

Stockholm, 10th of April 2019

Modern Slavery Act Transparency Statement

Introduction

This statement is made by Pandox and refers to the financial year of 2018. It is Pandox's first Transparency Statement pursuant to section 54(1) of the UK Modern Slavery Act 2015. The statement outlines the initial steps taken by Pandox to identify and mitigate the potential risks of modern slavery related to its business operations and supply chain.

Pandox's organisation and supply chain

Pandox is an international property company. Pandox is operating in two business segments. The first segment is Property Management, which comprises hotel properties leased on a long-term basis to market-leading hotel operators. The second segment is Operator Activities, which comprises hotel operations executed by Pandox in its owned hotel properties. Hence, Pandox has two different supply chains with a large number of suppliers.

In Property Management, Pandox has full control over the sustainability management for the physical property but has a limited impact on the tenant's operations. For Operated hotels, the degree of control depends on the type of agreement the operation is subject to.

There are two types of suppliers present in Pandox's business; producers and service providers. Risks for producers relating to human- and labour rights are mainly present in raw material extraction and processing and in the production of the products, and thus distant to Pandox. For service providers, however, the risks are closer to Pandox's business and can be found in Tier 1 or Tier 2. There might also be a risk for trafficking and prostitution in properties where Pandox is also responsible for the hotel operations.

Pandox's policies

All forms of modern slavery, forced or child labour, exploitation and servitude are prohibited at Pandox. Pandox strives to do business in line with international initiatives and sustainability standards, such as the UN Global Compact, the Fundamental Conventions of the International Labour Organization, the UN Universal Declaration of Human Rights, and the UN Guiding Principles on Business and Human Rights.

Pandox Code of Conduct for employees and Code of Conduct for business partners lay the foundations for Pandox's work with human rights and labour rights. Pandox ensures that all employees have knowledge about the content in the Code of Conduct for employees through online-training in their employee onboarding. Refresher trainings are required for all employees whenever there is a substantial update of the policy. Pandox Code of Conduct for business partners has its basis in the 10

principles of the UN Global Compact and describes the expectations that Pandex has on its suppliers regarding human rights and labour rights.

Pandex has an independent whistle-blower mechanism that is available for employees and external stakeholders. Eventual suspicions of irregularities or non-compliance with Pandex policies can be reported anonymously. The reporting mechanism is provided by an external party to ensure objectivity. Incoming cases are handled by Pandex General Counsel. The whistle-blower mechanism is available on Pandex's website and can also be accessed through the following link: <https://report.whistleb.com/en/Pandex>

Moving forward

During 2019, Pandex will implement measures to improve performance in relation to human rights and labour rights. During 2019, Pandex will:

- Update the Code of Conduct for Business Partners and continue the implementation process.
- Conduct a risk assessment to identify high-risk suppliers.
- Implement a follow-up process including self-assessment to ensure that suppliers fulfil the requirements in the Code of Conduct for business partners.
- Conduct training for employees on human rights and sustainable supply chain management.
- Report on identified KPIs in relation to human rights and sustainable supply chain.

This modern slavery act statement has been signed and approved by Pandex's Chairman of the Board, Christian Ringnes.