

29 March 2018

Pandox Fair Play
**Environmental
Policy**

This Environmental Policy was adopted by the Board of Directors of Pandox Aktiebolag (publ) (Reg. No. 556030-7885) on 9 April 2018.

Environmental Policy

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

Being a leader means constantly creating sustainable value for our stakeholders and 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's Environmental Policy is to establish a common approach among the Company's employees, business partners and other stakeholders to Pandox's values and ambitions for sustainable business.

Pandox's sustainability work is integrated into all business operations. Pandox endeavours to measure and analyse the Company's environmental impact and to integrate environmental issues into the Company's day-to-day business within both Property Management and Operator Activities, as well as other important business processes such as investment.

Pandox's environmental investments are based on sound decision criteria and on attractive returns regardless of business segment and business model. Pandox is open and constructive in its dialogue with business partners and other stakeholders regarding environmental issues.

Based on the materiality analysis conducted by Pandox regarding sustainability, the focus of the Company's environmental work is on (1) energy and emissions, (2) water and (3) waste. The approach is to constantly measure and monitor Pandox's use of resources and, through a combination of technology investment and changed behaviour, create environmental gains through more efficient resource use.

Pandox takes active steps to reduce the Company's greenhouse gas emissions through energy efficiency improvement and conversion to renewable energy. Pandox measures and reports the Company's greenhouse gas emissions directly to the CDP and to stakeholders through sustainability reporting.

An important element of the Company's environmental work is conducting an energy audit and certification of the hotel properties, including hotel operations, which requires ongoing improvements to be made by both Pandox and its tenants.

The majority of Pandox's hotel properties today have some form of environmental certification (see Pandox's 2017 Annual Report, page 72). Certification varies since the hotels are located in many different countries and geographical areas. Pandox's long-term goal is for all hotel properties to have environmental certification according to the standards that apply in the respective markets in order to ensure the efficiency of environment work and the quality of the hotel property portfolio.

Corporate governance

The Company addresses sustainability and environmental issues on several levels – at the Group level and in steering groups with members working in the areas of business operations, real estate and sustainability. The executive management team guides and evaluates improvement initiatives through ISO 14001. There are also work groups linked to specific projects.

Scope, compliance and responsibility

The Environmental Policy has been adopted by Pandox's Board of Directors which also reviews its content annually. Pandox's Environmental Policy covers the entire Group and 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.



It is the responsibility of executives and managers to ensure compliance with the Environmental Policy. Employees are to address any questions they have regarding the application of the Environmental Policy to their immediate superior or the Company's Director of Sustainable Business.

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