

3rd of April 2020

Pandox Fair Play
Code of Conduct
for business
partners

Code of Conduct for business partners was adopted by the Board of Directors of Pandox Aktiebolag (publ) (Reg. No. 556030-7885) 3rd of April 2020.

Code of Conduct for business partners

Pandox's vision is to be a world-leading hotel property company by offering specialist expertise through active ownership, management and development of hotel properties, and hotel operations.

Being a leader means taking responsibility for our entire value chain. One priority is to ensure that our business partners integrate sustainability in their everyday work. This Code of Conduct for business partners is an important component in this endeavour.

*Anders Nissen,
CEO Pandox AB*

Code of Conduct for business partners

Pandox is committed to conducting business in a responsible and sustainable way. The commitment includes Pandox whole value chain. As such, the purpose of this Code of Conduct for business partners is to establish a common approach among our business partners according to Pandox's values. The Code of Conduct for business partners ("the Code") sets out our guiding principles and the expectations we have of our business partners.

Pandox has a long-term perspective and endeavour to maintain lasting relationships with its business partners. Through the Code and by respecting good business ethics and sound business practices, we want to promote a sustainable society in which businesses take economic, social and environmental responsibility.

Basis

This Code outlines the minimum requirements that Pandox expect business partners to respect when conducting business with Pandox. The Code is based on the ten principles of the UN Global Compact¹ and its underlying conventions and declarations which covers human rights, labour rights, environmental protection and anti-corruption.

Business partners should comply with applicable legislation in the countries where they operate. In the case, where this Code is in direct conflict with national legislation, national legislation should always prevail, however if the Code sets out stricter requirements than national legislation, this Code should prevail.

Scope

This Code applies to all parties with whom Pandox conducts business such as suppliers, business partners or contractors, including subsidiaries and sub-suppliers. These are referred to hereinafter as business partners. The Code further applies to all of the Business Partners' employees, whether permanent or temporary ('employees/'workers').

We expect our business partners to comply with the content of the Code and to work proactively and systematically to ensure that any subcontractors they use and any parties who in another way perform services or are involved in assignments for Pandox also comply with the Code. The business partner is responsible for ensuring that suppliers in their supply chain adhere to the requirements set forth in this Code.

¹ [UN Global Compact](#)

Human rights

Exploitation, prostitution and human trafficking

Pandox has zero tolerance towards criminality or any form of sexual exploitation, prostitution and trafficking at our hotels. Suspicious activities are to be reported to hotel management. We cooperate with the police and local authorities to combat crime.

Fair and equal treatment

The business partner should treat all employees with respect and dignity and protect workers' right to integrity and privacy. The business partner should not discriminate on grounds such as ethnicity, gender, sexual orientation, marital, social or parental status, religion, political grounds, nationality, disability, medical status, age or union affiliation. Any form of psychological, physical, sexual or verbal abuse, intimidation, threat or harassment must not be tolerated.

Privacy, integrity and information security

The business partner should ensure protection of personal data regarding all observations or information compiled and received on our customers and hotel guests as well as employees and other relevant parties. Confidential information regarding our business or the activities of our guests and customers may only be used for its intended purpose. Business partners should protect confidential information and take appropriate technical and organisational measures to prevent loss, misuse, unauthorised access, alteration or disclosure, including inappropriate communication or announcement of information to third parties.

Labour rights

Child labour and young workers

The use of child labour is strictly prohibited. In the case that the business partner employs young workers below the age of 18 the business partner should ensure that the young worker does not carry out hazardous or heavy work nor work over time or night shifts.

Forced labour

All work must be voluntary, and workers should be free to leave work or terminate their employment upon reasonable notice. As such, the business partner should not use physical punishment, confinement, threat of violence or control over the workers such as confiscating their identification documents or any other documentation, deposit money or equivalent that prevents the workers from voluntarily resigning.

Employment terms

All employees are entitled to written employment contracts, in a language they understand, specifying their terms of employment and termination. Employer responsibilities should not be avoided by the business partner by contracting or subcontracting workers, use of home workers, apprenticeships or by organising similar arrangements.

Freedom of association and collective bargaining

All employees should be free to form, join or not to join a trade union or employee organisation of their choice. Employees should also have the right to bargain collectively without fear of reprisals.

Working hours

The business partner should ensure that a normal work-week does not exceed 48 hours and that overtime is voluntary. Overtime should be consensual and limited to ensure decent working conditions.

Wage and benefits

The employees have the right to equal pay for equal work. The business partner should ensure that all employees are paid a fair wage, i.e. at least the minimum wage according to national legislation. The business partner should compensate employees for overtime work and provide all employees with adequate insurance and benefits.

Health and safety

The business partner should provide employees with a safe and healthy work environment by working systematically with safeguarding health and safety. Risk assessments shall be conducted regularly to identify occupational hazards followed by implementation of measures to prevent identified hazards. The business partner should ensure that there is sufficient fire protection in the work facility, that machinery is equipped with safeguards and that personal protective equipment is provided to employees at company cost. Training in labour rights and in health and safety should be provided to employees on a regular basis. Work related accidents must be reported, investigated and preventive measures must be introduced.

Environmental protection

Precautionary approach

The business partner should apply a precautionary approach towards environmental and climate matters. The use and development of environmentally friendly technology should be

promoted and business conducted with as low impact on the environment and public health as possible.

Energy and greenhouse gas emissions

Energy should be used responsibly with the aim of reducing, optimizing and use energy more efficiently. The business partner should regularly monitor energy use and prioritize the use of renewable energy sources if available. The business partner should further strive to minimize greenhouse gas emissions, by identifying, monitoring, controlling and managing greenhouse gas emissions from their operations. This also includes choosing means of transportation that has the least negative environmental impact.

Air emissions, effluents, waste and water

The business partner should identify, monitor, control and manage emissions to air, water and soil as well as waste generated from its operations. The business partner should, to the highest extent possible, strive to reduce waste and reuse and recycle resources. Water should be used responsibly, and the business partner should strive towards reducing the consumption. The business partner should ensure that wastewater effluents from the operations is reused when possible, and otherwise treated prior to discharge or disposal.

Chemicals and hazardous substances

Chemicals and hazardous substances should be eliminated when possible or kept to an absolute minimum. When using chemical or hazardous substances, the business partner should ensure safe handling, storage and disposal of the substances. All substances should be properly and clearly labelled. Material Safety Data Sheets (MSDS) shall be easily available. The business partner should restrict and substitute hazardous substances according to the European Union directives REACH² and RoHS³.

Anti-corruption and business ethics

Business integrity

Corruption in all its forms including but not limited to bribery, facilitation payments and nepotism is strictly prohibited. Business partners should commit to prevent, detect and remedy financial crime, including but not limited to extortion, money laundering, terrorist financing and fraud.

The business partner should develop and implement an anti-corruption policy², as well as internal control measures. Anti-corruption training should be provided to managers and to

² REACH

³ RoHS

employees working in positions prone to corruption, such as purchasing, sales and financial transactions.

Bribery and gifts

The business partner should not directly, or indirectly through intermediaries, demand, offer, ask for, promise, give or accept a gift or undue advantage in exchange of a business or other advantage from any party. Monetary gifts, gift cards, cash or other gifts that could be considered cash equivalents, are always considered improper.

Entertainment and gifts are to be characterised by openness and moderation. Providing, promising or offering a benefit to a person who exercises authority or makes decisions on public procurement is not permitted.

Conflict of interests

Business decisions should not be motivated or influenced by personal relationships or interests. This regards hiring practices, including nepotism and cronyism. The business partner should not enter into a financial or any other relationship with a party risk of a conflict of interest. The business partner should identify where conflict of interest could potentially arise, document such situations as well as take measures for handling identified situations. In the case of a conflict of interest, the business partner must take precautionary action and inform Pandox about the situation.

Fair competition

The business partner should respect free market regulations, meaning it is strictly forbidden to take part in cartels for price adjustments, market distortion or beneficiary services. The business partner should ensure that all taxes are paid in all local countries of operation, and that transfer pricing manipulation or abusive transfer pricing do not occur. The business partner should not pay or accept kickbacks or facilitation payments and must prevent direct or indirect financial crime such as money laundry, fraud or embezzlement, by having a process in place for identifying and handling such incidents.

Intellectual property

Business partners should only use Pandox intellectual property, such as trade secrets, copyrights, patents and trademarks, as permitted by agreement, and should not misappropriate or infringe upon the intellectual property of others.

Accounting and reporting

All transactions should be reported in accordance with generally accepted accounting

standards and accounting records should reflect the transactions accurately. Business partners should prepare their financial reports in a timely manner and in a way that provides a true representation of the Company's accounts and financial performance.

Follow-up and compliance

Pandox reserve the right to request the business partner to participate in a self-assessment questionnaire, in which the business partner should cooperate. Pandox also reserves the right to collect sustainability data from the business partner, as well as conduct announced audits to observe the business partners' operations and sustainability performance. The audits may be performed by Pandox or by Pandox appointed third party. The business partner should ensure this right at sub-suppliers.

In case of identified deviations towards the Code, the business partner will be asked to provide a corrective action plan for Pandox to approve.

Pandox reserves the right to terminate contract with the business partner in the case of material breaches against the responsibilities outlined in this Code and underlying conventions and declarations.

Business partners covered by the Code must be able to confirm through an authorised representative that have read and understood the Code and that they pledge to comply with it.

Whistleblowing service

The whistleblowing service is available to Pandox business partners to report serious violations of the guidelines in the Code.

If the actions of the business partners should be in breach of the Code or if the business partner should become aware that a Pandox employee has acted in breach of this code, the business partner may inform the relevant Pandox representative by sending an email to fairplay@pandox.se, describing the nature and scope of the breach. Pandox also offers an anonymous reporting channel provided by the external partner WhistleB provider. See the link below. For more information and guidelines for the whistleblower service, visit Pandox's website www.pandox.com.

<https://report.whistleb.com/Pandox>