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Pandox Fair Play

Modern Slavery Act Transparency Statement

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Introduction

This statement is made by Pandex AB (publ) and refers to the 2024 financial year. It is Pandex's seventh Transparency Statement pursuant to section 54(1) of the UK Modern Slavery Act 2015. The statement outlines the policies adopted by Pandex to identify and mitigate the potential risks of modern slavery related to its business operations and supply chain.

Pandex's supply chain

Pandex is an international hotel property company with two business segments: Leases and Own Operations. The Leases business segment comprises hotel properties that are leased out long-term to market-leading hotel operators that are responsible for running the hotels. Pandex's Own Operations business segment comprises hotel properties that are run by Pandex itself via franchise or management agreements, or via independent brands. Pandex's activities therefore extend across the whole hotel value chain, which involves a large number of suppliers.

There are two types of suppliers present in Pandex's business: producers and service providers. The human rights and labour rights risks applicable to producers mainly occur in the extraction and processing of raw materials and in the production of the products, and are thus distant from Pandex's core business. For service providers, however, the risks are closer to Pandex's core business and can be identified in both Leases and Own Operations. Within Leases the main risks concern illegal labour and wage dumping during renovations, retrofitting or extensions.

In Own Operations there are risks associated with trafficking and prostitution that can take place on the premises within the hotel operations. There is also a risk of migrant workers being exploited in housekeeping and in food and beverage operations. Preventative measures are outlined below.

Pandex's policies and associated processes

Pandex has zero tolerance towards all forms of modern slavery, forced or child labour, exploitation and servitude. Pandex endeavours to conduct its business in line with international initiatives and sustainability standards, including the UN Global Compact, the fundamental Conventions of the International Labour Organization (ILO), the UN Universal Declaration of Human Rights as well as the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises, which Pandex undertakes to respect as a minimum. Pandex joined the UN Global Compact in 2019 and has therefore pledged to work according to its Ten Principles in areas such as human rights, labour, the environment and anti-corruption. Pandex's Sustainability Report 2024 is the Company's sixth Communication on Progress Report. 2024 is the first year for which Pandex's Sustainability Report has been prepared in accordance with the EU's Corporate Sustainability Reporting Directive (CSRD). Reporting according to CSRD is relevant because it ensures that our sustainability information is transparent, comparable and of high quality, and that it addresses risks associated with human rights.

Pandex's Code of Conduct for Employees and its Code of Conduct for Business Partners are based on the Ten Principles of the UN Global Compact and the ILO Declaration on Fundamental Principles and

Rights at Work. These policies form a basis for Pandox's efforts relating to human rights and labour rights. Pandox ensures that all employees are familiar with the content of the Code of Conduct for Employees through online training that is available in seven languages. Refresher training is required for all employees whenever there is a substantial update of the Code. The goal is for all employees to complete the training.

The 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 part of all new agreements. All new suppliers in Sweden with contracts above a certain amount go through a digital review process via an external tool. This involves first verifying that the company exists and is active, then screening the company against global sanction lists. If any non-conformances are identified the supplier is no longer part of the procurement. For approved suppliers, risk analysis is carried out in the system based on risk parameters such as industry, country, size of purchases annually and length of contract. Medium and high-risk companies are asked to fill out a digital self-assessment form to give Pandox better information for a decision in the final stage of the procurement process. When a deviation is discovered in a self-assessment form, a dialogue begins with the supplier in which they are asked to propose an action plan. Pandox approves the plan and then follows up to ensure that the actions decided on are carried out within the established timeframe. Suppliers that do not remedy the deviations identified receive site visits and, depending on the level of seriousness, may have their contracts terminated.

Moreover, where Pandox has caused or contributed to adverse human rights impacts, Pandox has undertaken to remedy such impacts or to cooperate in order to remedy such impacts. All stakeholders can use Pandox's anonymous whistleblowing service to sound the alarm concerning actual or potential adverse human rights impacts. The reporting mechanism is provided by an external party to ensure objectivity and anonymity. The whistleblowing service can be found on Pandox's website. Pandox has also ensured that information on the grievance mechanism is provided on the website.

Work in 2024

During the year this work was based on the impact assessment carried out in 2022 by an independent third party to identify, assess and report human rights risks – both in the supply chain and within Pandox's own organisation – and to determine which steps are needed to manage these risks. The process was limited to the industries and countries relevant to Pandox's operations and value chain where the human rights risks are considered higher.

As part of the process mentioned above for ensuring that all employees have studied the Code of Conduct for Employees, in 2024 the participation rate within Pandox's Own Operations segment was followed up, with the objective that all employees complete the training. In 2024 the rate of completion of the training was 71 (65) percent.

In 2024 Pandox continued its efforts to reinforce its governing documents and internal processes to ensure a good due diligence process, and therefore the work on supplier audits was developed. This included a comprehensive spend analysis to identify all Pandox's suppliers. This task was completed in partnership with a third party. Pandox's biggest suppliers include companies within the construction industry and property management, and those providing goods and services for hotel operations. The construction industry is the one identified as having the highest risk for Pandox. Of

Pandox's 5,000 or so suppliers, around 10 percent are within the construction industry. Risk analysis was carried out for 2,206 of Pandox's suppliers during the year, which is around 42 percent of the total supplier base and 80 percent of the spend for 2024. In 2024 a total of 154 (37) suppliers were audited, which is the outcome of the number of suppliers initially given a high risk rating in the risk assessment and which were therefore sent a questionnaire. In 2024 no suppliers were deemed to require site visits or termination of their contracts. At the beginning of the year a site visit was made to one of Pandox's suppliers. This supplier was selected at random as no serious deviations were identified in 2024. The site visit is still being followed up to ensure that all findings are dealt with.

In 2024 two reports classed as whistleblower cases were received via Pandox's whistleblower channel, one of which led to termination. No cases involving human rights violations were reported. Hotels in the Own Operations segment report each year on whether there have been any incidents involving trafficking, prostitution, discrimination or sexual harassment and if so, how these were handled. No cases of prostitution were reported during the year at hotels operated by Pandox. The incidence and handling of these are reported publicly in the Company's sustainability report.

In 2024 Pandox also implemented training in inclusive and equal recruitment processes, in which individuals responsible for recruitment and heads of departments completed training. In 2024 the training was carried out at 15 of Pandox's hotels in the Own Operations segment. In addition, the executive management team took part in a workshop provided by a third party that focused on an inclusive culture. Pandox has produced anti-trafficking training as part of its actions to deal with and disseminate knowledge concerning prostitution. 49 percent of Pandox employees, at the hotels that previously lacked training materials, completed the anti-trafficking training.

Moving forward

In 2025 Pandox will implement measures to further improve its performance in relation to human rights and labour rights as follows:

- Continue to ensure that the Code of Conduct for Business Partners is part of all new agreements.
- Ensure that all employees complete the digital training in the Code of Conduct for Employees; the goal is for all employees to complete this.
- All of the suppliers where serious deviations were identified in the self-assessment form, and where it has not been possible to remedy the deviations, are to be audited further through on-site inspections carried out by an independent external party.
- Appoint a person to be responsible for the supplier audit system.
- Strengthen commitment among and dialogue with suppliers to ensure human rights compliance in accordance with the Code of Conduct for Business Partners.
- Raise awareness of discrimination and harassment at the workplace.

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