

Stockholm, 10/04/2019

Pandox Fair Play Code of Conduct

This Environmental Policy was adopted by the Board of Directors of Pandox Aktiebolag (publ) (Reg. No. 556030-7885) on 10th of April 2019.

Code of Conduct

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 Code of Conduct form the foundation of this effort.

Sustainability is a natural part of Pandox's operations and is based on our corporate culture and our values, gathered under the concept of "Pandox Fair Play."

*Anders Nissen
CEO Pandox AB*

Purpose and ambition

The Pandox Fair Play Code of Conduct (“the Code”) reflects Pandox’s values and ambitions for sustainable business. The Code describes Pandox’s principles and expectations, and summarises the approach of our employees and Pandox as an employer, business partner and member of the community. We work to promote a positive and open atmosphere and a corporate culture based on trust, teamwork and generating results we can be proud of.

Pandox goal is to commercially integrate the sustainability work into its business model. This implies measuring, analysing and monitoring the Company’s impact and to integrate sustainability issues into the Company’s day-to-day business including investments regardless of business segment.

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

Scope and responsibility

All Pandox employees are to comply with the Code. The principles and expectations set forth in this Code applies to all conduct in the workplace as well as to conduct outside of the workplace that is related to your work (e.g. at meetings, social events and social interactions with colleagues) or which may impact on Pandox’s reputation (e.g. the expression of views on social media, contrary to the commitments expressed in this Policy, that could be linked to Pandox). All Pandox’s employees are obliged to complete the online Code of Conduct training and to confirm that they have read and understood the Code and pledge to comply with it.

The Code is incorporated into the annual Group-wide online training which is carried out in the start of the employment or when the code is updated. 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 Code of Conduct, its implementation as well as updating the Policy and together with respectively manager to implement it in the organisation. The policy is revised annually by Pandox’s Board of Directors and is available on the Company’s website.

Governance

The Code is built on the relevant legislation ten principles in the UN Global Compact (www.unglobalcompact.org) and relevant legislation in the countries were 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 Code are stricter than national legislation, the Code applies.

The Company addresses sustainability and environmental issues and possibilities in the Sustainability Committee. The Committee consists of the 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

Diversity and Equality

Pandox is committed to promoting equality and diversity by enhancing a culture that values different cultures, perspectives, and experiences. We believe that an equal and diverse workforce will bring valuable insight to our workplace and enhance the way we work. We aim to be an inclusive organization where all employees are ensured a working environment that promotes equality, dignity and respect for all. All our operations should furthermore work actively to prevent, detect and remedy all forms of discrimination, including harassment, offensive treatment and victimization.

- **Equal rights and opportunities:** All Pandox employees shall attain equal rights and opportunities regardless of gender, transgender identity or expression, ethnicity, religion or other belief, disability, sexual orientation, or age.
- **Employment:** All Pandox employees shall be ensured equal rights and opportunities of employment including matters of wages and other employment terms, working conditions, recruitment and promotion, training and other skills development and possibilities for combining gainful employment and parenthood. This means for example that:
 - Terms of employment, including wages, shall be based on market practices, transparent criteria and equal terms.
 - Only merit and personal competence shall be considered in recruitment procedures, salary setting, and promotions.
 - All vacant positions shall be broadcasted both internally and externally.
 - All properties shall be accessible regardless of physical impediments or special needs
 - All employees shall be able to combine parenthood with working life.
- **Gender distribution:** We are striving towards an equal gender distribution at all levels. All Pandox's operations shall, by means of training, skills development, and other suitable measures, promote equal distribution of genders in various types of work, within various categories of workers, and in management positions.
- **Discrimination grounds:** We do not tolerate any acts of unlawful or unfair discrimination based on any of the following discrimination grounds: sex, transgender identity or expression, ethnicity, religion or other belief, disability, sexual orientation or age. Discrimination on the basis of work pattern (e.g. part-time working, fixed term contract, flexible working) will also not be tolerated.

- **Harassment, offensive treatment, and victimization:** We have zero tolerance for harassment, offensive treatment, and victimization. Harassment includes behaviour that demeans, humiliates or embarrasses a person. It can be comments, words, physical approaches, close-up looks or unwelcomed compliments. Offensive treatment is actions that are perceived as offensive by the victim or victims. If offensive treatment is reoccurring during a longer period of time it constitutes victimization. It is important to remember that it is not the intention of the harasser but how the recipient perceives their behaviour, which determines whether harassment has occurred or not. All employees have a responsibility to be observant of and report on all incidents of discrimination, including harassment, offensive treatment, and victimization, regardless of department or position.
- **Exploitation, prostitution and human trafficking:** We do not accept criminality or prostitution at our hotels and we forbid all forms of sexual exploitation of children. Suspicious activities are to be reported to hotel management. We cooperate with the police and local authorities to combat crime.

Health, safety and security

Pandox prioritises the health, safety and security of our employees and guests. Pandox complies with applicable national and international health and safety laws and regulations concerning the workplace. We follow the safety procedures that apply within our respective roles and work areas and we remain alert to any risks in our daily work routines.

- **Work place safety:** We work proactively to improve our work environment. We offer regular safety training that includes the correct use of safety equipment and we have the necessary routines in place to avoid accidents and work-related injuries. Our hotels are equipped with sufficient safety equipment and carry out regular maintenance to ensure its functionality.
- **Employee health:** The health and wellbeing of Pandox employees is a priority. We are committed to ensuring that our employees have a good work environment and a healthy work-life balance. We encourage an active lifestyle and physical exercise through Pandox Movement.
- **Drugs and alcohol:** We perform our tasks in a safe and efficient way and are not permitted to consume and/or privately distribute alcohol or illegal drugs while performing our work. Alcohol is permitted in connection with social events and/or in entertainment contexts but should only be consumed in moderation.
- **Fire drills.** Employees at the hotels are regularly doing fire drills and receiving the appropriate training. Our hotels provide clear information to guests on evacuation routes, emergency exits and what to do in case of an emergency.

Working conditions

All Pandox employees are expected to do their part to ensure we have a fair and positive atmosphere in the workplace. We respect international human rights and labour law conventions and declarations and treat each other fairly, equitably and with respect for every individual's worth.

- **Employment:** All Pandox employees are to have a written contract, receive fair pay in line with the highest level of the statutory minimum wage or applicable industry standards, receive statutory employment benefits, have the right to statutory leave including sick leave and parental leave, and are not forced to work longer hours than stipulated in local laws.
- **Forced labour:** All work is to be carried out voluntarily. No form of forced labour or work linked to any form of threat or punishment is permitted, and employees have the right to terminate their employment with reasonable notice. No Pandox employees are to be forced to deposit valuables or identity documents with their employer.
- **Freedom of association:** We respect our employees' rights under local laws, including their right to join trade unions and to engage in collective negotiations without fear of punishment, threats or abuse.
- **Child labour:** Child labour is not permitted. We are responsible for documenting the age of our employees and are not to employ anyone who is under the minimum age as established in local laws, is under the age of 15 or is subject to compulsory school attendance.

Integrity and information security

Confidential information regarding our guests, employees or our business is only to be used for its intended purpose.

- **Integrity and information security:** We respect the right of our employees, business partners, tenants and guests to personal integrity and data protection according to the General Data Protection Regulation. We ensure confidentiality with respect to all observations or information received on our business partners, tenants or hotel guests. Employees who have direct or indirect contact with them are to respect their integrity and ensure the confidentiality of their personal data. Under no circumstances are we to discuss or disclose information on them other than for the purpose of fulfilling our work duties. External dissemination of customer information is strictly forbidden, except for when Pandox has a responsibility set forth by law or public authority regulations.
- **Intellectual property and information security:** We protect confidential information and take steps to prevent loss, misuse, unauthorised access, alteration and/or disclosure of such information, including unauthorised communication or announcement of information to third parties. We are only to use our intellectual property, such as trade secrets, copyrights, patents and trademarks, as permitted by agreement, and we are not to inappropriately use or infringe upon the intellectual property of others.

- **Data security:** We use technical and organisational safeguards, such as firewalls and password protected systems, in accordance with applicable laws in the countries where we operate to protect our guests' personal data against illegal or unintentional destruction, accidental alteration or loss, and unauthorised access.

Anti-corruption

There is a zero tolerance towards any form of corruption within Pandox and the Company is actively working to prevent, detect and remedy corruption. The following aspects is in focus for Pandox's work:

Bribery

- Bribery is defined as when a person requests, receives, accepts, offers, pays, or seeks an offer or an improper advantage or reward in connection with his or her position, office or assignment. Bribes can consist of money, goods, trips, services, discounts, gift cards and hospitality of different kinds.
- Facilitation payments, other compensation or gifts should never occur in business decisions, relations or actions that are linked to Pandox.

Financial offences

- Financial offences include money laundering, fraud and extortion. Money laundering is defined as the process of concealing the origin of money that has been obtained illegally by passing it through a sequence of banking transfers or commercial transactions. Fraud is defined as a deception intended to result in financial or personal gain. Extortion is when money, property or services is obtained through coercion.
- Employees at Pandox must actively collaborate with internal and external investigations of potential financial offences.

Conflict of interest, cronyism and nepotism

- Conflict of interest is defined as a situation where a person or organisation have multiple interests and serving one would involve working against the others. Cronyism is the practice of favouriting friends and Nepotism is the same but for family.
- It is prohibited for employees to use relationships with business partners such as customers, partners, suppliers or equivalent for their own personal gain.
- Business decisions connected to Pandox's operations can never be motivated by personal relationships and/or interests.
- A financial cooperation or other business relationship with a partner that contributes to or risks to contribute to a conflict of interest should only be initiated if necessary precautions are made.
- When recruiting, both internally or externally, desired competencies should be established to ensure that the candidate is employed due to merit and not due to relationships.
- If a person finds him- or herself in a situation where there is a risk of conflict of interest, for example in recruitment or procurement process, that person should remove him- or herself from the process and be replaced.

Unfair competition

- Unfair competition is defined as price collusion, cartel formation or abuse of market dominance. Pandox recognises the importance of correct and diverse competition during the entire procurement process.

Environment

Pandox strives to reduce our environmental impact and we use the substitution and precautionary principles as guidance in all decisions with environmental impacts. All Pandox's employees are expected to comply with Pandox's Environmental Policy which is available on the Pandox website, www.pandox.com.

Follow-up and compliance

If non-compliance with the Code occurs or is suspected, you shall report the incident without delay to your immediate manager. If this is not possible, the immediate manager's manager shall be alerted in accordance with the grandfather principle. When none of these options are 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>.

Allegations regarding potential breaches of the Code will be treated in confidence and investigated in accordance with the appropriate procedure. Pandox will ensure that individuals who make such allegations in good faith will not be victimized or treated less favourably by Pandox as a result.

The immediate managers should be contacted for guidance when in doubt regarding a specific issue.

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