years	>50 years		<30 years	30–50 years	>50 years
Board of Directors	6	0	50%	50%	6	0	33%	67%
Executive management team	9	0	22%	78%	9	0	33%	67%
Operator Activities								
Senior management	63	1%	64%	35%	14	7%	64%	29%
Middle management	138	18%	66%	16%	175	13%	73%	14%
Other hotel employees	899	21%	50%	29%	1,203	26%	42%	33%
Property Management								
Senior management	0	0	0	0	0	0	0	0
Middle management	2	0	100%	0	1	0	100%	0
Other administrative employees	9	0	56%	44%	8	0	63%	37%
Head office								
Senior management	5	0	80%	20%	4	0	75%	25%
Middle management	1	0	100%	0	1	0	100%	0
Other head office employees	22	23%	68%	9%	18	17%	72%	11%

New employee hires and employee turnover

The number of new employees and employee turnover are high in the age category <30. Many young people work in the hotel industry and employees in this age category are more mobile in the job market. This age category was overrepresented when the hotels staffing needs decreased during the year because of the last in, first out rule. The high employee turnover is also explained by the fact that it is calculated based on the number of employees as of 31 December 2020 and is therefore affected by the events during the year relating to reduced staffing needs due to the pandemic and lower demand in the hotel and restaurant industry. The percentage of new employees and employee turnover in this age category was also higher than in other age categories in 2019, which is an indication of the mobility of this group.

NEW EMPLOYEES AND EMPLOYEE TURNOVER BY GENDER, AGE AND REGION [1]

| | 2020 | | 2019 | |
	New employees, %	Employee turnover, %	New employees, %	Employee turnover, %
Total number (%)	102 (9%)	416 (36%)	299 (21%)	313 (22%)
Women	9%	38%	21%	21%
Men	8%	34%	19%	23%
Age <30	58%	100%	55%	40%
Age 30–50	36%	22%	16%	24%
Age >50	6%	13%	3%	5%
Nordics	13%	12%	8%	5%
Europe	9%	35%	25%	24%
Canada	9%	62%	12%	17%

[1] Employee turnover is calculated as the number of employees who left the organisation voluntarily or were laid off, retired or died in service (including both permanent and temporary employees).

Professional development

Fewer performance and career development reviews took place during the year due to the lower level of physical presence among employees at the workplace within Operator Activities. Within Property Management and at the head office the number of reviews carried out was at the same level as the year before. Read more about Pandox as an attractive employer on page 59.

EMPLOYEES WHO HAD A PERFORMANCE AND CAREER DEVELOPMENT REVIEW, %

| | 2020 | | | 2019 | | |
| | Percentage | | | Percentage | | |
Employment category	Total	Women	Men	Total	Women	Men
Executive management team	9	100%	100%	9	100%	100%
Operator Activities						
Senior management	27	40%	60%	12	50%	92%
Middle management	80	51%	49%	159	93%	89%
Other hotel employees	366	53%	47%	739	64%	59%
Property Management						
Senior management	0	0	0	0	0	0
Middle management	2	100%	100%	1	0	100%
Other administrative employees	9	100%	100%	8	100%	100%
Head office						
Senior management	5	100%	100%	4	100%	100%
Middle management	1	100%	100%	1	100%	0
Other head office employees	22	100%	100%	18	100%	100%

This page has not been subject to review.

►► Note K9 Employees, cont.

Occupational health and safety

Specific management of health and safety in the workplace

A priority for Pandox is that all employees have a safe, healthy and secure work environment, as they are a vital resource for the Company. Risk assessment, training and employee surveys are therefore conducted on a regular basis.

The majority of Pandox's employees work within Operator Activities. Each hotel is responsible for its employees' physical and mental health and safety in the workplace and designs its own processes and procedures. Each hotel also carry out risk assessment, manage risk and report on incidents and accidents. Pandox does not have a Group-wide management system for health and safety, but the Code of Conduct for employees covers health and safety and specifies what is expected of Pandox as an employer.

Work-related accidents and incidents are reported annually via Pandox's system for collecting social data from Operator Activities. The cause of the accidents is to be investigated and preventive measures introduced.

Health and safety procedures and processes must be in place according to the laws in each country, and also based on requirements from the hotel companies that Pandox has franchise or management agreements with.

The hotels have one or more workplace health and safety representatives who the employees can contact on these matters. There is also an elected employee representative and a health and safety officer to turn to if employees prefer not to talk to their line manager or the general manager. The elected employee representative pursues the matter and the employee who reported the problem can thereby remain anonymous. There is also the option of reporting an incident anonymously through the employee surveys or the whistleblower system. The health and safety officer, workplace health and safety representative and the elected employee representative have meetings on a regular basis with the health and safety team to address any problems arising, proposed actions, and the process for reporting incidents and accidents to the equivalent of the Swedish Work Environment Authority in the country concerned.

The hotels are also responsible for training to minimise risks in potentially hazardous tasks, such as when using kitchen equipment. The employees are trained regularly in how potentially threatening situations at the hotel are to be managed – both according to hotel-specific protocols and Pandox's Code of Conduct for employees. At the head office, and many of the hotels, the employees have health insurance that includes counselling if an employee is experiencing difficulties that are affecting their personal or working life, or if they have experienced an uncomfortable or threatening situation in or in the vicinity of the workplace. Read more about Pandox's preventive measures in the area of health and safety on page 59.

Contractors and subcontractors engaged by Pandox are, in their capacity as employers, formally responsible for investigating and taking action in the event of work injuries involving their employees. Pandox does not have any formal responsibility for the health and safety of those employed by our tenants or business partners. However, Pandox does encourage them to focus on sustainability through the Business Partner Code of Conduct, which describes what we expect of them, including the area of health and safety at the workplace. Pandox also has an obligation as a building proprietor and client to determine if there is anything to be learnt from incidents or accidents that occur to prevent it to happen again.

The consultants and other suppliers who work on a daily basis at our workplaces are included in the reporting of the following data.

Reporting of work-related accidents

In 2020 there were fewer work-related accidents due to the fact that fewer hours were worked within Operator Activities. The injuries that occurred were isolated falling accidents, cuts and burns. One more serious accident occurred, which was a fall resulting in a knee injury.

The most common risks in the hotel and restaurant industry are stress injuries due to heavy lifting, falls (due, for example, to slippery floors), loss of control over kitchen equipment and burns and cuts. Through training and information, Pandox tries to limit the number of accidents that occur where the situations cannot be entirely avoided.

WORK-RELATED INJURIES [1]

	2020		2019	
	Number	Rate of fatalities/ accidents	Number	Rate of fatalities/ accidents
Employees				
Fatalities resulting from work-related injuries	0	0	0	0
Serious work-related injuries (excl. fatalities)	1	0.18	5	0.13
Reported work-related injuries	12	2.19	131	3.48
Subcontractors				
Fatalities resulting from work-related injuries	0	0	0	0
Serious work-related injuries (excl. fatalities)	0	0	0	0
Reported work-related injuries	0	0	2	0.05

[1] A work-related injury is an injury that occurs due to or during work tasks. A serious injury is defined as one that the employee has not fully recovered from within six months. The rate of accidents and fatalities is defined as the number of work-related accidents or fatalities respectively divided by the total number of hours worked, multiplied by 200,000 hours worked. The number of hours worked by Pandox employees amounted to 1,095,650 at 20 hotels in 2020 and 7,533,554 at 14 hotels in 2019.

Reporting of work-related ill health

No cases of work-related ill health were reported during the year. This is explained by a combination of fewer hours worked and the proactive steps taken by the hotels. Read more about this work on page 59 and in the introductory paragraph in the column opposite.

WORK-RELATED ILL HEALTH [1]

	2020	2019
	Number	Number
Employees		
Fatalities as a result of work-related ill health	0	0
Reported work-related ill health	0	166
Subcontractors		
Fatalities as a result of work-related ill health	0	0
Reported work-related ill health	0	0

[1] Work-related ill health is when poor health or illnesses were caused by exposure to hazards or a poor work environment.

Pandox also started collecting data on sickness absence in 2020 to analyse the current situation and see if the Company needs to establish common goals for this going forward.

SICKNESS ABSENCE BY SEGMENT [1]

	Sickness absence, %
All types of sickness, ill health or injuries	2020
Operator Activities	4.7
Property Management	0.1
Head office	0.7
Total	4.5

[1] Sickness absence is presented as a percentage of total scheduled hours worked. 2020 is the first year for which Pandox is reporting sickness absence. The lower sickness absence in the Property Management segment and at the head office is explained by the employees having the option to work from home during part of the pandemic.

This page has not been subject to review.

K10 ANTI-CORRUPTION

In 2020 there were two cases of corruption and they were handled according to Pandox's guidelines. Read more in the chapter "Responsible and fair business" on page 52.

NUMBER OF CASES OF CORRUPTION

	2020	2019
Total number of cases of corruption	2	0
– of which cases where an employee was dismissed due to corruption	1	0
– of which cases where contracts with business partners were terminated or not extended due to corruption	1	0
– of which the number of legal cases regarding corruption filed against the Company or our employees	0	0

K11 SUPPLIERS

Pandox also implemented a digital survey system for supplier evaluations in 2020. During the year, 90 of Pandox's existing suppliers were evaluated based on environmental and social criteria relating to human rights. From the beginning of 2021 new and recurrent suppliers within Property Management are required to be audited according to this process before a contract is signed. Pandox will also start to conduct random inspections starting in 2021. In the Annual Report next year the Company will be able to report the percentage of suppliers that have been screened based on environmental and social criteria respectively. Read more about work on this during the year on page 53.

NUMBER OF NEW SUPPLIERS THAT HAVE BEEN SCREENED [1]

	2020	
	Number	Percentage of total number of new suppliers
New suppliers screened based on environmental criteria	0	–
New suppliers screened based on social criteria	0	–
Total number of new suppliers during the year	–	–

[1] There is no data available for 2020 on the total number of new suppliers. The screening requirement for new suppliers was introduced at the beginning of 2021 and data on the number of new suppliers will also be collected going forward.

K12 GUESTS

During the year there were no incidents within the organisation where the health or safety of the guests were negatively affected. Nor were there any data breaches, such as stolen customer data, or incidents that violated customer privacy. Read more about our work in this area on page 55.

THE IMPACT OF PRODUCTS AND SERVICES ON PANDOX'S HOTEL GUESTS' HEALTH AND SAFETY [1]

	2020	2019
Total number of incidents where the guests', or visitors, health or safety were negatively affected on a visit to a Pandox hotel	0	0
– of which the number of incidents of non-compliance with laws	0	0
– of which the number of incidents of non-compliance with voluntary codes	0	0
– of which the number of incidents of non-compliance with laws that resulted in fines or other penalties	0	0
– of which the number of incidents of non-compliance with laws that resulted in a warning	0	0

DATA SECURITY AND CUSTOMER PRIVACY [1]

	2020	2019
Total number of data security breaches, such as stolen customer data	0	1
Total number of complains received on violation of customer privacy.	0	0
– percentage of total complaints that were received from external parties	0	0
– percentage of total complaints received from authorities	0	0

[1] In 2020 there were no incidents of breaches of GDPR and no customer data was lost.

This page has not been subject to review.

Novotel Den Haag World Forum

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