

Pandora A/S Suppliers' Code of Conduct

1. Introduction

1.1 Background

Pandora A/S is committed to making a positive contribution to society and the environment by developing and implementing responsible business practices that allow us to deliver financial success while conducting our business strategy and operations in a responsible manner.

Pandora A/S is a signatory to the United Nations Global Compact, which means that we support 10 principles within four important areas: human rights, labour rights, environment and anti-corruption.

Pandora A/S is a member of Responsible Jewellery Council and adheres to the principles and code of practices set out by them. Responsible Jewellery Council who is a not-for-profit organization established to promote responsible ethical, social and environmental practices throughout the diamond and/or gold jewellery supply chain, from mine to retail.

1.2 Scope

This code applies to all Pandora A/S's suppliers (hereafter "the supplier" or "suppliers"). Pandora A/S includes Pandora A/S including all Pandora Affiliates, which means a company of which Pandora A/S exercise control by ownership of at least 50% of its shares or voting rights.

Observance of the code is an enforced part of any agreement or contract between Pandora A/S and our suppliers.

The provisions of the code extend to all activities and workers, including workers who are engaged informally, on short-term contracts, or on a part-time basis. Suppliers must ensure that the Code of Conduct is also observed by subcontractors involved in production processes of final manufacturing stages carried out on behalf of Pandora A/S, which includes responsibility for communicating the content and ensuring that all measures are implemented accordingly.

By signing PANDORA's Suppliers Code of Conduct, suppliers confirm that the supplier will take action if they observe any failure to comply with the principles and standards in the Code of Conduct and its appendixes among its sub-contractors. In addition, the supplier will notify PANDORA immediately.

1.3 Compliance

Suppliers must, in addition to meeting the provisions of this code, comply with all national laws and regulations. Should there be differences between the content of this code and national laws, suppliers must adhere to the more stringent requirements. Conflicts between the provisions of this code and national laws or other applicable standards will be evaluated by Pandora A/S in cooperation with the supplier. Suppliers must be able to document their compliance, and if any conflicts are detected, suppliers must inform Pandora A/S immediately.

Pandora A/S is entitled to conduct (announced) audits at the suppliers' sites either by themselves or through 3rd parties in order to verify compliance with this Code.

In the event of non-compliance, we require our suppliers to be committed and engaged in remedying the non-compliance issues within the time schedule set out in the corrective action plan. Pandora A/S seeks to continuously improve together with our suppliers and help them achieve compliance with the provisions of

this code, while reserving the right to terminate any agreements should a supplier decide that compliance with the requirements of the code is impossible to obtain or the supplier shows repeated and/or serious disregard for the code. If no solution can be agreed upon and implemented within a reasonable amount of time, Pandora A/S may choose to terminate the business relationship and/or suspend future contracts with a non-compliant supplier.

2. Business Ethics

2.1 Bribery, gifts and entertainment

Suppliers shall not engage in any form of bribery, corruption, extortion or embezzlement in any business practices and transactions carried out by them or on their behalf by business partners. They will not offer, accept or countenance any payments, gifts in kind, hospitality, expenses or promises as such that may compromise the principles of fair competition or constitute an attempt to obtain or retain business from any person or to influence the course of the business or governmental decision-making process.

The Supplier shall also refrain from offering funding, donations, lavish gifts and extravagant entertainment to any employee of Pandora A/S or any other counterparts in Pandora A/S in an attempt to influence business decisions.

2.2 Money Laundering and Finance of Terrorism

Suppliers must maintain financial accounts of all business transactions where required by applicable law and in accordance with national or international accounting standards.

2.3 Kimberley Process

Suppliers must not knowingly buy or sell Conflict diamonds or assist others to do so.

Suppliers, where involved with the international trade of rough diamonds must apply the rough diamond export and import verification system and controls as laid out by the Kimberley Process Certification Scheme and relevant national legislation. Suppliers must keep records of Kimberley Process Certificates for rough diamonds. Kimberley Process certificates must be independently audited and reconciled by the suppliers own independent auditor on an annual basis

Suppliers, where involved in buying and selling diamonds, whether rough, polished or set in jewellery, must fully adhere to the principles of the “World Diamond Council Resolution on Industry Self-Regulation”. Suppliers are required to have systems in place so that all invoices for diamonds, whether rough, polished or set in Jewellery, either bought or sold, contain the World Diamond Council warranty statement¹. Suppliers must have systems in place so that they do not purchase from sources that do not provide the World Diamond Council warranty statement on their invoices.

2.4 Extractive Industries Transparency Initiative

Suppliers with mining facilities will commit to and support implementation of the Extractive Industries Transparency Initiative (EI TI).

¹ World Diamond Council warranty statement – “The Diamonds herein invoiced have been purchased from legitimate sources not involved in the funding of conflict and in conformance with United Nations Resolutions. The seller hereby guarantees that these Diamonds are conflict free, based on personal knowledge and/or written guarantees provided by the Supplier of these Diamonds.”

3. Human Rights and Working Conditions

3.1 Human Rights

Suppliers will at all times respect the fundamental human rights and the dignity of the individual, according to the United Nations Universal Declaration of Human Rights.

3.2 Discrimination

Suppliers will not practice or condone any form of discrimination in the workplace in terms of hiring, remuneration, overtime, access to training, promotion, termination or retirement based on race, ethnicity, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, marital status, pregnancy status, physical appearance, HIV status, or age, or any other applicable prohibited basis, such that all individuals who are "Fit for Work" are accorded equal opportunities and are not discriminated against on the basis of factors unrelated to their ability to perform their job. Suppliers will ensure that employees are not subjected to harsh or degrading treatment, sexual or physical harassment, mental, physical or verbal abuse, coercion or intimidation in any circumstances

3.3 Child Labour and Young Persons

The supplier shall not engage in or benefit from the use of child labour.

The minimum age for fulltime employment shall not be less than the age of completion of compulsory schooling and, in any case, shall not be less than 15 years (or 14 years where established by local laws in accordance with the ILO developing-country exception).

The supplier shall refrain from hiring workers under the age of 18 for positions that require hazardous work that could jeopardise their health, safety or morals.

If any children are found to be in employment below the minimum age, suppliers will provide adequate support to enable them to attend and remain in school until no longer a child. Child labour remediation processes will include steps for the continued welfare of the child and consider the financial situation of the child's family.

3.4 Prohibition of Forced and compulsory Labour and Disciplinary Measures

All forms of forced labour, such as lodging deposits or the retention of identity documents from personnel upon commencing employment, are forbidden as is prisoner labour that violates basic human rights.

Neither the company nor any entity supplying labour to the company shall withhold any part of any personnel's salary, benefits, property, or documents in order to force such personnel to continue working for the company. Personnel shall have the right to leave the workplace premises after completing the standard workday, and be free to terminate their employment provided that they give reasonable notice to their employer.

3.5 Freedom of Association and Collective Bargaining

Suppliers will not prevent employees from associating freely. Where laws prohibit these freedoms, suppliers will support parallel means for independent and free association and bargaining.

Suppliers will not prevent collective bargaining and will adhere to collective bargaining agreements, where such agreements exist.

3.6 Working Hours

The supplier shall comply with applicable national laws on working hours and public holidays. The maximum allowable working hours in a week are as defined by national law but shall not on a regular basis exceed 48 hours and the maximum allowable overtime hours in a week shall not exceed 12 hours. An employee is entitled to at least one free day following six consecutive days worked

Suppliers will provide employees with all legally mandated leave, including maternity and paternity, compassionate and paid annual leave.

3.7 Wages and benefits

Suppliers will pay all employees a wage based on the higher of either the applicable legal minimum wage plus associated statutory benefits, or the prevailing industry standards. Suppliers will make payment to the employee on a regular and pre-determined basis and will accompany all payments by a wage slip which clearly details wage rates, benefits and deductions where applicable.

3.8 General Employment Terms

All workers shall be provided with a written, understandable and legally binding labour contract. Provisions for non-permanent and seasonal workers shall be no less favourable than for permanent workers.

Suppliers will maintain appropriate employee records, including records of piece rate and wage payments as well as working hours, for all staff employed, whether on a full time, part time or seasonal basis.

3.9 Health & Safety

Suppliers will provide safe and healthy working conditions for all employees in accordance with applicable law and other relevant industry standards, including, but not limited to, protection against fire, accidents and toxic substances.

The supplier shall also formulate and maintain health and safety plans that clearly set out the measures to be taken to safeguard employees and others affected by its activities. The supplier shall be expected to progressively identify and eliminate or control hazards that present a risk to employees and other persons present on its sites and to the environment.

The supplier shall provide a suitable, clean and sanitary infrastructure, including access to toilets and potable water, which meets the needs of its employees and is adequate for its employee numbers. Accommodation, if provided by the supplier, shall satisfy the same requirements, including the general provisions on health and safety listed above.

Suppliers will provide employees with the necessary health and safety training and/or education and will secure that adequate systems to detect and avoid potential threats and to help continuously improving health and safety are put in place.

Appropriate procedures must be in place to prevent accidents and injury to health arising from, or linked to, the course of work-related activities and operations at a facility. Suppliers will establish emergency procedures and evacuation plans for all reasonably foreseeable emergencies. Suppliers will ensure that the procedures and plans are accessible or clearly displayed throughout their facilities.

The supplier shall provide its employees with the protective equipment and training necessary to perform their tasks safely. The supplier shall develop and maintain effective systems for informing and consulting employees on relevant health and safety matters. Through these systems the supplier shall keep accurate

records of accidents, injuries and known exposure to health and safety risks at work according to local legislation.

4. Environmental Performance

4.1 Environmental Protection

The supplier shall comply with all relevant national environmental legislation. The supplier shall maintain awareness of current environmental legislative requirements relevant to the environmental impacts of its activities, products and services, and ensure legal compliance through training, awareness, operational control and monitoring.

Suppliers will, wherever appropriate, introduce management and operating systems to minimise the detrimental environmental impacts of its business practices.

4.2 Hazardous Substances

Suppliers will not manufacture, trade, and/or use chemicals and hazardous substances subject to international bans due to their high toxicity to living organisms, environmental persistence, potential for bioaccumulation, or potential for depletion of the ozone layer.

4.3 Waste and Emissions

Suppliers will dispose of waste substances in compliance with applicable law. Where applicable law does not exist, prevailing international standards will be adopted. Suppliers will seek to decrease emissions to air, water and land relative to production output.

4.4 Use of Energy and Natural Resources

Suppliers will seek to ensure the efficiency of their business operations in terms of consumption of natural resources including, but not limited to, water and energy.

5. Signature

By signing this document the Supplier confirm that they as a business have read, understood and will respect and act to fulfil this code of conduct:

Date and Place:

Signature:

Name and title of signatory in capitals:

Company name in capitals: