
PANDORA CSR REPORT

2010/11



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CEO STATEMENT

It is PANDORA's vision "...to become the world's most recognised jewellery brand" and we strive to accomplish this by fulfilling our mission "...to offer women across the world a universe of high quality, hand-finished, modern and genuine jewellery products at affordable prices".

Since the beginning PANDORA has been committed to achieve its goals through responsible business practices in internal operations as well as in our dealings with external stakeholders. We are proud of this heritage and recognise that our efforts to ensure responsible business practices are an ongoing process that will never reach a final destination.

In 2010, we decided to further strengthen, systematise, and communicate our ongoing efforts to increase our positive – and minimise our negative – impact on society and the environment. PANDORA's vertically integrated business model provides us with a unique opportunity to strengthen and systematise internal practices from design, sourcing and crafting to the marketing and sales of our jewellery. We are very much aware that the bulk of CSR related challenges for the jewellery industry relates to mining and sourcing of gemstones, precious

metals and other materials. As part of our CSR strategy, we will ensure that our suppliers are in strict compliance with our own "Suppliers' Code of Conduct" and we strongly support and actively engage in CSR initiatives such as the United Nations Global Compact and the Responsible Jewellery Council that seek to advance human rights, labour rights, the environment and to prevent corrupt practices within the jewellery industry.

PANDORA proactively engages in dialogue with our stakeholders and we are committed to participate in new and innovative ways of raising the bar for responsible business practices. We welcome comments to our approach and new ideas on how we can deliver even more on our commitment.

This document communicates on our progress in implementing responsible business practices in the period April 30th 2010 – April 30th 2011.

Thank you
Mikkel Vendelin Olesen
Chief Executive Officer



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact**.

We welcome feedback on its contents.

A group of people, likely staff or students, are standing in front of a bus. They are wearing maroon shirts and dark trousers. The bus has a purple overlay on it. The text "CSR APPROACH" is written in white, bold, sans-serif font across the center of the image.

CSR APPROACH

CSR APPROACH



As one of the world's leading jewellery brands, PANDORA feels obliged to support and advance the introduction of responsible business practices throughout the jewellery value chain. This commitment is the backbone of our CSR policy and is reflected in internal operations and in our relations with external stakeholders. In 2010, we decided to further strengthen and systematise our CSR activities in order to minimise our negative – and increase our positive - impact on society.

PANDORA CSR POLICY

Following a thorough consultation process with key stakeholders in 2010, we have used the beginning of 2011 to revise our CSR Policy that defines our ethical aspirations across our value chain:

"PANDORA is committed to advancing responsible business practices from the sourcing of gemstones, precious metals and other materials to the crafting and marketing of our jewellery.

We believe that corporate social responsibility and our aspiration to offer high quality and genuine jewellery go hand in hand. Responsible business practices and social awareness have always been part of PANDORA's DNA and they are virtues which we strive to honour in our daily operations as well as through initiatives that aim at raising the bar for the jewellery industry.

Furthermore, we believe that our growth shall benefit our stakeholders and not least our customers. Therefore, PANDORA has a social commitment to supporting charitable purposes that inspire individuality and improve the lives of women around the world".

CSR STEERING COMMITTEE AND CSR ORGANISATION

In the beginning of 2010, we established a global CSR Steering Committee, commissioned to coordinate and monitor responsible business practices across our value chain, from sourcing through crafting to the trading of our jewellery. The Committee is headed by a dedicated, experienced CSR Manager, and further consists of the Heads of Production, Supply Chain, Sales, HR, Corporate Communications and with our Chief Development Officer representing top management. The CSR Steering Committee convenes once a month. Each member of the CSR Committee is responsible for developing and embedding CSR in their own business area while drawing on the expertise of our dedicated CSR units located in Copenhagen and Bangkok.

UNITED NATIONS GLOBAL COMPACT

In April 2010 we joined the United Nations Global Compact initiative that targets human rights, working conditions, environmental impact and ethical business practices. By joining the UN Global Compact, we aim to deliver and communicate on our social commitment within a widely accepted and recognisable framework. In 2011, we have further joined leading Scandinavian companies in the Global Compact Nordic Network in order to gain inspiration and to share the lessons we have learnt in our efforts to strengthen and systematise our own CSR performance.

RESPONSIBLE JEWELLERY COUNCIL

In August 2010, we joined the Responsible Jewellery Council (RJC), an international non-profit organisation that aims to reinforce consumer and stakeholder confidence in jewellery products. We perceive RJC to be the most ambitious CSR initiative within the jewellery industry, dedicated to translating the more generic UN Global Compact principles into responsible business conduct in the jewellery supply chain. While the UN Global Compact will serve as the overarching structure for communicating PANDORA's commitment and achievements to our stakeholders, our engagement in the RJC will allow us to benchmark PANDORA's CSR performance with the highest industry standards.

By joining the RJC, we have made a commitment to comply with the RJC Code of Practices, engage in a process that will see us certified under the RJC system within 2012 and accept regular audits by RJC accredited independent auditors.

On top of this, PANDORA will actively engage in RJC in order to advance responsible business practices in general and through initiatives such as RJC's Chain-of-Custody initiative.

United Nations Global Compact

The infographic is a dark purple rectangle with white text. It lists 10 principles of the United Nations Global Compact, grouped into four categories:

- HUMAN RIGHTS**
 - 1. Protection of Human Rights
 - 2. Complicity of Human Rights Abuses
- WORKING CONDITIONS**
 - 3. Free Association / Collective Bargaining
 - 4. Forced and Compulsory Labour
 - 5. Child Labour
 - 6. Discrimination
- ENVIRONMENT**
 - 7. Precautionary Approach
 - 8. Environmental Responsibility
 - 9. Environmental Technologies
- ANTI-CORRUPTION**
 - 10. Work against corruption in any form

CHARITY

Our CSR Policy underlines our social commitment by stating that at PANDORA "...we believe that our growth should benefit our stakeholders and not least our customers. Therefore, PANDORA has a social commitment to support charitable purposes that inspire individuality and improve the lives of women around the world".

In 2010, PANDORA markets around the world unified in the Pink Ribbon Campaign and raised more than USD 2 million to cure breast cancer. At the national local level, we engaged in a range of activities such as community based projects in Thailand and the "Denmark Collects Campaign" which supports the United Nations Millennium Development Goals – not least by empowering women in Africa.

A close-up photograph of a hand holding a black, circular tray. The tray is filled with a large quantity of small, dark, faceted stones, likely diamonds or gemstones, which are arranged in a somewhat circular pattern. The background is a dark, blurred gradient. The word "SOURCING" is overlaid in the center of the image in a white, serif, all-caps font.

SOURCING

SOURCING

According to the International Labour Organisation of the United Nations, an estimated 80 to 100 million people around the world are depending on small-scale mining alone. For these people mining is either their only source of income or a vital contribution to other sources of income. Mining reduces one of the main challenges of the developing world – the migration from rural areas to the cities – and it stimulates domestic demand for goods and services. The other side of the coin is that mining is generally energy consuming, and when carried out irresponsibly, mining can be associated with human rights abuses, poor working conditions and have degrading effects on the environment.



Gemstones and precious metals may travel through a number of traders, refiners, graders and cutters and cross multiple national borders before reaching a wide variety of industries, including jewellery manufacturing.

Within a short period of time, PANDORA has grown to become a major purchaser of gemstones, precious metals and other materials commonly used in the highly diversified jewellery industry where an estimated 80 percent of the total retail value relates to non-branded jewellery.

Our CSR Policy obliges us to be an active part in the introduction of still more responsible business practices within the jewellery industry. Nevertheless, due to our low proportion of the total consumption of gemstones and precious metals, our direct sphere of influence is limited.

This fact requires PANDORA to adapt a two-pronged strategy to responsible business practices. One that has to do with conditions within our own supply chain and one that puts focus on RJC and how we can influence the jewellery industry as a whole.

EMBEDDING CSR IN SOURCING

PANDORA's Supplier Segmentation Model measures and categories our suppliers according to their business importance for PANDORA. We are currently expanding this model to include measures on the CSR risks related to our suppliers (such as country of operation, product related risks, CSR maturity etc). Within 2011, we aim to enable our employees to evaluate suppliers correctly on their CSR performance and ensure that we initiate relevant activities for each individual supplier.

This process serves as a perfect example of our aspiration to embed CSR considerations into existing business processes and transfer CSR "know-how" and responsibility to our business units – and in turn to our suppliers.



PANDORA SUPPLIERS' CODE OF CONDUCT

In 2010, PANDORA decided to strengthen and systematise our existing CSR audits of suppliers. The first step has been to develop a Suppliers' Code of Conduct articulating our demands for responsible business practices within human rights, working conditions, environmental impact and business ethics. While adhering to the UN Global Compact principles and the RJC Code of Practices, our Suppliers' Code of Conduct also includes PANDORA specific demands as well as a pledge to our suppliers that we will assist them in their efforts to comply with the Code.

INDEPENDENT CSR AUDITING

During 2010 and the first months of 2011, all our main suppliers have signed the PANDORA Suppliers' Code of Conduct and accepted that they might be selected for CSR audits by independent third party auditors. To ensure thorough, unbiased and comparable CSR audits of our suppliers around the world, we have engaged with a global leader within CSR auditing. Following each CSR audit, the lead auditor will summarise the findings in an audit report, and in cases of non-compliances the lead auditor will also draft a Corrective Action Plan (CAP) which the supplier must implement within a realistic timeframe. In such cases we nominate a PANDORA employee responsible for coordinating with the supplier to support the implementation of the CAP. By the end of April 2011, the first two suppliers have been audited and the next eight audits are scheduled within the next six months. The first two audits did reveal non-compliances and as a consequence CAPs have been developed to restore compliance.

We find it encouraging that the Code of Conduct and related audits have already resulted in fruitful discussions with our supply chain and in concrete actions raising the CSR knowledge and performance of our supply base. Going forward, we wish to further develop this important channel for delivering on our commitment to advance socially as well as environmentally friendly technologies.

KIMBERLEY PROCESS CERTIFICATION SCHEME

In 2003 governments, the diamond industry and the civil society joined forces to launch the Kimberley Process Certification Scheme to prevent conflict diamonds from entering the diamond supply chain. PANDORA ensures full compliance with the Kimberley Process by demanding warranties from our suppliers that their diamonds are sourced correctly according to the Kimberley Process.



CRAFTING
IN
THAILAND

CRAFTING IN THAILAND

Click to watch video from PANDORA Production Thailand



PANDORA Production Thailand (PPT) is committed to providing a safe and rewarding environment for all of our colleagues and this is affirmed in PPT's Vision and Mission Statement:

PPT operates in modern and safe facilities within an industrial estate near Bangkok, where we are subject to specific requirements and regular audits from authorities within Safety, Health and the Environment (SHE). We operate with an integrated SHE organisation that enables us to continuously strengthen and systematise our performance on all three issues within a common setup. All new employees are introduced to the SHE organisation as part of PPT's introduction programme that ensures a thorough and engaging introduction to PANDORA values and operating practices relating to quality, health, safety and the environment. Further, PPT has elaborated a yearly training plan that ensures that existing staff are kept updated on relevant SHE issues and procedures.

WORKING CONDITIONS

PANDORA benefits from the enthusiasm and skills of more than 5,000 employees around the world. While all our people and entities are equally important, we have decided to let this first communication on our responsible business practices pay special attention to the crafting of our jewellery, all of which takes place in Thailand. Here, we operate in full compliance with Thai regulation, The International Labour Organisation's core conventions as well as our own commitment to providing sound working conditions, attractive employment terms and a range of social and welfare benefits for our more than 3,600 Thai employees and their families.

We place significant importance on ensuring a safe working environment and continuously strive to improve our performance in maintaining and enhancing employee health and safety and reducing our environmental impact.

Vision/Mission

PANDORA Production's vision

To be recognized as the best among world class jewellery manufacturers, continuously and consistently raising our standards of execution, development and perfection.

PANDORA Production's mission

A disciplined high-performing team of skillful, open minded individuals, always executing for perfection and delivering high quality, hand finished jewellery products conscientiously, cost effectively and on time.

Providing a safe, satisfying work environment, where everyone is expected and supported to express their opinion, develop and succeed

PREVENTING WORKPLACE ACCIDENTS

PANDORA is highly committed to prevent workplace accidents. We define an accident as any incident that leads to an employee being absent for one or more working days. Whenever an accident occurs, our procedures require that its cause is thoroughly investigated by a joint team of the involved staff, the responsible manager and the SHE organisation. PPT has experienced no serious accidents in 2009 and 2010, where we also managed to keep the frequency of accidents at a low level:

Accidents at PANDORA Production Thailand

| Year | Accidents | Total Staff | Frequency |
|------|-----------|-------------|-----------|
| 2009 | 5 | 2.512 | 0,19 % |
| 2010 | 9 | 3.596 | 0,25 % |

In comparison, the number of employees experiencing the same category of accidents in the different subsectors of the Danish manufacturing industry ranged from 1.2 – 3.8 % in 2008 and 0.8 – 2.2 % in 2009. Thus, in purely statistical terms, it is safer to work at PPT than in the Danish manufacturing industry. Nonetheless, we are fully aware that such figures should not lead to complacency. Every accident is one too many, and no SHE-system can fully prevent accidents from happening.

We were painfully reminded of this fact in January 2011, when an accident occurred during the installation of a temporary production facility. This resulted in a serious burn accident that hospitalised a member of our maintenance staff. Following treatment, our colleague has now resumed full-time work. Whilst being offered opportunities to work in other departments, on his return he elected to continue as a member of the maintenance team.



ATTRACTIVE EMPLOYMENT TERMS

Offering attractive employment terms has always been a crucial part of our HR strategy seeking to attract and retain a skilled workforce, capable of conducting complex tasks with the dedication that is required within the crafting of quality jewellery. Therefore, we are pleased that we have managed to keep the percentage of staff leaving PPT in 2010 as low as 4.1%, and that most dismissals/resignations came from people still in their initial probationary period. Finally, we consider our ability to hire 1,100 new colleagues in 2010 - primarily by word of mouth and without using employment agencies as clear evidence that PPT is generally recognised as an attractive employer.

To ensure high quality products, we reward quality and accuracy rather than pieces produced. PPT offer our Thai employees attractive employment terms by paying

living wages that are currently above national minimum wages and which are competitive by industry norms. Following probation, all Thai staff is hired on open ended contracts that include pension schemes and medical benefits that meet or exceed legal requirements.

Finally, PANDORA provides a range of welfare benefits that target additional specific needs of our employees. Obvious examples of our welfare benefits are special breaks and maternity classes for pregnant employees, paternity leave, free meals, free bus transportation for more than 2,000 employees every day and traffic safety campaigns such as facilitating the provision of affordable high quality traffic helmets. Recognising that credit card debt and loan sharks are common in Thailand, we have in 2011 launched a pilot phase of a “financial education programme”. The programme is designed to raise staff awareness on debt dynamics and the nature of bank and credit card interest rates. Finally, PANDORA supports minor community projects initiated by our own employees.

LABOUR RIGHTS

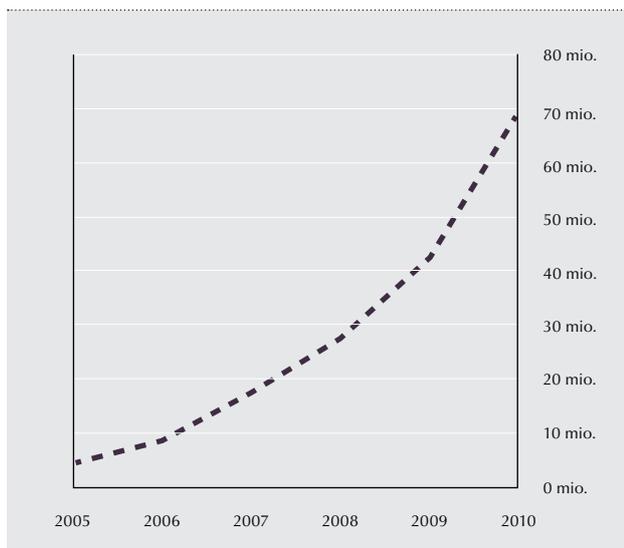
PANDORA complies with the core conventions on labour rights as defined by the International Labour Organisation (ILO). We recognise the right to freedom of association and collective bargaining. We strictly oppose forced and bonded labour, child labour and discrimination in any form. Measures to ensure compliance with the ILO conventions are incorporated in PPT procedures. Reflecting the general age composition in Thailand and PPT’s status as a relatively new company, we have a high percentage of young staff with the youngest being 18 years of age. We employ comparable percentages of male and female staff up to the level of director and wage rates and measures are consistent across gender. Since PPT is a production facility, directors are mainly hired on technical qualifications and experience. Here we have found that the pool of qualified candidates in Thailand still mainly

consists of men. As part of PPT’s strategic approach to succession planning, all managers are regularly assessed against transparent quantitative as well as qualitative indicators and we place considerable emphasis on the continuous development of leadership skills and behavior of all managers. Thus, we expect that the pool of female candidates will grow in the future. During 2011, PANDORA will develop a global diversity policy that will help further communicate our commitment to equal opportunities to internal and external stakeholders.

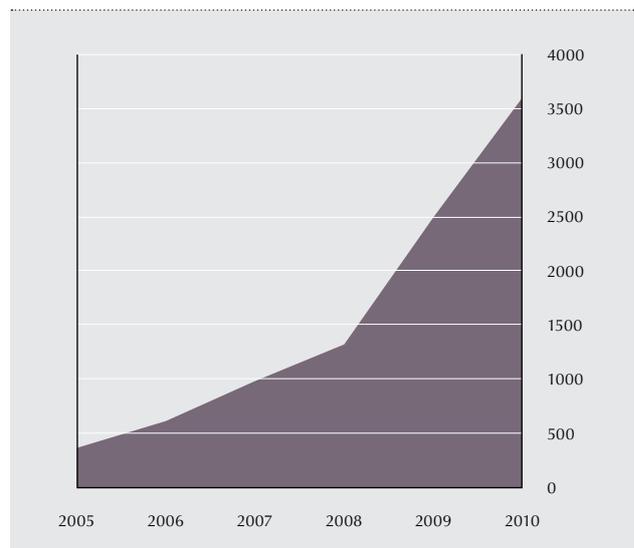
Employees at PANDORA Production Thailand

| | 2009 | | | 2010 | | |
|---------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | M | F | Total | M | F | Total |
| 18-25 | 674 | 788 | 1,462 | 954 | 1013 | 1967 |
| 26-35 | 525 | 476 | 1,001 | 843 | 724 | 1567 |
| 36-45 | 21 | 22 | 43 | 26 | 26 | 52 |
| 46+ | 3 | 3 | 6 | 6 | 4 | 10 |
| Total | 1,223 | 1,289 | 2,512 | 1,829 | 1,767 | 3,596 |
| | 2009 | | | 2010 | | |
| | M | F | Total | M | F | Total |
| Director | 5 | - | 5 | 7 | - | 7 |
| Manager | 6 | 11 | 17 | 9 | 13 | 22 |
| Supervisor | 3 | 3 | 3 | 6 | 4 | 4 |
| | 2009 | | | 2010 | | |
| | M | F | Total | M | F | Total |
| New Employees | 643 | 539 | 1182 | 647 | 511 | 1158 |
| Retirements | - | - | 0 | - | - | 0 |
| Dismissal | 28 | 15 | 43 | 40 | 33 | 73 |
| Resignation | 4 | 16 | 20 | 51 | 24 | 74 |

PPT output growth



PPT employee growth



REDUCING OVERTIME

Since 2005 where approximately 380 employees produced five million pieces of jewellery, we have grown to 3,596 employees by the end of 2010. During the same period, our production output has increased 14 times to 68 million pieces in 2010. These growth rates have continuously exceeded expectations, and while we have hired and trained thousands of new employees and increased the number of factories at our Bangkok site from one to four, we have not been able to achieve our goal of reducing overtime. We expect that the planned start-up of our fifth Bangkok facility within Q4 2011 as well as recent and coming recruitment will further help to reduce overtime. Since overtime at PANDORA is always voluntary and compensated competitively by industry standards, we expect that employees at PPT will sooner react disapprovingly than welcoming this reduction.

EXPRESSING OPINIONS AND RAISING CONCERNS

PPT's mission instructs management to support each and every employee in expressing their opinion, develop their competences and strive to succeed. To achieve this, PPT has developed clear and transparent processes and procedures to encourage and enable our colleagues to raise suggestions, air ideas, voice opinions and register complaints. We have regular and frequent forums for our colleagues to discuss matters directly and a comprehensive number of suggestion or complaint or 'whistle-blower' boxes located throughout PPT where comments or grievances can be addressed directly to our Managing Director, the Director of HR or the SHE manager.

Further, staff representatives in our SHE and Welfare committees are elected among all PPT employees, and we provide staff representatives with sufficient time, education, equipment and facilities to fulfill their

important roles. In April 2011, we launched Radio PANDORA that provides music entertainment and serves as an additional channel for communicating to all PPT employees.

ENVIRONMENTAL IMPACT

PANDORA acknowledges that our contribution to the Thai economy is accompanied by the consumption of natural resources and other environmental challenges. Apart from the sourced raw materials, the crafting of our jewellery requires water and energy. At PPT, energy is mainly used in our modern casting equipment and for running air condition for the facilities that houses jewellery crafting as well as administrative offices. Thus, approximately 85% of the buildings at PPT are air conditioned. Unfortunately, we have not been able to provide creditable figures that fully distinguish the water and electricity consumed in the manufacturing process from what has been used in the construction of new facilities. It is our intention to report on water and energy consumption from 2011.

A second environmental impact has to do with our waste and waste treatment. At PPT, we divide our industrial waste into four categories; hazardous waste, general waste, recyclable waste and refined waste. When disposing of hazardous waste, we engage with certified vendors that manage the waste in accordance with Thai law. Our disposal of waste water is subject to strict control from authorities and handled by a joint waste water treatment facility managed by the industrial estate.

STRENGTHENING AND SYSTEMATISING THROUGH INTERNATIONAL STANDARDS

Today, PPT is certified according to the ISO 9001 Quality standard. In March 2011, we launched a process that during 2011 will further systematise and

strengthen our SHE performance and result in PPT acquiring the OHSAS 18001 certificate on occupational health and safety as well as the ISO 14001 certificate on environmental management no later than March 2012. By building on PANDORA's values, achieving the above mentioned certificates as well as the RJC certificate on responsible business practices, we strive to introduce a best practice system for responsible jewellery manufacturing.



A photograph of a busy city street, likely in London, with a prominent red overlay. The word "TRADING" is written in large, white, serif capital letters across the center. In the background, a Pandorä store is visible on the right, with its name "PANDORÄ" in black letters above the entrance. The street is filled with pedestrians, and the buildings are multi-story with classical architectural details. The sky is overcast.

TRADING

PANDORÄ

TRADING



PANDORA's dedication to business integrity goes far beyond merely adhering to national and international laws and conventions. Our journey towards becoming a leading jewellery brand has been based on a solid foundation of trust and integrity – both internally among the people that make up the PANDORA organisation and externally in our interaction with customers, business partners and other stakeholders.

PANDORA Life

Building a multinational company within a short period of time is only feasible if all employees share the same values and act accordingly. At PANDORA, we have recently developed and are currently implementing a set of PANDORA group values based on the original business understanding defined by our "founding fathers". We call it PANDORA Life. The global roll-out has already been launched at our Head Office in Copenhagen and in our Central and Eastern Europe organization, while the remaining entities will be introduced to the values during 2011. The values are an important part of our company DNA and will be integrated in our management system. We expect to report more on these values externally once we have completed the roll-out later in 2011.

As one of the employees with longest seniority at PANDORA, I have experienced what can be achieved through integrity and cooperation... if you believe in what you do. Starting up more than 10 years ago, we really did not know what we were about to achieve. But we just did it, without considering the limits to our endeavor. We did it with the heart and as a team. I am confident, that this spirit will enable us to accomplish our aspiration of becoming the most loved jewellery brand in the world, as long as we remember that nobody is indispensable and that this is something we must do together".

Lone Frandsen, Designer, employed since 1987

TRAINING RESPONSIBLE BUSINESS PRACTICES

PANDORA Online Directory (POD) is the key host of our Training Academy. From the global introduction of the POD in April 2010 until end of the year, more than

13,000 active users signed on for the POD and finalised more than 61,000 modules in multiple local languages.

Through our web-based e-Learning system and classroom sessions, PANDORA ensures that sales associates are constantly informed and trained in regards to our history, culture and values, as well as sales- and product standards. With the launch of POD 2.0 in June this year, we expect that by the end of 2011, we will have reached approximately 30,000 internal and external sales associates in more than 10,000 stores around the world.

To increase the competences and product knowledge of our sales representatives, and to enhance compliance with our business standards, we will integrate POD trainings with other learning opportunities such as face-to-face training and train-the-trainer programs.

One such example is our cooperation with the Gemological Institute of America (GIA), a leading authority within the jewellery Industry. A key objective in 2011 will be to provide our sales staff with profound jewellery knowledge and understanding in order to provide the best possible service and product disclosure to our customers. Together with GIA, we will be educating 135 PANDORA employees to the level of "GIA Accredited Jewellery Professionals". Furthermore, 400-500 PANDORA store managers will finalise a jewellery fundamentals e-Learning course as well as a train-the-trainer module enabling them to train 3,500 PANDORA sales associates in a specialised GIA/PANDORA training module.

BUSINESS ETHICS POLICY AND WHISTLEBLOWER

In 2011, the CSR Committee and PANDORA's Global Management Team have developed a Global Business Ethics Policy. Entering into effect in April 2011, the Business Ethics Policy gathers existing norms and guidelines on what we consider to be proper business conduct. The policy reaffirms that PANDORA "...



believes in fair competition and we are dedicated to working against corrupt practices in own operations as well as in the societies in which we operate" and it provides guidance on issues such as:

- Fair competition
- Corrupt practices and bribery – including a prohibition of facilitation payments.
- Rules for gifts, entertainment or any other advantages.
- Conflicts of interest.
- Money laundering and financing of terrorism.



The policy encourages staff to approach our global hotline designed to support employees in implementing the Business Ethics Policy. Further, staff is encouraged to raise any concerns about compliance with law and company policies within the chain of command and we explicitly prohibit retaliation against any staff raising concerns in good faith. As a last resort, concerned staff will be able to approach PANDORA’s whistleblower function and through this report directly to the Audit Committee under PANDORA’s Board of Directors.

In April 2011, the Global Management Team was the first group of employees to receive compulsory training in the Business Ethics Policy. Based on their feedback we plan to develop face-to-face training and specialised modules on the POD.

CORPORATE GOVERNANCE

The aim of good corporate governance is to ensure that PANDORA meets its obligations to shareholders, customers, consumers, employees, authorities and other key stakeholders to the best of our ability in order to maximise long-term value creation.

The Board of Directors has adopted a set of corporate governance principles, which are laid down in the corporate governance policy. PANDORA intends to exercise good corporate governance at all times and to comply with the corporate governance recommendations of the Danish Committee on Corporate Governance issued in April 2010 (the “recommendations”).

Accordingly, PANDORA has adopted the “comply or explain” principle to our communication of corporate governance practices. Access more information on our corporate governance approach on www.pandoragroup.com

How PANDORA's CSR Report 2010 relate to the 10 principles of the United Nations Global Compact

| | Human Rights | | Labour Rights | | | | Environmental Impact | | | Anti Corruption |
|--|--------------|--------|---------------|--------|--------|--------|----------------------|--------|--------|-----------------|
| | UNGC 1 | UNGC 2 | UNGC 3 | UNGC 4 | UNGC 5 | UNGC 6 | UNGC 7 | UNGC 8 | UNGC 9 | UNGC 10 |
| CSR Approach | | | | | | | | | | |
| CSR Policy | x | x | x | x | x | x | x | x | x | x |
| CSR Committee/organisation | x | x | x | x | x | x | x | x | x | x |
| United Nations Global Compact | x | x | x | x | x | x | x | x | x | x |
| Responsible Jewellery Council | x | x | x | x | x | x | x | x | x | x |
| Charity | x | | | | | x | | x | | |
| Responsible Sourcing | | | | | | | | | | |
| Embedding CSR in Sourcing | x | x | x | x | x | x | x | x | x | x |
| Supplier's Code of Conduct | x | x | x | x | x | x | x | x | x | x |
| CSR auditing and corrective actions | x | x | x | x | x | x | x | x | x | x |
| The Kimberley Process | x | x | | | | | | | | x |
| Crafting in Thailand | | | | | | | | | | |
| Working conditions | x | | x | x | x | x | | | | |
| Preventing workplace accidents | x | | | | | x | | | | |
| Attractive employment terms | x | | | | | x | | | | |
| Labour rights | x | | x | x | x | x | | | | |
| Reducing overtime | x | | | | | | | | | |
| Expressing opinions and raising concerns | x | x | x | x | x | x | x | x | x | x |
| Environmental impact | x | | | | | | x | x | x | |
| International standards | x | x | x | x | x | x | x | x | x | x |
| Trading | | | | | | | | | | |
| PANDORA Life | | | | | | | | | | |
| Training responsible Business Practices | x | x | x | x | x | x | x | x | x | x |
| Business Ethics/Whistleblower | | | | | | | | | | x |
| Corporate Governance | | | x | | | x | | | | x |

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