

Pandox Norwegian Transparency Act statement

This statement covers the period of time from and including 1 January 2023 – 31 December 2024.

The statement has been read and signed by the Board and CEO.

a. General information

Pandox is a leading hotel property company that owns and leases out hotel properties to leading hotel operators. In total Pandox owns 161 hotel properties with approximately 35,000 rooms and a total market value of approximately SEK 76 billion. Established in 1995, Pandox has many years of experience in the hotel property market.

Pandox's geographical focus is on Northern Europe. Our home market is a dynamic and densely populated area with nearly 200 million people. We have a well-diversified portfolio of hotel properties in 90 cities in 11 countries. Germany, Sweden and the UK are our three largest markets in terms of the properties' market value. The portfolio focuses on domestic and regional cities with mainly domestic demand, which accounts for approximately 80 percent of the total number of rooms. The Norwegian operations are managed by Pandox AB (publ), which this statement focuses on.

Pandox has two business areas, Property Management, where we own and lease hotel properties, and Operator Activities, where we own hotel properties and run the hotel operation. Property Management is the core of our business, based on long-term revenue-based leases with good minimum rent levels and shared investments with the tenant. Pandox has 15 properties in Norway, all of them in the business area Property Management.

The Code of Conduct for employees constitutes the ethical guidelines for Pandox's operations. As part of their workplace orientation, every new employee learns about the Code of Conduct in a Company-wide digital course. The Code of Conduct also prohibits the employees from taking 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, rights at work (ILO), environmental protection and anti-corruption.

The Human Rights Policy states that the Company must respect and promote human rights throughout the organisation, including in the value chain and in the communities where Pandox operates.

To ensure that all employees have read the Code of Conduct and understood its content, Pandox offers digital training in the Code of Conduct that includes various dilemmas they may face. The course is adapted according to whether the employee works at a Pandox-operated hotel or at the head office and in Property Management. It is available in eight languages. The course is to be completed as part of the onboarding process for new employees and is to be repeated every other year by all employees and any outside consultants on a long contract.

The Code of Conduct course includes a clear explanation of the escalation process for complaints and incidents of a more serious nature. The first step is for employees to go to their manager, then to their manager's manager and thereafter to HR. Pandox also has a whistle-blower system provided by an external party to promote an open culture in which

employees and external stakeholders are unafraid to report irregularities, breaches of policies, crimes etc.

The whistle-blower system also provides an opportunity to report on HR issues anonymously, which are then handled by the respective hotel's head of HR.

b. Negative impacts and risks

In 2022 Pandox began working on its human rights due diligence process according to the OECD's guidelines for multinational companies. The first step in this process was conducting an impact assessment. Pandox engaged a third party to guarantee independence in the impact assessment process. The assessment focused on identifying, assessing, and reporting human rights risks in the supply chain, own operations, and business partners. The process was limited to the industries and countries relevant to Pandox's operations and value chain, where human right risks were considered higher.

For Pandox Norway potential human rights risks were identified through business partners to which Pandox Norway leases property. The identified potential salient risks include: Serious physical injuries on construction sites/renovations, exploitation of workers on renovation and construction sites, labour rights and working conditions throughout the supply chain.

Each identified risk was assessed based on the severity of the impacts on those affected and the likelihood of negative Impact. The "saliency of risk" was assessed according to scale, scope, irremediability and likelihood in each individual case.

Pandox properties in Norway are leased out. Therefore, the risks within the use-phase are out of scope since tenants run the hotels and are responsible for housekeeping, restaurant, service desk, service personnel, purchasing of goods, food, equipment etc.

Supply chain risks are therefore only connected to materials for renovations and construction and subcontract workers. Pandox has identified a process risk in supplier assessments due to the lack of a standardized process for selecting and assessing suppliers.

c. Actions and tracking progress

In 2024, the work to strengthen Pandox's governance documents and internal processes continued to ensure a robust due diligence process. Consequently, the work on supplier reviews has developed. A comprehensive spend analysis was conducted to identify all Pandox's suppliers, a task carried out in collaboration with a third party. Among Pandox's largest suppliers are companies in the construction industry, property management, and suppliers of goods and services to the hotel operations. The construction industry has been identified as the highest risk sector for Pandox. Of Pandox's approximately 5,000 suppliers, around ten percent are related to the construction industry. All new suppliers in Sweden above a certain amount undergo a review digitally via an external tool. First, it is verified that the company exists and is active, then the company is screened against global sanctions lists. If the review yields adverse results, the procurement is terminated. For approved suppliers, a risk analysis is conducted in the system based on risk parameters such as industry, country, size of annual purchases, and contract length. High-risk suppliers are asked to respond to a digital self-assessment questionnaire to provide Pandox with better decision-making support in the final stage of procurement. When discrepancies are identified in the self-assessment questionnaires, a dialogue is initiated with the supplier where they are asked to propose an action plan. Pandox approves the plan and then follows up to ensure that the agreed actions are implemented within the specified time. Suppliers who do not address identified discrepancies are subject to site visits and may, depending on the

severity, have their contracts terminated. If an on-site inspection is not possible at the time when an existing construction project is completed, the supplier is red-flagged in the system and cannot be used again until the supplier can submit accurate information. During the year, 2,206 of all Pandox suppliers underwent a risk analysis, corresponding to approximately 42 percent of the total supplier base and 80 percent of the spend for 2024. In 2024 Pandox worked reactively to upload all of the around 2,206 suppliers categorised in the supplier system spend analysis. Around 7 percent of these emerged as high-risk suppliers. In 2025 a risk analysis will be performed before contracts are signed with new suppliers to provide a better basis for decisions in the final stage of negotiations

Going forward, Pandox is reviewing what actions to take to further strengthen our management of human rights risks in our value chain. These actions may concern methods to evaluate the effectiveness of actions taken, deepen our understanding of identified impacts and hold trainings for our employees on human rights due diligence.

Request for information

To request information about human rights, labor rights or Pandox Norway's salient human rights risks, please contact SVP & Director of Sustainable Business, Caroline Tivéus: +46 73 532 74 41 or via email: carolne.tiveus@pandox.se

To raise concerns or report incidents, please report through our external whistleblowing service, which can be found here: <https://report.whistleb.com/en/Pandox>