

**PANDORA
SUSTAINABILITY
DATA**

2022

SUSTAINABILITY DATA

ENVIRONMENT

GREENHOUSE GAS EMISSIONS¹

tonnes CO ₂ equivalent ²	2022	2021	2020
Scope 1	1,118	1,163	1,250
Scope 2			
Location-based	48,590	48,053	47,949
Market-based	15,028	20,997	22,409
Scope 3			
C1: Purchased goods and services	207,138	185,862	157,908
C2: Capital goods	7,650	5,487	9,121
C3: Fuel- and-energy related activities	3,941	3,785	3,685
C4: Upstream transportation	25,023	31,218	40,637
C5: Waste generated in operations	3,757	2,752	2,654
C6: Business travel	105	36	350
C7: Employee commuting	947	606	606
C8: Upstream leased assets	1,499	1,557	1,298
C14: Franchises	14,164	23,987	26,158
Total Scope 3	264,224	255,290	242,416
Total emissions (market-based)	280,370	277,450	266,075
Emissions intensity, tonnes CO ₂ equivalent/revenue in DKK million	10.59	11.86	14.00

Pandora's total emissions have increased by 1% from 277,450 mtCO₂e in 2021 to 280,370 mtCO₂e in 2022. The 1% increase can mainly be explained by a reduction in our Scope 2 market-based emissions and an increase in our Scope 3 emissions. The Scope 2 emissions have decreased by 28% due to the introduction of more renewable energy through the purchased of RECs. The Scope 3 emissions increased by 4%, largely due to an increase in purchased goods and services. In 2022, we introduced more supplier data, which impacts our Scope 3 emissions in a positive direction. As a result, our emissions intensity has improved by 11% from 2021 to 10.59 in 2022, as the total emissions have increased less than our revenue has increased.

2019 BASELINE YEAR (SCOPES 1, 2 AND 3)

The total greenhouse gas emissions for 2019 baseline year was 296,777 tonnes CO₂e.

§ ACCOUNTING POLICIES

All emissions are accounted for in accordance with the methodology set out in the Greenhouse Gas Protocol Corporate Standard. All CO₂e emission factors used for fossil fuels and electricity are in accordance with the 2006 Intergovernmental Panel on Climate Change Guidelines for National Greenhouse Gas Inventories.

SCOPE 1 emissions include on-site fuels used to craft jewellery, refrigerants to cool the crafting facilities, and fuel used in employee trams. Fossil fuel volumes and refrigerant leakage volumes are multiplied by emission factors from the UK Department for Environment, Food and Rural Affairs (DEFRA).

SCOPE 2 emissions include the purchase of electricity and district heating for offices, distribution centres, crafting facilities and Pandora owned stores. The emissions are calculated using both the market-based approach, which includes the purchase of Renewable Energy Certificates, and the location-based approach. Where available, the electricity and district heating consumption from meter readings and invoices is used for crafting facilities, stores, distribution centres, and offices.

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¹ Scopes 1, 2 and 3 are included in the scope of the external limited assurance. See Pandora's Sustainability Report 2022.

² All emissions are in metric tonnes, as aligned with the Greenhouse Gas Protocol.



§ ACCOUNTING POLICIES (CONTINUED)

Where meter readings and invoices are not available, consumption is estimated based off spend or size on location. The electricity and district heating consumption is multiplied by emission factors (IEA) for their respective countries to calculate the emissions. Emissions from satellite offices with less than 30 people is omitted. These correspond to emissions from 5% of employees in our offices.

SCOPE 3 emissions are reported based on the Greenhouse Gas Protocol, which divides the Scope 3 inventory into 15 subcategories (C1 - C15) of which the nine listed below are relevant to Pandora. Emission factors from DEFRA (incl. VAT) are used to calculate emissions based on spend (excl. VAT), unless otherwise specified. We have corrected the emissions factors to represent the monetary value and energy intensity of 2022, considering the general inflation and improvement of energy intensity between 2011 and 2022:

- C1 – Includes materials and services. Where available, material volumes are multiplied by the Life Cycle Assessment (LCA) emission factors. If not available, spend amounts are used and multiplied by DEFRA supply chain emission factors for spending on products. Key LCAs include: Mined and recycled silver CO₂e/kg: GaBi database, 2019; Mined gold CO₂e/kg: World Gold Council, 2018; Recycled gold CO₂e/kg: C. Hafner, 2019. C1 also includes categorised spend amounts on services (for example, media and marketing). For a few emission factors, we have collected supplier specific emission factors.
- C2 – Includes categorised spend data for machinery, fixtures and furniture, and other capital goods multiplied by relevant LCA and supply chain emission factors (DEFRA).

- C3 – Includes upstream greenhouse gas emissions from fossil fuels, heating, and electricity based on invoices used in our crafting facilities, stores, offices, and distribution centres. Emission factors from IEA for transmission and distribution losses and DEFRA for fuels.
- C4 – Includes inbound and outbound logistics, and transportation and distribution services conducted by third-party logistics providers. A combination of supplier-specific and supply chain emission factors for spending on products from DEFRA is used to calculate the emissions. Emissions from other transport types are included in the emission factors used for purchased goods and services.
- C5 – Includes waste volumes and spend amounts on waste services
- C6 – Includes spend amounts on car rental and travel expenses.
- C7 – Includes Pandora employees' commute from home to work. It is based on a Trucost estimate from 2018 and the figure was revised in 2022 based on an updated estimation of employees working from home and the increase in number of employees.
- C8 – Includes spend amounts on upstream leased cars.
- C14 – Electricity consumption for franchises is estimated based on the number of franchise stores and the kWh/square metre average across Pandora owned stores. The estimated electricity consumption is then multiplied by the corresponding IEA country emission factor.

! SIGNIFICANT ACCOUNTING ESTIMATES

The calculation of greenhouse gas emissions is to a large degree based on generic secondary emission factors and estimated data. Pandora continues to engage suppliers to obtain actual data and primary emission factors in order to increase the accuracy of the emissions reported.

ENVIRONMENT

ENERGY				RENEWABLE ENERGY CERTIFICATES			
MWh	2022	2021	2020		2022	2021	2020
Crafting	61,966	62,883	56,909	Total Renewable Energy Certificates, MWh	82,117	62,838	55,768
Own solar energy generated	1,369	1,347	1,141	Share of renewable energy, %	70	56	51
Retail	50,425	-	-	Energy intensity, MWh/revenue in DKK million	4.52	4.89	5.83
Office	3,708	-	-				
Distribution	2,226	-	-				
Total energy	119,694	114,489	110,876				

Pandora's total energy consumption increased by 4%, which was expected due to growth and an increase in the number of stores operated by Pandora. Our energy intensity in the same period improved from 4.89 MWh/revenue in DKK million in 2021 to 4.52 in 2022, mainly driven

by the increase in revenue. The share of renewable energy increased from 56% in 2021 to 70% in 2022, which can also be seen in the decrease of CO₂e emissions in the market-based Scope 2 emissions.

§ ACCOUNTING POLICIES

Energy consumed consists of the purchased and generated quantities of electricity and district heating for crafting, retail (Pandora's owned and operated stores), offices (with more than 30 employees) and distribution centres. RECs correspond to the MWh covered by the purchased. The share of renewable energy is the total MWh covered by RECs and own solar energy generated divided by total energy. The energy intensity is calculated as the total energy divided by revenue in DKK million.

ENVIRONMENT

WATER

m ³	2022	2021	2020
Crafting	1,138,524	1,052,700	973,481
– Water recycled, %	21	19	16
Distribution	4,608	-	-
Total water	1,143,132	-	-

In 2022, water consumption increased by 8% in our crafting facilities due to increased production and an increased use of automated washing of the jewellery. Our ability to recycle and reuse water improved in 2022. In 2022, we initiated several water recycling and conservation projects aiming to reduce city water consumption. This entailed both investments in actual recycling initiatives and a more stringent monitoring and managing of water consumption in general. 2022 was the first year in which we collected and reported on water usage for our distribution activities. Water consumption at our European Distribution Centre increased towards the end of 2022, due to the washing of smoke-damaged jewellery as a result of a fire.

§ ACCOUNTING POLICIES

Water consumed consists of the purchased volumes of water for crafting and distribution centres. Water used in the distribution centre in Thailand, our owned and operated stores, and offices, has not been included, as it has been assessed as insignificant compared to the water consumption in our crafting and distribution. Water recycled is the volume of water that has been looped back into crafting processes before being sent to wastewater treatment.

WASTE, CRAFTING FACILITIES

tonnes	2022	2021	2020
Recycled waste	8,995	8,720	6,287
Waste for landfill	0	174	662
Hazardous waste	38	78	22
Total waste	9,033	8,982	6,970
Recycling percentage, %	99.6	97	90

An important part of our commitment to a more environmentally sustainable business is our waste management. In 2022, we increased our total recycled percentage from 97% in 2021 to 99.6% in 2022. This improvement was mainly driven by crafting's ability to recycle more of the waste fractions and completely eliminating waste to landfill.

§ ACCOUNTING POLICIES

Waste generated consists of the total waste generated in tonnes at our crafting facilities. The waste is either recycled or if this is not possible, sent to landfill or disposed of as hazardous waste. Recycled waste primarily consists of gypsum, glass, wax and rubber. Waste to landfill consists of industrial waste, which is collected and treated by municipalities. Hazardous waste consists primarily of chemical waste and jewellery ceramic casting flasks. The recycling percentage is calculated as the share of recycled waste divided by total waste. Waste generated in our owned and operated stores (Retail), offices and distribution has not been included, as it has been assessed as insignificant compared to the waste in our crafting.

CIRCULAR AND SUSTAINABLE JEWELLERY

CIRCULAR AND SUSTAINABLE JEWELLERY

%	2022	2021	2020
Recycled silver and gold total¹	61	54	57
Share of recycled silver and gold audited or certified suppliers by a third party	69	-	-
Man-made stones ²	100	100	>99

¹ Total recycled silver and gold is within the audit assurance scope. See [Pandora's Sustainability Report 2022](#).

² Excluding pearls.

We have increased the share of recycled silver and gold purchased in 2022 to 61%, up from 54% in 2021. In order to support the goal of 100% recycled silver and gold by 2025, in 2022 we have been auditing most of our silver and gold

suppliers' chain of custody processes. In total, 69% of our suppliers were audited or had an existing certification of their chain-of-custody processes, covering more than 96% of the total volume.

RESPONSIBLE SOURCING

%	2022	2021	2020
Total direct supplier spend audited by a third party	>99	>99	>99
New product suppliers screened using social criteria	100	100	-

Both the total direct supplier spend audited by a third-party and the number of new suppliers screened using social criteria performance stayed strong at respectively more than 99% and 100% in 2022.

§ ACCOUNTING POLICIES

The percentage of recycled silver and gold is calculated as the share of total purchased silver and gold. Recycled silver and gold are precious metals that have been previously refined. Our products may contain fractions of silver and gold coming from non-recycled sources due to difficulties in separating sources in the refining process. Total purchased silver and gold consists of grains, components, plating solutions for Pandora in-house production, and finished goods from external production (Original Design Manufacturers and Original Equipment Manufacturers). It excludes refinery from scrap and rework metals from Pandora in-house production, production material, tooling, and machinery.

The share of recycled silver and gold audited or certified suppliers by a third party is calculated as the share of suppliers audited. The percentage of man-made stones is calculated as the share of procured man-made stones. Pearls are excluded.

! SIGNIFICANT ACCOUNTING ESTIMATES

A significant part of the recycling percentages used to calculate the recycled silver and gold total is based on self-declared percentages by the suppliers. Pandora has not validated the self-declarations. A significant share of the suppliers delivering recycled silver and gold has had their chain of custody processes audited by an external third party. The aim is to use only silver and gold from suppliers that have been audited. To mitigate the risk of manual errors when dealing with the self-declared percentages, the reported self-declared recycling percentages go through thorough local and central internal checks.

§ ACCOUNTING POLICIES

Total direct spend audited by a third party is calculated as the share of spend audited by a third party. New product suppliers screened is calculated as the share of new product suppliers screened.

CIRCULAR AND SUSTAINABLE JEWELLERY

THIRD-PARTY AUDIT SUMMARY

Number	2022	2021	2020
Number of factories assessed	19	16	15
Number of factories with social issues identified	18	11	13
Number of factories with environmental issues identified	13	8	9
Total issues found	346	207	274
Total issues closed	219	88	203
Total issues open	127 ¹	119	71
Accumulated open issues	144	-	-
Minor social issues closed	33	19	92
Minor social issues open	27	17	32
Major social issues closed	172	62	80
Major social issues open	89	87	26
Zero tolerance social issues closed	0	0	1
Zero tolerance social issues open	0	0	1
Total social issues found	321	185	232
Minor environmental issues closed	6	2	18
Minor environmental issues open	2	10	7
Major environmental issues closed	8	5	12
Major environmental issues open	9	5	5
Zero tolerance environmental issues closed	0	0	0
Zero tolerance environmental issues open	0	0	0
Total environmental issues found	25	22	42

¹ Of the 127 open issues, 38 have been delayed with a time-bound corrective action plan in place and the remaining 89 issues are in the process of being closed.

In 2022, 346 non-conformances were identified in the direct product supplier audits. This is an increase of 40%, which is a result of the onboarding of new suppliers to Pandora. Most of the non-conformances, 55% are related to non-conformances on health and safety. 63% of the total non-conformances had been closed at the end of 2022. The remaining 27% are in the process of being closed.

§ ACCOUNTING POLICIES

Pandora audits its direct spend suppliers on a regular basis against our Supplier Code of Conduct based on robust external protocols. Audits are planned in two-year cycles. The number of issues reported relates to the year the audit was conducted. Pandora classifies findings in three categories: minor, major and zero tolerance. Open issues are defined as non-conformances that were not closed by the agreed deadline. The issues within a grace period are issues that were not closed by year end, but are still within the agreed timeframe for closing out. The accumulated number of open issues is calculated as the accumulated number of open issues by year end, covering the period from 2020 until 2022, excluding the number of non-conformances that have been closed.

WORKPLACE AND SOCIETY

EMPLOYEES

Number	2022	2021	2020
Crafting	13,509	13,996	11,384
Retail	17,318	-	-
Office	3,282	-	-
Distribution	190	-	-
Total employees	34,299	30,533	26,003

Note: The regional headcount split can be found in [Pandora's GRI and SASB tables 2022](#).

The total number of employees in Pandora increased by 12% in 2022 compared to the year before, reflecting our growing business. The vast majority of our workforce works in either crafting or retail, constituting almost 90% of our total number of employees.

§ ACCOUNTING POLICIES

The number of employees accounts for all recorded individuals, except external contractors, at the end of the year.

GENDER RATIO (FEMALE / MALE)

%	2022	2021	2020
Crafting	59/41	59/41	56/44
Retail	94/6	95/5	-
Office	67/33	66/34	52/48 ¹
Distribution	60/40	56/44	-
Total gender ratio	77/23²	-	-
Leadership Team	29/71	23/27	-
Leadership Team Pandora A/S	20/80	-	-
Executive Leadership Team	12.5/87.5	12.5/87.5	12.5/87.5
Board of Directors	43/57	43/57	75/25

¹ For 2020, only global office was part of reporting scope for the office category.

² 193 employees have chosen not to have a binary gender associated with their employee registration for a number of reasons and are therefore not included in the ratio.

The total gender ratio in Pandora is 77/23, with the majority being female. The same trend is seen in all areas of business. In retail, the vast majority – 94% – of our colleagues are female and in crafting, 59% of our workforce is female. The number of females in the Leadership Team for the Group increased from 23% in 2021 to 29% in 2022. As of 31

§ ACCOUNTING POLICIES

The gender ratio is based on the total number of employees year end attributed to binary gender of either female or male. The Leadership Team comprises of Vice Presidents, Senior Vice Presidents, members of the Executive Leadership Team and the Board of Directors. Leadership Team Pandora A/S comprises of the members of the Executive Leadership Team and their direct reports, who have employee responsibility in Pandora A/S.

December 2022, our Executive Leadership Team consisted of one female and seven males. Three of our Board members are female and four are male. We will continue focusing on increasing gender diversity in leadership in the coming years, to achieve gender parity in leadership by 2030.

WORKPLACE AND SOCIETY

AGE SPLIT

%	2022	2021	2020
Below 20 years	7	-	-
20-29 years	38	-	-
30-39 years	43	-	-
40-49 years	8	-	-
50-59 years	3	-	-
60-69 years	0.7	-	-
Above 70 years	0.1	-	-
Total employees, Number	34,299	30,533	26,003

Note: The regional headcount split can be found in [Pandora's GRI and SASB tables 2022](#).

The majority of Pandora's employees are aged between 20 and 39 years with 38% in the age group from 20-29 and 43% in the age group from 30-39. 1% of our workforce is age 60 or above.

EMPLOYEE TURNOVER

%	2022	2021	2020
Crafting	6.0	7.3	-
Retail	58.8	52.9	-
Office	25.6	22.7	-
Distribution	26.0	25.8	-
Total employee turnover	31.1	29.3	26.0

Note: The regional headcount split can be found in [Pandora's GRI and SASB tables 2022](#).

In terms of employee turnover, we saw an increase from 29.3% in 2021 to 31.1% in 2022. The rate can largely be explained by a high turnover in retail. In both distribution and in our offices, turnover rate was around 26%, which is a slight increase compared to the previous year. Our employee turnover in crafting remains low and decrease from 7.3% in 2021 to 6% in 2022.

NEW EMPLOYEE HIRES

%	2022	2021	2020
Crafting	13	-	-
Retail	78	-	-
Office	8	-	-
Distribution	1	-	-
Total employee hires, Number	14,565	12,003	7,763

In 2022, we increased the number of new hires to 14,565 from 12,003 in 2021, which is an increase of 21%. 78% of the new employee hires joined the retail part of our business, which was expected due to the volatility of retail.

§ ACCOUNTING POLICIES

The age split is based on the full number of employees year end attributed to an age split based on their recorded date of birth.

§ ACCOUNTING POLICIES

Employee turnover is calculated as the number of employees, excluding temporary and seasonal employees, who left Pandora in the reporting year divided by the average number of employees, excluding temporary and seasonal employees, during the reporting year.

§ ACCOUNTING POLICIES

The number of new employee hires covers all new employees, who joined Pandora in the reporting year, from outside the organisation, including employees joining Pandora through acquisitions.

WORKPLACE AND SOCIETY

LOST-TIME INJURY FREQUENCY RATE

Rate	2022	2021	2020
Crafting	0.00	0.20	0.27
Retail	2.74	-	-
Office	0.76	-	-
Distribution	16.45	-	-
Total lost-time injury frequency rate	1.55	-	-

In 2022, the overall Lost Time Injury Frequency Rate (LTIFR) for Pandora amounted to 1.55. 2022 was the first year that we reported this number for the entire organisation. Previously, we have only reported it for our crafting facilities. At our crafting facilities, we managed to bring the LTIFR rate down to zero in 2022, which of course is a rate that we are extremely satisfied with and will strive to sustain in 2023. The part of our business with the highest LTIFR rate was distribution, where there were five injuries with absence. In retail, the most common injuries are caused by falling from ladders and fingers getting stuck in safety deposit boxes.

§ ACCOUNTING POLICIES

The lost-time injury frequency rate (LTIFR) is calculated as the reported number of occupational injuries with absence per million nominal working hours. Contractors, visitors, employees on unpaid leave and interns are not included. An occupational injury with absence is any work-related injury causing at least one day of absence in addition to the day of the accident.

EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS

%	2022	2021	2020
Crafting	41	-	-
Retail	10	-	-
Office	6	-	-
Distribution	0	-	-
Total employees covered	57¹	46	56

¹ The countries where employees are covered by collective bargaining agreements are Argentina, Austria, Belgium, Brazil, Denmark, France, Italy, Luxembourg, Mexico, Netherlands, Norway, Portugal, South Africa, Spain, Sweden, Switzerland, Thailand and Turkey.

The number of employees covered by collective bargaining agreements (CBAs) increased from 46% in 2021 to 57% in 2022, mainly due to an increase in the number of employees in crafting.

§ ACCOUNTING POLICIES

Employees covered by collective bargaining agreements are employees included in the full headcount who are covered by at least one collective bargaining agreement. Collective bargaining refers to all negotiations that take place between one or more employers or employers' organisations, on the one hand, and one or more workers' organisations (trade unions), on the other, to determine working conditions and terms of employment or to regulate relations between employers and workers.



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