

3rd of April 2020

Pandox Fair Play
**Environmental
Policy**

This Environmental Policy was adopted by the Board of Directors of Pandox Aktiebolag (publ) (Reg. No. 556030-7885) on 3rd of April 2020.

Environmental Policy

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

Being a leader means constantly creating sustainable value for our stakeholders while earning their respect and trust. The Environmental Policy is an important component in this effort. The Environmental Policy is part of Pandox's Code of Conduct.

*Anders Nissen
CEO Pandox AB*

Purpose and ambition

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

Pandox goal is to commercially integrate the sustainability work into its business model. This implies measuring, analysing and monitoring the Company's environmental impact and to integrate environmental aspects into the Company's day-to-day business including investments within both Property Management and Operator Activities.

Pandox should be proactive, open and constructive in its dialogue with business partners and other stakeholders regarding environmental issues and possibilities. It's in collaboration with its business partners and tenants where the largest value can be created.

Scope and responsibility

Pandox Environmental Policy (the Policy) applies to all employees at Pandox who should respect the Policy and comply with its content. All employees also have the responsibility to be observant of situations in the workplace where there are environmental risks, regardless of department or position.

Pandox's Environmental Policy is incorporated into the annual Group-wide online training. It has been attached to all employment contracts since the beginning of 2016 and is therefore also included in new employee orientation.

The Director of Sustainable Business is responsible for the Policy, its implementation as well as updating the Policy and together with respective manager implementing it in the organisation. The policy is revised annually by Pandox's Board of Directors and is available on the Company's website.

Governance

Pandox works to prevent, detect and remedy all forms of environmental risks. The precautionary principle and the substitution principle are guiding principles in decisions with environmental impacts.

The Policy is based on the environmental principles of the UN Global Compact and relevant legislation in the countries where Pandox operates. Everyone involved in Pandox's operations is responsible to comply with applicable legislation, policies, guidelines and internal routines. If there is a conflict between national legislation and this Policy, national legislation prevails. However, if the principles in this Policy are stricter than national legislation, the Policy applies.

The Company addresses sustainability and environmental issues and possibilities in the Sustainability Committee. The Committee consists of Director of Sustainable Business and representatives from the executive management team and will address ongoing issues and decisions relating to sustainability work. The composition of the Committee will be adjusted as needed and based on what the situation requires.

Aspects

The focus of the Company's environmental work is on (1) emissions and energy & water, (2) waste, (3) materials use, (4) hazardous substances and (5) biodiversity. The goal is to reduce the Company's environmental impact in four stages: reduce demand through behavioural changes; increase resource efficiency in production and distribution; increase reuse and recycling of energy, water and materials; and transition to renewable energy sources wherever applicable. Further to identify opportunities to improve the health & wellbeing aspects of the internal spaces and enhance the biodiversity aspects of external green infrastructure.

In order to achieve these goals, Pandox is implementing a bespoke environmental management system (EMS) as a framework for delivering reductions to its environmental impact through the following measures:

- Reduction targets for energy, water and waste as part of the Green Investment Plan for hotels within Operator activities.
 - Improvement measures within the green investment plan in Operator Activities and annual action plans.
 - Monitoring and analysis of performance against targets for both Property management and Operator activities.
 - Quarterly reviews communicated through the Green Update report.

Pandox should therefore apply the following guidelines regarding the environmental aspects of its business operations when possible:

1. Reduce emissions, energy consumption and water use

- Monitor and control air emissions from Pandox's operations, with focus on reducing greenhouse gas emissions and to prevent air, soil and water pollution.
- Monitor and actively work to use water and energy more efficiently.
- Prioritise the use of renewable energy such as wind, solar, hydro and geothermal energy when relevant.
- When possible, install new technology to increase efficiency and monitoring possibilities.
- See Pandox Travel instructions for guidance on transportation and environmental impacts.

2. Minimise waste

- Monitor solid waste generated from Pandox's operations.
- Simplify for employees to sort waste.
- Prioritize the treatment methods of waste according to the waste hierarchy: reduce, reuse, recycle, energy recovery and landfill when relevant.
- If reasonable, reduce waste from packaging, disposable products and other sources of unnecessary resource use.
- Hazardous waste should be collected separately from non-hazardous waste, stored properly and be managed by a waste operator certified for hazardous waste treatment.

3. Sustainable materials and products

- Minimise the environmental impact from materials used for renovating properties by using reused, recycled and renewable materials.

- Strive to minimise construction waste and demand for new materials through its proactive maintenance strategies, maximising the useful lifetime of existing structures and materials.
- Purchase environmentally certified products when possible and financially reasonable.
- Reduce the use of plastics.

4. Chemicals and hazardous substances

- Chemicals and hazardous substances should be used at the absolute minimum.
- If such chemicals and substances are used, these should be managed, stored and disposed of in a secure and correct manner. Chemicals and hazardous substances should be stored in suitable containment vessels and clearly labelled and documented in Safety Data Sheets (SDS).
- Minimize and continually aim to reduce environmental impact of refrigerant use, incorporating, where feasible, the application of free cooling approaches and the substitution of chemical refrigerants with low-impact alternatives.

5. Biodiversity

Pandox's ambition is to include biodiversity as part of the development of the properties in Operator activities.

- Measure the potential biodiversity impact of Pandox' Operating activities and the way it is addressed and managed through the BREEAM "New Construction" certification for all new development projects, BREEAM "Refurbishment and Fit-out" for major refurbishments and BREEAM "In-Use" for existing assets.
- The urban locations of most existing assets limit the potential to enhance biodiversity. As a result, the main focus should be on creating "green" spaces at the hotels, such as green roofs and green walls; and carefully selecting the plant species and habitat support features for animals to increase biodiversity of both existing and any newly created green areas.
- For each asset, undertake a biodiversity study, prior to major renovations and/or extensions or under the green investment plan for other existing properties, according to the relevant BREEAM methodology and criteria, to ensure that green measures are in line with best practice recommendations and in accordance to local and regional priorities.

Follow-up and compliance

If an incident occurs or is suspected, the immediate manager needs to be alerted. If this is not possible, the immediate manager's manager needs to be alerted according to the grandfather principle. When none of these options is possible, whistleblowing can be used as a last resort, see Pandox Whistleblowing Guidelines. The guidelines are available on Pandox's website and can be accessed through the following link: <https://report.whistleb.com/en/Pandox>.

When in doubt, the immediate managers should be contacted for guidance.

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