

RESPONSIBLE SOURCING



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RESPONSIBLE SOURCING GUIDELINES FOR BUSINESS PARTNERS



1. PURPOSE AND AMBITION

Pandox is dedicated to responsible and sustainable business practices. With its 20 operated hotels serving a significant number of meals annually, the company recognises that food contributes to approximately 30% of global Greenhouse Gas emissions. As part of its commitment, Pandox has adopted a sustainable purchasing approach.

Pandox's Responsible Sourcing Guide and Standards provide principles, minimum standards, and preferences for responsible sourcing. These guidelines set expectations for its hotels and their suppliers. Recognising that sustainability is an ongoing journey with complex challenges, Pandox aims to drive positive change and encourage its broader value chain to join in this effort.

2. SCOPE AND STRUCTURE

The Guide focuses on Pandox's top 10 operational priority purchasing areas, including food and beverages, cleaning and chemicals, outsourced recruitment, plastics, and paper and cardboard. These are areas where the business has the greatest potential to influence significant sourcing improvements.

The Guide applies to all Pandox-operated hotels. Building, construction, and maintenance purchases are currently covered by Pandox's Sourcing Policy for Maintenance and Development. In the future, Pandox plans to develop sourcing standards for hotel fit-outs and renovations but we included some FFE preferences towards the end.



These guidelines are intended to assist Pandox and its partners in making more sustainable and responsible sourcing decisions.

The Guide is set out into two parts:

- Pandox’s overarching principles for responsible sourcing
- Pandox’s responsible sourcing requirements and preferences for each of our top 10 priority purchasing commodity and product types, as follows:

- Minimum standards:** Products which hotels must follow

- Key performance indicators:** To benchmark current sourcing practices and drive continuous improvement year on year

Pandox’s top 10 priority product types have been selected either because the purchasing of the product impacts upon the achievement of Pandox’s sustainability targets, because they have been identified as one of the hotels’ main sourcing spend areas, and/or because the product or service poses a potentially significant environmental and/or social impact, based on known industry or source country risk factors.

Suppliers providing products from high-risk industries or source locations are required to provide certified products. Pandox will work to influence and support its hotels, suppliers, business partners, employees, and guests, to increasingly make more sustainable choices and business decisions. Not only will this improve the company’s sustainability performance, but it will also help to build better, stronger, and more future proofed supply chains, communities, and businesses, more able to positively adapt and contribute to our changing world.



Responsible Sourcing
guide

10

Priority Purchasing
commodities



Key Performance
Indicators

%

COMPLIANCE



3. PANDOX 10 PRIORITY PRODUCTS

Minimum Standards, Preferences and Key Performance Indicators:



FISH AND SEAFOOD

Our Oceans ecosystems are under existential threat due to commercial fishing. Intensive fishing decimates fish population and threaten countless marine species as well as destroy their habitats. If unregulated some fishing techniques are damaging our Oceans. For example: bottom trawling which erodes the ocean floor by removing sediments but also catches various fishes that might not be in age or size of being fished and compromise the reproduction of the species.

Minimum Standards

- **Locally or regionally Sourced Fish and seafood**
- **MSC, ASC, BAP 4***, or Global GAP, **EU Organic**, or Soil Association certified products where feasible
- **MCS of 1-3** (Note: local suppliers do not necessarily mean locally caught)
- Preferred **Farmed vs Wild** caught
- No protected species on the menu: **no wild caught North Atlantic Salmon**, **no American Lobster**, **no Atlantic bluefin tuna** nor any **Yellowfin and Skipjack Tuna** with a MCS rating of 5, **no Atlantic Cod** with MSC rating 5 (in doubt please double check <https://www.mcsuk.org/goodfishguide/>)



Green Key
Imperative
Criteria 8.2

MEAT AND DAIRY

A report from the U.N. Food and Agriculture Organization, in the context of Cop26, highlight the significant role of meat consumption in driving deforestation and methane emissions. Ruminant animals like cows and sheep, in their digestive process, generate greenhouse gases such as methane and carbon dioxide, a phenomenon known as "enteric fermentation." The increasing demand for meat necessitates expanding pasturelands by clearing trees, contributing to deforestation. This growing demand places pressure on forests, biodiversity, and the climate.

Moreover, the escalating need for animal feed, with livestock consuming a third of global cereal production, further exacerbates deforestation and leads to the intensive cultivation of unsustainably grown soy farms, with associated chemical use. Concerns also arise from the heavy water usage: for a single kilogram of beef production we require an astounding 15,000 liters of water according to the Water Foot Print calculator , in addition to increased antibiotic and pesticide use.



Minimum Standards

- Meat and dairy are sourced locally, regionally or from within the host country
- Animals have some access to the outdoors during their life
- Animals meet Pandox minimum standards and are certified to a recognised EU and UK animal welfare standard:

Beef: Tierschutz Premium, (Germany) RSPCA Assured (UK), Animal Welfare Approved (USA), EU Organic (EU)

Pork: Bedre Dyrevelfærd- 3 hearts (Denmark), RSPCA Assured (UK), Better Leven 3*(Netherlands) , EU Organic, GAP 5step, Certified Humane, Animal Welfare Approved (USA)

Chicken: Label Rouge (France), Neuland, Privatof, Tierschutz Step 1 or 2 (Germany), KRAV (Sweden), Beter Leven 1*,2* or 3* or Jumbo ++ (Netherlands), Red Tractor Enhanced, RSPCA Assured (UK), EU Organic, European Chicken Commitment (EU) Animal Welfare Approved (USA)

EGGS

It's essential to have cage-free for several compelling reasons. First and foremost, these practices provide a more human and ethical environment for egg-laying hens, allowing them to exhibit natural behaviours, such as stretching their wings, walking, and nesting.

Minimum Standards

- All eggs (whole and liquid) are cage free (by no later than end 2023)
- Whole eggs are caged free (by no later than 2025)

COFFEE

When sourced from non-sustainable farming practices outside of Europe, certain commodities we import can significantly contribute to deforestation and soil erosion. Additionally, it's crucial to note that employment laws and working conditions in developing countries may not offer the same level of protection as those in Europe. Therefore it is our responsibility to ensure that we are respecting human rights and ensuring farmers good working conditions by purchasing commodities with the below accreditations. We aim to ensure fair paid to farmers, avoid modern slavery and child labour.

Minimum Standards

- Coffee:** All coffee purchased is certified to independently (not own brand sustainability schemes such as that operated by Nespresso) recognised sustainability standard(s) that protects human rights, worker conditions and environmental impacts (Rainforest Alliance, Fair Trade, EU Organic, Soil Association)
- Nespresso pods:** need to be recycled
- Tea:** All tea purchased is certified to independently recognised sustainability standard(s) that protects human rights, worker conditions and environmental impacts (Ethical Tea Partnership Fair Trade, EU Organic, Soil Association)
- Sugar:** Is from European sugar beet or from Fairtrade certified sugar cane
- Bananas:** Are certified Fairtrade



DRINKS



Each minute, humans consume approximately 1.2 million plastic bottles, as reported by [Earth Day](#). Regrettably, only a minuscule fraction of these bottles, less than 7% globally according to Greenpeace and National Geographic (and barely reaching 23% within the EU), undergo recycling. Most single-use plastic bottles ultimately find their way to landfills, with fewer than 7% being repurposed into materials like polyester and fleece for clothing and carpets. In many instances, these textiles and floor coverings evade recycling and, instead, join the ever-growing landfill. Thus, it is imperative to reduce our reliance on plastic bottles.

Minimum Standards

- **Refillable filtered**, tap or carbonated water should be offered to guests and employees
- Hotels should **not offer free single-use disposable cups for tea, coffee** or hot drinks (breakfast or M&E)
- Hotels should not provide **free plastic bottles** in the premises
- Hotels should **offer local beers and wine** from the Host country



Green Key
Imperative
Criteria 8.5

FRUIT, SALAD AND VEGETABLES



Increasing alarm surrounds the impact of pesticide usage on land contamination and its repercussions for public health. Organic production represents a sustainable agricultural approach that not only respects the environment and animal welfare but also encompasses all aspects of the food supply chain. It establishes a comprehensive framework for farm management and food production, integrating superior environmental practices, promoting biodiversity, and maintaining elevated animal welfare standards.

Minimum Standards

- Sourcing Origin Requirements: Must be bought **locally, regionally or nationally** where produce exists. (eg: bananas from Ecuador are OK but apples from New Zealand are not)
- **20% Bio and EU certified organic** product

CHEMICALS AND CLEANING PRODUCTS



Chemical cleaning products pose environmental hazards, contaminating water systems and potentially infiltrating our bodies through the skin, thereby posing health risks. To safeguard both our workforce and the environment, Pandox is instituting the following minimum standards.



Minimum Standards

- No use of Hotel Sustainability Basics (HSB) **chemicals of concern** (Criteria 9)
- No animal testing carried out for guest or employee toiletries
- **ISO 14 001 or EcoVadis Certification for our laundry suppliers as well as External Housekeeping** companies by end of 2024 and 2025
- Each hotel must use **one of this chemical free cleaning options** are preferred for all cleaning needs: Enozo, Raypath. Vinegar, bicarbonate of soda and lemon/citric acid also work well on limescale.
- In the limited cases where non-chemical options are genuinely not suitable (including limescale heavy areas, toilets, bathrooms and food prep areas) **EU-Eco-Label**, Nordic Swan, Green Seal, or Cradle to Cradle certified cleaning products are preferred
- Hotels and/or their outsourced cleaning agencies/suppliers must ensure **75% of chemical cleaning products are eco-labelled or chemical-free**
- Cleaning product **packaging with lower impact** (products are in concentrated form and so less liquid needs to be transported, made of recycled content, **refillable/reuseable**)



Green Key
Imperative
Criteria 9



Green Key
Imperative
Criteria 5.3



LINEN, LAUNDRY AND TEXTILES



As per WWF, cotton's primary environmental impact stems from agrochemical and pesticide usage, extensive water consumption, and habitat conversion to agriculture. Additionally, cotton farming significantly depletes soil quality and raises health concerns for farmers and nearby communities due to pesticide use. Notably, working conditions in some cotton fields are worrisome, with constant pricing pressure on producers. This raises concerns about human rights and modern slavery in countries where we source our fabric. Pandox aims to enhance control over this supply chain segment, collaborating with suppliers to ensure fair working conditions for farmers, promote deforestation-free practices, and prevent soil degradation in our linen production.

Minimum Standards

- Sourcing Origin Requirements: The hotel's laundry service provider must be located locally or regionally and **no greater than 100km from the hotel**
- Hotels or their laundry providers must **not use plastic wrapping on laundry**. This should be written included in any new/existing supplier contracts by end 2023
- New washing machines/tumble dryers **must be efficient and are not for domestic use**



Green Key
Imperative
Criteria 13.7



Green Key
Imperative
Criteria 4.9

PLASTIC PRODUCTS AND PLASTIC PACKAGING



A global endeavour is underway to reduce plastic production, and Pandox is actively aligning with this objective. According to the Royal Statistical Society of Great Britain, 40% of plastic is produced for single-use packaging, contributing to the depletion of natural resources, such as fossil fuels and oil. The consequences of extensive plastic consumption encompass marine animal extinction, ocean pollution, threats to biodiversity, land and water pollution, deforestation, health impacts, and the generation of microplastics in our environment. While we recognise the importance of reducing plastic use, complete elimination is not possible for 2024-2025. Trials with glass and tetra pack options revealed significant recycling challenges and high CO2 emissions from transport. Similarly, pilots with reusable water bottles showed limited client readiness, and cans proved inconvenient for carrying water due to lack of closure option. Therefore, we seek the best solutions rather than pledging for a 100% no plastic water bottle policy, particularly in markets like Germany and the Netherlands, where recycling systems are well-established.

Minimum Standards

- **No unnecessary single-use plastics by end of 2024** (including straws, stirrers, mini room toiletries and amenities, table wear, buffet items such as jam/honey as well as welcome room amenities such as plastic water bottles)
- **No unrecyclable plastics** (such as polystyrene) unless reusable
- **No new compostable/biodegradable/biobased plastics** introduced (unless explicitly agreed with Pandox) as in many cases these have unintended negative consequences
- **Use refillable** (not just bulk sized single use) bottles for guest toiletries such as shampoo, conditioner, and body lotion



Green Key
Imperative
Criteria 6.5

PAPER AND TIMBER DERIVED PRODUCTS



In contrast to materials made from other sources, the production of wood products and paper is notably energy-efficient. A significant portion of the energy required for manufacturing these products is sourced from renewable energy. Presently, the worldwide timber industry grapples with a twofold challenge: satisfying the increasing demand for high-quality timber goods while concurrently striving to mitigate potential adverse effects on the environment and human well-being. Additionally, concerns related to deforestation and the loss of biodiversity are intertwined with these challenges.

Minimum Standards

- **Sourcing Origin Requirements: No paper/timber derived products from China, Central or South America, Russia or Indonesia.** Source from host continent assuming other minimum criteria met.
- **At least 75% of all office paper/products/marketing material must be certified (FSC or PEFC)** as having 100% recycled content and/or is certified as being from a sustainably managed forest.
- **Paper Towels, facial tissues, toilet paper must be non-chloring bleached/certified** to recognised label such as FSC, PEFC, EU Eco-Label, Nordic Swan,



Green Key
Imperative
Criteria 13.2



Green Key
Imperative
Criteria 5.5

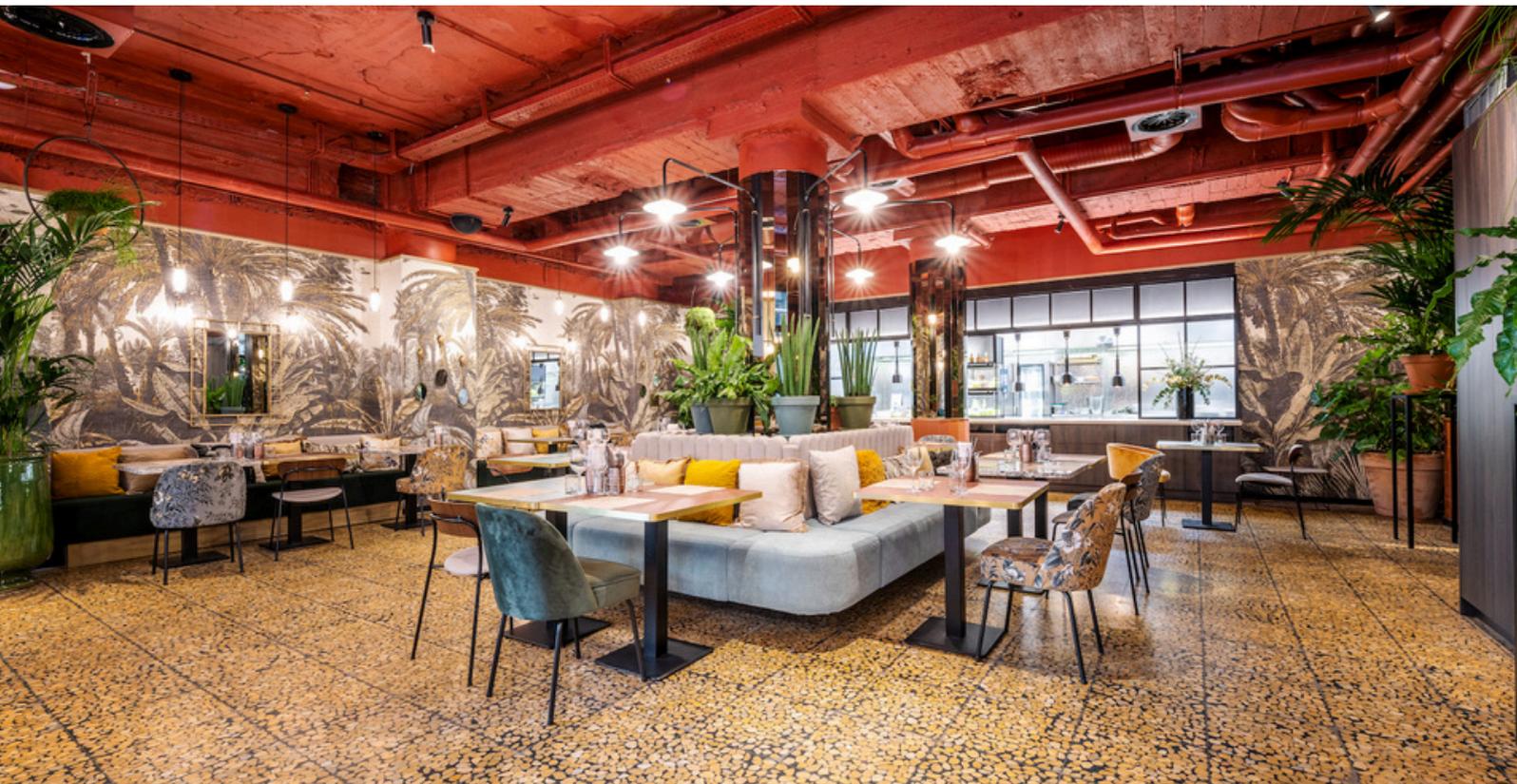
OTHER

Minimum Standards

- **No halogen bulbs** to be found in the hotel
- No IT equipment to contain **conflict mineral sourced** from regions associated with human right abuse
- Ensure all tap **flow regulator to comply with a minimum of 5L/min and shower head to 8L/min** or less
- End of life management: Establish guidelines for the **responsible disposal and recycling of IT equipment** at end of life-cycle
- Encourage the use of recycled materials in the manufacturing of IT equipment to reduce the demand for new resources and promote circular economy
- Favour equipment that is designed **for ease of repair extending the product's lifespan**
- With regards to new equipment a minimum Energy efficiency rating needs to be followed In order to comply with the **BREEAM certification requirements**



Green Key
Imperative Criteria
4.4 and 4.5



KEY PERFORMANCE INDICATORS



FISH AND SEAFOOD

- **90% Seafood certified to internationally recognised sourcing standard** (ASC, MSC, Organic, BAP4*, Global Gap)
- **100% Nationally or Regionally caught/farmed** seafood with **MCS Rating 1-3**
- **100% Seafood suppliers to be independently audited** by 2026

MEAT AND DAIRY

- **70% Pork certified** to recognised international welfare standards and caged free by 2026
- **80% Meat & Dairy purchased** that is **locally, regional, and nationally** sourced
- **20% Menu that is plant-led**, vegetarian, and/or vegan
- **Klimato** implementation for A La Carte + Low M&E Menu

EGGS

- **100% Whole eggs locally**, regionally or nationally sourced
- **100% all eggs** (whole and liquid) that **are cage-free** (excluding in case of rare epidemy)

COFFEE AND TEA

- **100% Certified tea** in breakfast, restaurant and bar
- **100% Certified coffee** in breakfast and bar
- **100% Fairtrade** bananas
- **100% of Nespresso Pods to be recycled**

DRINKS

- At least **1 healthier option** no/low alcohol and low sugar drinks in retail / restaurant
- **100% water** offered in the hotel must be refillable filtered tap option by 2025
- **No Single use plastic bottles** served in the hotel (except Wundermart until new options provided)

FRUITS AND VEGETABLES

- **90% Produced/sourced locally**, regionally and nationally apart from items not available in the country
- **50% Certified EU Organic** by 2025 for the A la Carte
- **Klimato CO2 menu reduction 10%** vs first year of implementation

CHEMICALS

- **75%** Cleaning products are **eco-labelled**
- **70% minimum of Green and Yellow** chemicals for **PMI Users**
- **One chemical Free solution** in place within first year of acquisition (Enozo or Raypath) in Rooms, PA, Restaurant area

LAUNDRY AND TEXTILES

- **ISO 14 001 Certification** (or EcoVadis Silver) for **100%** of outsourced **Laundry companies**
- **ISO Certification** (or EcoVadis Silver) for **100% Outsourced Housekeeping Companies** by 2025 or at the time of contract renewal

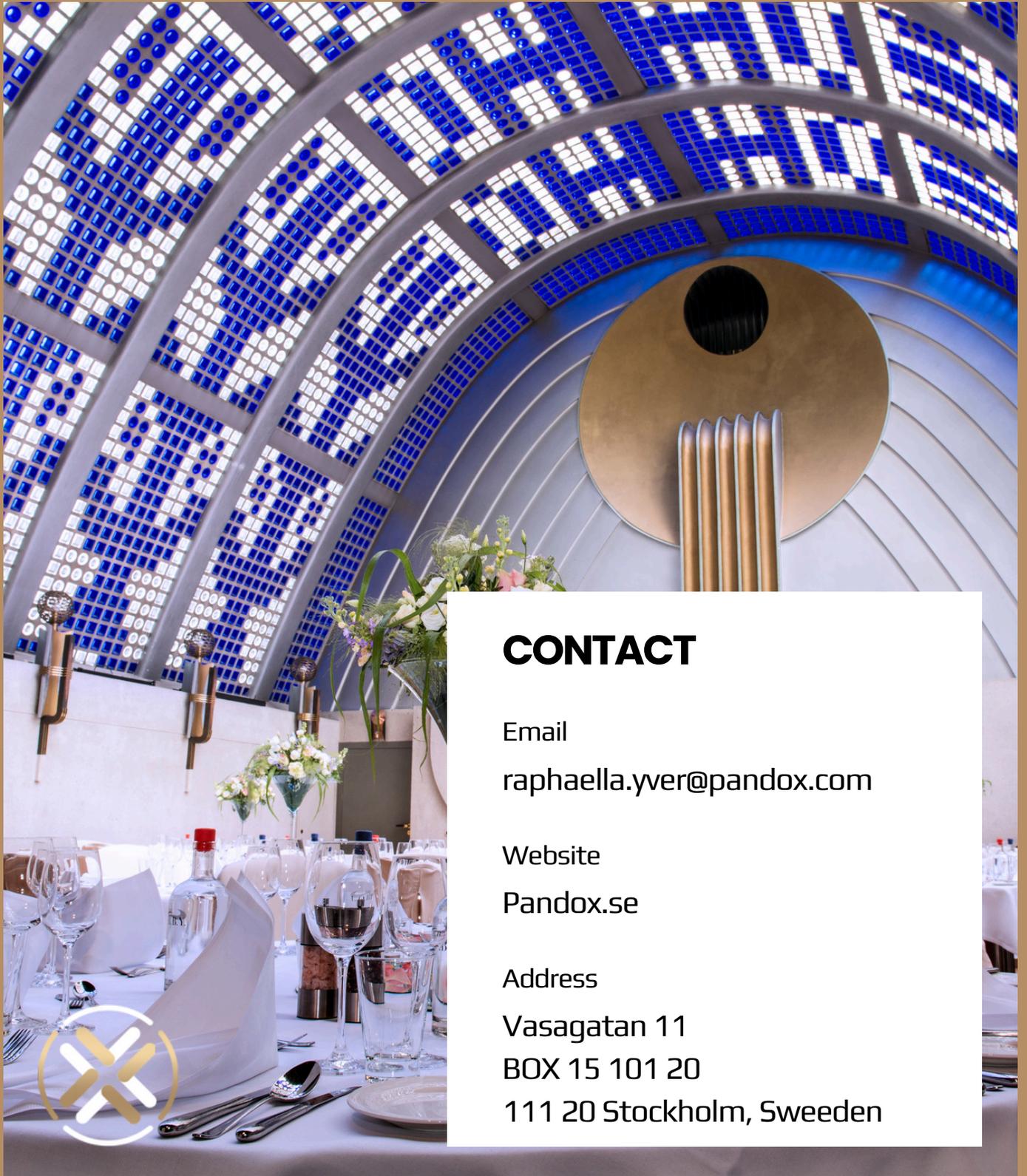
PLASTIC AND PACKAGING

- **100% hotels committed to achievement of Global Tourism Plastic Initiative by 2025** with reduce, reuse, recycle action plan to achieve targets
- **1KG per GN by 2025**
- **65% Recycled/year** (increasing plastic segregated and recycled) by 2025
- **100% Refillable amenities** in hotel bedrooms (despite brand standards)

PAPER & TIMBER

- **75%** Paper and cardboard certified

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