

PANDORA

Sustainability-Linked Finance Framework

Pandora A/S · Havneholmen 17-19 · 1561 Copenhagen V · Denmark · CVR no. 28505116

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ABOUT PANDORA

THE WORLD'S LARGEST JEWELLERY BRAND

As the world's largest jewellery brand, we empower people to express their stories and passions through jewellery. We offer accessible luxury, hand-finished by craftspeople from high-quality materials and available in more than 100 countries.

Our range of styles provides endless opportunities for personalisation, allowing people to show who they are and what holds a special place in their hearts. As the leader in our industry, we embrace sustainable business practices to protect people and the environment for generations to come.

Pandora jewellery is sold in more than 100 countries on six continents through more than 6,700 points of sale, including more than 2,600 concept stores.

Founded in 1982 and headquartered in Copenhagen, Denmark, Pandora employs an average of 33,000 people globally with more than 12,000 employees located in Thailand, where the Company manufactures its jewellery. Pandora is publicly listed on the Nasdaq Copenhagen stock exchange in Denmark. As of 2023, Pandora's total revenue was DKK 28.1 billion.



28.1 DKK billion revenue

33,000 employees on average

107 million pieces of jewellery sold, corresponding to three pieces every second

6,700 points of sale in more than 100 countries



OUR SUSTAINABILITY STRATEGY

We believe high-quality jewellery, strong business performance and high ethical standards go hand in hand, and we craft our jewellery with respect for resources, environment, and people.

Pandora's sustainability strategy

The overall ambition is for Pandora to be a sustainability leader in the jewellery industry and beyond. We wish to lead by example to contribute to the sustainable transformation of the industry.

Sustainability is a cornerstone of our corporate strategy, Phoenix. We are pursuing ambitious targets to lower our impact on the planet and create positive outcomes for

people and communities touched by our business through our approach to inclusion and diversity, responsible sourcing and corporate giving. This aspiration also enables us to seize opportunities to further execute on our long-term targets, while we continue to grow our business.

Pandora's double materiality assessment

In 2023, we further developed our initial double materiality assessment in line with the EU Corporate Sustainability Reporting Directive (CSRD), including a preliminary review of the process methodology by an independent third party a year ahead of the CSRD requirements. Pandora's Sustainability Board has approved the double materiality assessment outcome, which was also presented to the Board of Directors.

The areas of the Framework KPIs were all ranked as material topics and aligned with Pandora's existing three strategic priorities. The KPIs were also confirmed as material in Pandora's latest double materiality assessment.

SOURCES

- Desktop research
- Human rights impact assessment and TCFD analysis
- Internal and external stakeholders

PANDORA'S TOP 10 MATERIAL SUSTAINABILITY MATTERS

- Adequate wage
- Diversity, equity and inclusion
- Environmental impact of indirect procurement
- Environmental impact of materials
- Environmental impact of mining
- Greenhouse gas emissions (Scopes 1, 2 and 3)
- Human rights in own operations
- Responsible marketing
- Water management
- Workers in the value chain

Pandora's sustainability strategy has three key priorities: low-carbon business, circular innovation and an inclusive, diverse and fair culture. These priorities continue to be highly material to the business and have the potential to drive opportunities for positive impact – both for our business and in the communities where we operate. We have set ambitious medium and long-term targets and developed detailed roadmaps for each of the three priorities.

To ensure the targets receive the focus they require, they are included in the Long-Term Incentive Plan (LTIP) for senior leaders, and the interest rate of all company financing is now tied to sustainability performance.

To learn more about our sustainability work, reach Pandora's [Sustainability Report 2023](#). ↗

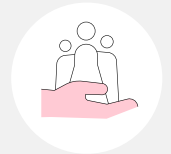
OUR STRATEGIC PRIORITIES



Low-carbon business



Circular innovation



Inclusive, diverse and fair culture



COMMITMENT AND PERFORMANCE OVERVIEW



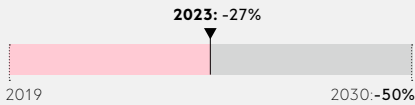
OUR COMMITMENT

Our low-carbon ambition is to limit climate impact in all activities across our entire value chain and achieve net-zero emissions by 2040.

TARGETS

Reduce our Scopes 1, 2 and 3 greenhouse gas emissions by a total of 50% by 2030 from a 2019 baseline, across our own operations and value chain of suppliers and business partners, and achieve net-zero emissions by 2040.

PROGRESS



Achieved progress against target (pink)
Yet to be achieved (grey)



POLICY

Environmental Policy [7](#)

SDGs



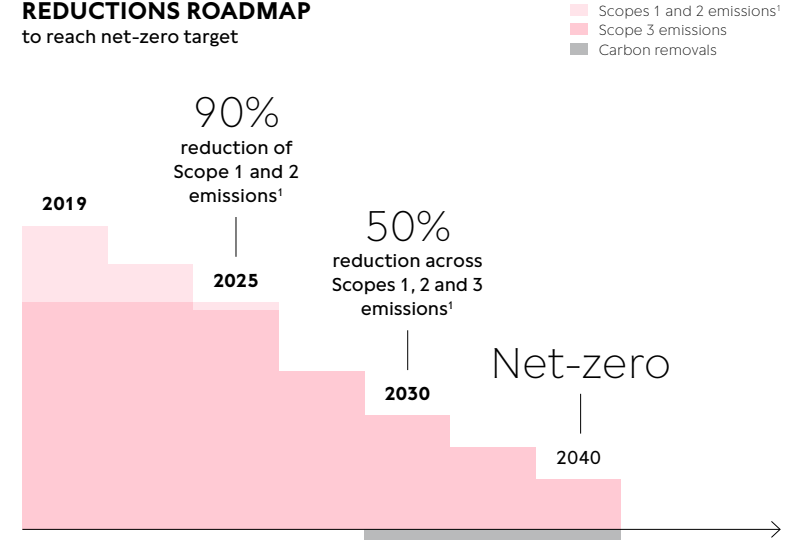
LOW-CARBON BUSINESS

Reducing environmental impact in our activities is a key pillar of our sustainability strategy. Our climate targets remain among the most ambitious in the jewellery industry, and in 2023 we lowered our CO₂ emissions by 27% across the full value chain as compared to 2019. This is a key achievement towards reaching a 50% reduction by 2030.

In 2023, we continued our decarbonisation efforts with a key focus on only sourcing recycled silver and gold as of December 2023 and increased engagement with suppliers on emissions reductions. In 2023, our Scope 3 emissions decreased by 21%. The reductions are a result of the shift to recycled silver and gold, lower volumes in crafting materials and other supply categories and a notable increase in supplier-specific data.

In addition, we have further increased our commitment to support local renewable energy. We are pursuing a new opportunity to source energy directly from a biomass power plant near our crafting facilities in Lamphun.

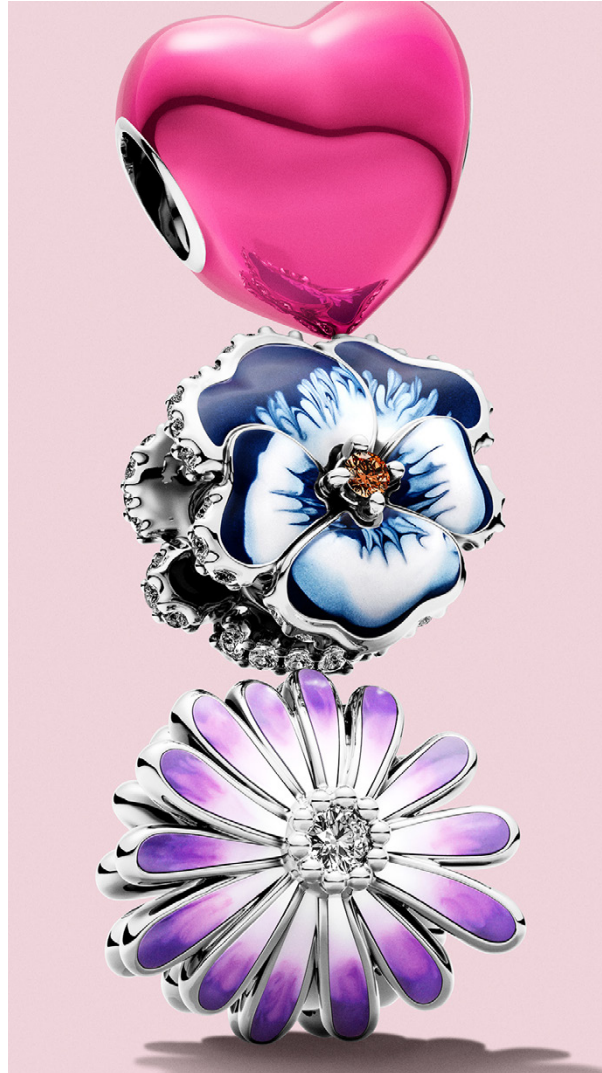
REDUCTIONS ROADMAP to reach net-zero target



¹ Scopes 1, 2 and 3 reductions are from a 2019 baseline. Scope 2 are market-based. For more information about our greenhouse gas accounting policies, see Pandora's Sustainability Report 2023, page 47. [7](#)

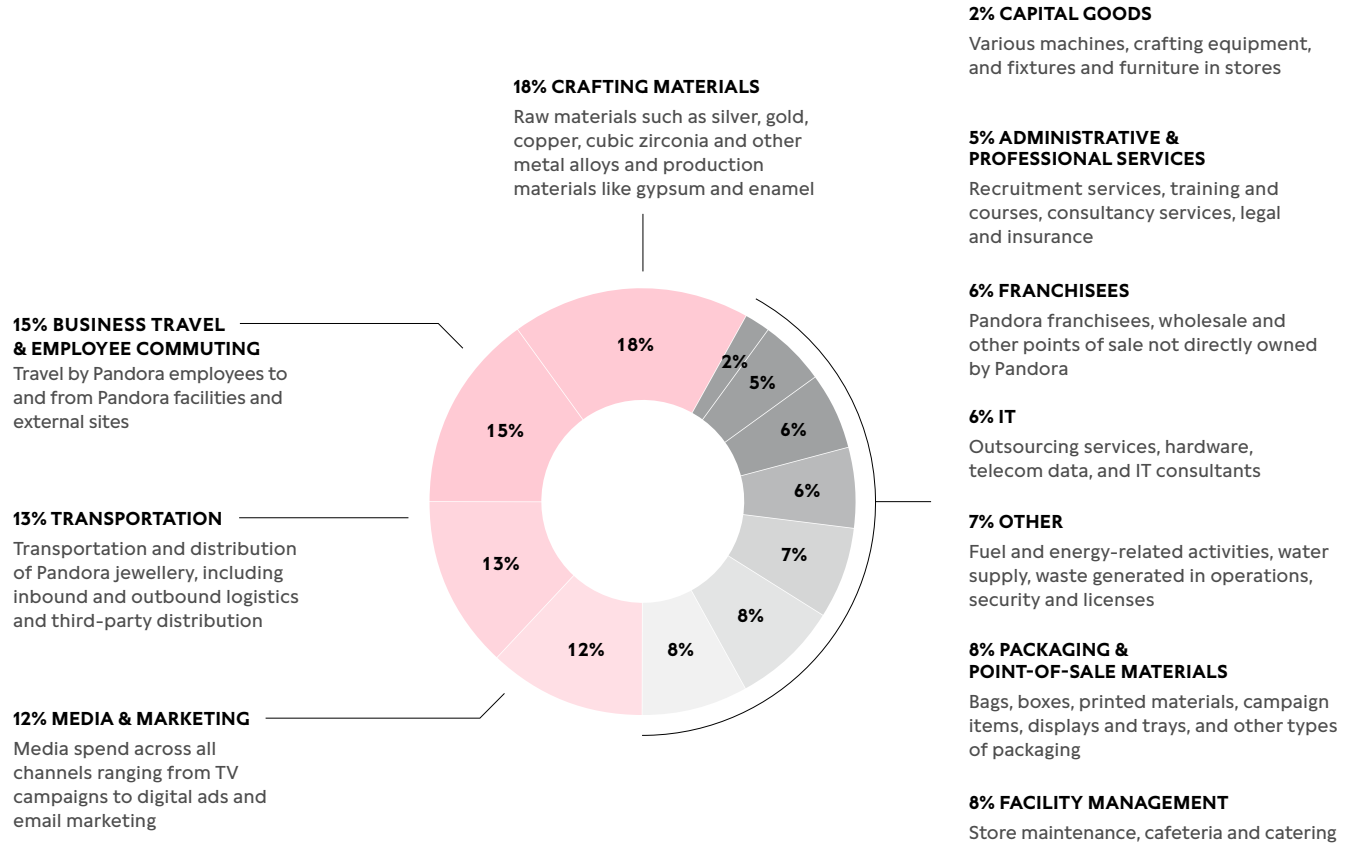
Biomass raw materials are from local wooden handcraft by-products and agricultural wastes that ensure it rather than being left for uncontrolled burning in the fields it is converted into generate waste to energy.

We increased the share of renewable energy for our owned and operated stores and offices to include all European markets, China and the United States.



BREAKDOWN OF OUR SCOPE 3 GREENHOUSE GAS EMISSIONS

In 2023, we updated our Scope 3 Pandora emissions categories to further detail the key impacts.





COMMITMENT AND PERFORMANCE OVERVIEW



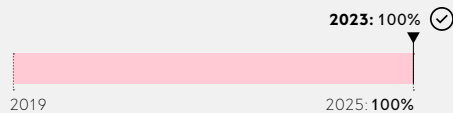
OUR COMMITMENT

By driving our business towards circularity, we believe we can fundamentally change our impact on the planet and inspire the rest of our industry to follow. We have shifted entirely away from mined gemstones, use only lab-grown diamonds and as of December 2023, purchase 100% recycled silver and gold.

TARGETS

Purchase 100% recycled silver and gold in the crafting of our jewellery by 2025.

PROGRESS



As of December 2023, we are only purchasing recycled silver and gold – both in our own crafting, and in components, and the average for the year ended at 97%.

Achieved progress against target

POLICY

Materials Standard

SDGs



CIRCULAR INNOVATION

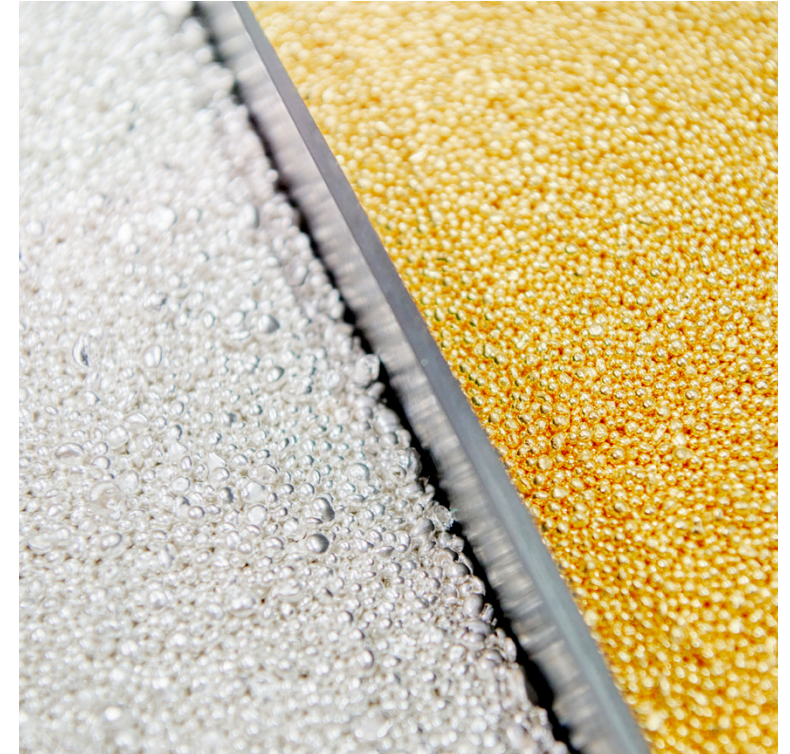
We continue to spearhead our industry within circular innovation. As of December 2023, we were able to complete our shift to only source 100% recycled silver and gold. This is ahead of our 2025 target - a major component in reducing our CO₂ emissions.

We also expanded our Pandora Lab-Grown Diamonds collections, which is transforming the diamond market with products that have a significantly lower impact.

Since 2021, Pandora has ceased the use of mined gemstones and as of December 2023, shifted its sourcing of silver and gold to 100% recycled sources.

Pandora's transition away from mined silver, gold and gemstones significantly reduces the negative environmental and social impacts associated with mining.

To be able to source and trace our purchase and use of recycled silver and gold, we request that relevant suppliers be externally audited according to recognised Chain of Custody (CoC) standards. A CoC is a traceability-focused materials management system, helping both suppliers and Pandora document that the



certified recycled silver and gold grains purchased are also the grains delivered to and used in our crafting.

We recognise that full circularity includes not just design and material choices, but also consumer-led end-of-life opportunities such as product take-back or resale. We are investigating such options, but also see challenges associated with, for example, counterfeits and transportation emission trade-offs.

See Pandora's Responsible sourcing practices



BIODIVERSITY AND WATER

While our current environmental targets are focused on decarbonisation and circularity, we also address other key environmental aspects in our sustainability work.

In 2023, we conducted a high-level assessment of our biodiversity risks across our own sites and key supplier manufacturing locations using the WWF Biodiversity Risk Filter. Furthermore, we started to assess key raw materials from a biodiversity perspective.

The results show that our highest biodiversity-related risks at site-level are in our supply chain in Thailand, India and China. Key risks for these sites include tropical cyclones, air pollution and water scarcity. However, Pandora's greatest biodiversity impact is likely to be at the extraction or cultivation stage in the supply chain of the raw materials we use.

Although we have an established Chain of Custody audit process for our recycled silver and gold, we know we have other materials to focus on. We are identifying next steps for biodiversity risks at site- and raw material-level, which includes further supply chain mapping.

In 2024, we aim to continue expanding and maturing our knowledge of the negative impacts on biodiversity from our business and value chain.

In 2023, we also conducted a high-level water risk assessment, using the WWF Water Risk Filter tool. Water quality and flooding are some of the potential key risks that will be explored further along with efforts to further recycle water at our crafting facilities.

We already have initiatives in place at our crafting facilities in Thailand to recycle water. In 2023, 22% of water was recycled across our crafting facilities. To address some of the water risks at our crafting facilities in Thailand, we have a dedicated risk team who determine and evaluate any hazards related to water shortages, floods and power outages on a weekly basis.





COMMITMENT AND PERFORMANCE OVERVIEW



OUR COMMITMENT

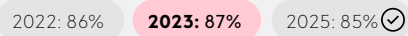
We want to create an inclusive workplace and increase the share of underrepresented groups in our workforce, achieve full gender parity in leadership and reflect societal diversity in our customer engagement.

TARGETS

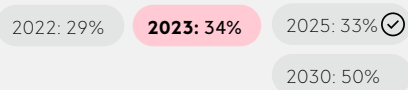
Read more about Pandora's goals and targets on Inclusion and Diversity In Pandora's Sustainability Report 2023, page 24. [↗](#)

PROGRESS

Inclusion



Women in leadership



POLICY

[Inclusion and Diversity Policy](#) [↗](#)

SDGs



INCLUSION AND DIVERSITY

Diversity, equity and inclusion are core tenets of a responsible business. That is why we have ambitious targets focusing on inclusion and gender parity in leadership positions.

As a brand dedicated to inclusivity, everyone, including our customers, employees, suppliers, partners and others, should feel respected and embraced by our business, no matter who they are or where they are from.

We are committed to creating an inclusive environment where differences are celebrated and our employees are provided with access to opportunities on an equal basis. We ended 2023 at 34% women in leadership, up from 29% in 2022. This means that we have achieved our interim 2025 target of 33% women in leadership ahead of schedule. We will continue to prioritise and focus on gender balance among our senior leaders to reach full gender parity by 2030.



By 2023, the share of women at Director level was 51%, providing a solid foundation to help us reach our gender parity target.

We launched unconscious bias training to enhance awareness and understanding of how diversity and inclusion are present, or lacking, in different parts of the business.

While we are making good progress on our journey towards gender parity in leadership, we also acknowledge that a full Diversity, Equity, and Inclusion (DEI) agenda goes beyond gender and addresses other underrepresented groups. We are working to build a broader portfolio of initiatives to drive a more complete DEI agenda.

See Pandora's Human rights practices [↗](#)



SUSTAINABILITY GOVERNANCE

To unlock the potential of our sustainability ambitions and ensure accountability and transparency in our decision-making, we have embedded sustainability responsibilities across our entire governance structure.

Sustainability oversight lies with the Board of Directors. Through the Board's Audit Committee, this oversight includes sustainability data. At leadership level, the Executive Leadership Team (ELT) is responsible for the execution of the sustainability strategy and managing performance. The Sustainability Board, chaired by Pandora's Chief Human Resource Officer (CHRO), executes on behalf of the ELT and comprises 11 senior leaders, including five from the ELT. Convening four times a year, the Sustainability Board is responsible for setting the strategy and integrating sustainability into business decisions within their respective functions.

Two subject-specific committees (the Responsible Sourcing Committee and the Responsible Marketing Committee, along with the CSRD Task Force) convene regularly and report to the Sustainability Board.

The Global Sustainability Team drives implementation of the strategy, guides functions with technical expertise and tracks performance management, while business functions execute the strategy to achieve targets, milestones and compliance measures.

In 2023, we further embedded sustainability into the business and across teams. As a result, we continued to increase the number of sustainability experts placed in different business functions.

Furthermore, strengthening the integration of sustainability into business processes and decision-making, we established clear data ownership for disclosure requirements relating to our top 10 material sustainability matters in the coming year.

OUR GOVERNANCE STRUCTURE

The Board supervises Executive Management's work and has oversight duties on the management of sustainability subjects and plans.



INTERNATIONAL INITIATIVES AND STANDARDS

To demonstrate our commitment to sustainability we report our sustainability information in accordance with selected international initiatives and standards.

Science Based Target

In 2021, the Science Based Targets Initiative (SBTi) validated Pandora's target to reduce absolute greenhouse gas emissions (Scopes 1, 2, and 3) 50% by 2030 from a 2019 baseline and commit to achieve net-zero by 2040.

Task Force on Climate-Related Financial Disclosures (TCFD)

Pandora monitors both physical and transition-related climate risk. We are committed to transparent climate reporting and submit an annual survey response to CDP

according to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

EU Taxonomy

In 2023, we have continued our EU Taxonomy assessment focusing on the applicability to Pandora's core business of the economic activities listed in relevant environmental objectives. Those relevant objectives include climate change mitigation and adaptation, water and marine resources, circular economy, pollution and biodiversity and eco-systems.

Read more about Pandora's EU Taxonomy disclosure in [Sustainability Report 2023](#). ↗

UN Global Compact

We are committed signatories to the United Nations Global Compact (UNGC) since 2011 and acknowledge our responsibilities in the areas of human rights, labour, environment and anti-corruption.

UN Sustainable Development goals (SDGs)

We have assessed Pandora's opportunities to support the Sustainable Development Goals and have concluded that our business aligns most closely with five of the

goals - SDG5 Gender equality, SDG7 Affordable and clean energy, SDG8 Decent work and economic growth, SDG12 Responsible consumption and production and SDG 13 Climate action.

In 2023, we continued our work to align with the upcoming CSRD requirements and expect to report in accordance with them for FY24.

Notable partnerships and collaborations:



UNICEF PARTNERSHIP







Pandora gives a voice to people's loves. Together with our global partner, UNICEF, and other local charitable partners, we are dedicated to supporting women and girls in finding and using their voices to unlock their full potential. In 2023, we established a global approach to corporate giving, which also informs the next phase of our long-standing partnership with UNICEF. Pandora for UNICEF has helped more than 1.2 million children around the world and supports children and young people, especially girls, with educational programmes.

KEY ESG RATINGS

Being recognised as a sustainability leader in our industry demonstrates that we have managed to continuously improve our sustainability performance.

Pandora ranked #21 on sustainability out of 750 companies on TIME Magazine's World's Best Companies 2023; Pandora is among one of eight Danish companies featured.



Rating	Performance (as of March 2024)
	Methodology note, A = top score A list - Leadership level
	Methodology note, AAA = top score Top 'AAA' rating - 8th straight year
	Methodology note, low score = good 38/216 - Pandora ranked in 18th percentile in the Textiles & Apparel industry
	Methodology note, 5 = top score 3.3/5
	Methodology note, A = top score C+ rating, Prime Status - Top 20% of Industry, B rating is highest industry score
	Methodology note, 100 = top score 43/100 - Pandora above industry average in all disclosure categories

In 2023, Pandora was recognised for the second year in the row for leadership in corporate transparency and performance on climate change by global environmental non-profit CDP, securing a place on its annual 'A-List'.

Based on data reported through CDP's 2023 Climate Change questionnaire, Pandora was one of around 1.5% of CDP-evaluated companies to achieve an 'A' out of nearly 23,000 companies scored.

In 2023, Pandora was recognised for the second year in the row as a Supplier Engagement leader by CDP, for raising the level of climate action across our value chain.





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SUSTAINABILITY-LINKED FINANCE FRAMEWORK

This Sustainability-Linked Finance Framework (the “Framework”) is aligned with market expectations, voluntary standards and recent regulatory developments and has been developed in alignment with the June 2023 Sustainability-Linked Bond Principles (SLBP)¹ and the March 2023 Sustainability-Linked Loan Principles (SLLP)², as well as current market practice.

Pandora published its first Sustainability-Linked Finance Framework in March 2023 to further showcase its commitment to sustainability and align its financing and sustainability strategies. With the present 2024 updated Sustainability-Linked Finance Framework (the “Framework”), Pandora aims to align to the latest best market practice and reflect its latest sustainability strategy and performance.

Over 2023, Pandora made strong progress on Scopes 1 and 2 GHG emissions, achieving an 86% reduction compared to 2019. We also achieved our 2025 target to purchase 100% recycled silver and gold well ahead of schedule. Thus, Pandora has chosen to update the KPIs for this Framework as follows:

- Low-carbon business: Scopes 1, 2 and 3 GHG emissions grouped into a single KPI,

in line with our main objective to reduce carbon emissions across our full value chain by 50% by 2030, in line with our target as validated by the SBTi

- Diversity: KPI added to the framework on gender diversity, a core priority of the Group and a key pillar of our sustainability strategy
- Circular innovations: Progressing towards a circular economy remains core to Pandora’s strategy, and we are committed to keep sourcing 100% recycled silver and gold, Pandora strives to keep improving our circularity performance and develop in new areas, but has chosen not to include a circular innovations KPI in this Framework

THE FIVE CORE COMPONENTS

The five core components of the Sustainability-Linked Bond and Loan Principles are:

- Selection of Key Performance Indicators (KPIs)
- Calibration of Sustainability Performance Targets (SPTs)
- Bond/Loan characteristics
- Reporting
- Verification

The updating of this Sustainability-Linked Finance Framework serves as a stronger communication of Pandora’s sustainability strategy and leadership within these objectives. As our sustainability contribution overarches all the elements of ESG, the focus of this Framework is similarly focused on addressing two of our key strategic priorities: low-carbon business and gender diversity.

¹ Sustainability-Linked Bond Principles published in June 2023 are voluntary guidelines for issuing Sustainability-Linked Bonds established by the International Capital Markets Association (ICMA): <https://www.icmagroup.org/assets/documents/Sustainable-finance/2023-updates/Sustainability-Linked-Bond-Principles-June-2023-220623.pdf>

² Sustainability-Linked Loan Principles published in April 2023 are voluntary process guidelines for issuing Sustainability-Linked Loans established by Loan Markets Association (“LMA”), Asia Pacific Loan Market Association (“APLMA”) and the Loan Syndications and Trading Association (“LSTA”): <https://www.lsta.org/content/sustainability-linked-loan-principles-sllp/#>



SUMMARY OF KEY PERFORMANCE INDICATORS AND SUSTAINABILITY PERFORMANCE TARGETS

The selected KPIs have been included for the purpose of this Sustainability-Linked Finance Framework and its Sustainability-Linked Financing section to reflect Pandora's ability to further align our climate commitments and values to our financing.

KPIs	KPI 1 Absolute emissions reductions in Scopes 1, 2 and 3	KPI 2 Gender diversity
SPTs	SPT 1a : Reduce Scopes 1, 2 and 3 GHG emissions by 36% by 2028 versus 2019 SPT 1b : Reduce Scopes 1, 2 and 3 GHG emissions by 50% by 2030 versus 2019	SPT 2a : At least 44% women in leadership by 2028 SPT 2b : Reach 50% women in leadership (+/- 5%) by 2030
BOND CHARACTERISTICS	Margin adjustments, coupon step-ups or increased redemption price	
REPORTING AND POST ISSUANCE VERIFICATION	Annual externally verified Report	

¹ In case of major events detailed in the Financial Characteristics section, Pandora may review baseline figures [or SPTs].



SELECTION OF KPIS



Low-carbon business

KPI 1	Absolute emissions reductions in Scopes 1, 2 and 3
DEFINITION	Absolute reduction in total Scopes 1, 2 market-based ¹ and 3 emissions as verified by the Science Based Targets initiative in alignment with a 1.5°C scenario.
SCOPE	<p>Pandora's calculates scopes 1, 2 and 3 GHG emissions in CO₂ equivalent (CO₂e) in accordance with the Greenhouse Gas Protocol, defined as follows:</p> <p>Scope 1: emissions include on-site fuels used to craft jewellery, refrigerants to cool the crafting facilities and fuel used in employee trams.</p> <p>Scope 2: emissions include the purchase of electricity and district heating for offices, distribution centres, crafting facilities and Pandora's owned and operated stores</p> <p>Scope 3: indirect GHG emissions stemming from the value chain, incorporating the following categories: C1, C2, C3, C4, C5, C6, C7, C8 and C14. The remaining categories C9-C13 and C15 are not relevant for Pandora due to having zero or immaterial emissions.²</p> <p>The full perimeter of Pandora's material emissions as of FY2023 are included within the scope of this KPI, accounting for well over 99% of all the company's GHG emissions.</p>
RATIONALE & MATERIALITY	<p>Low-carbon business is one of Pandora's sustainability strategic priorities as identified in its double materiality assessment³ and given the importance of fighting climate change on a global level and the combined efforts from businesses, Pandora's overall ambition is to limit its climate impact in all activities across its entire value chain. Pandora has committed to a 50% reduction on emissions across Scopes 1, 2 and 3 by 2030 and had this target validated by the Science Based Targets initiative.</p> <p>While Scope 1 and 2 GHG emissions represented only 3% of its 2023 carbon footprint, Pandora is fully committed to lead by example and reduce the direct emissions from its operations in line with the objective of a 90% reduction by 2025 compared to 2019. With the vast majority of Pandora's overall carbon footprint relating to Scope 3 GHG emissions (97% in 2023), it is a top priority of Pandora to tackle the emissions of its value chain, and particularly, GHG emissions from purchased goods and services (59% of Pandora's Scope 3 emissions) and upstream transportation (13% Scope 3 emissions).</p> <p>KPI 1 is fully aligned with Pandora's SBTi validated emissions reduction targets to 2030. As such, we have chosen to take a market-based approach to Scope 2 reporting and maintain a 2019 baseline year. The market-based approach also reflects Pandora's strong focus on renewable energy solutions.</p> <p>KPI 1 is also aligned with a commitment to maintain our commitment in our 2023 Sustainability-Linked Finance Framework, where we committed to a 90% reduction in Scopes 1 and 2 emissions by 2025.</p>
CALCULATION METHOD	<p>Scopes 1, 2 and 3 GHG emissions are identified and calculated in accordance with the Greenhouse Gas Protocol Corporate Standard. Unit of weight used is metric tonnes CO₂e.</p> <p>For Scope 2, emissions are calculated using the market-based emissions methodology and include the purchase of Renewable Energy Certificates (RECs). Consumption from retail owned and operated stores are estimated using a spend-based method.</p>

¹ In accordance with the GHG Protocol Corporate Standard, Pandora discloses both market- and location-based Scope 2 emissions. See the Pandora Sustainability Report 2023, page 46. [↗](#)

² See page 7 in this document and the Pandora Sustainability Report 2023, page 46 [↗](#) for further details on Scope 3 categories.

³ Pandora's double materiality assessment is summarised in the Sustainability Report 2023, page 8-9. [↗](#)



Low-carbon business (continued)

HISTORICAL PERFORMANCE

Pandora has obtained independent external limited assurance on Scopes 1, 2 and 3 historical emissions data.

	2019	2020	2021	2022	2023
Scope 1, mtCO₂e	1,379	1,302	1,099	1,112	1,245
Scope 2, mtCO₂e	49,722	21,795	21,102	14,692	5,672
Scope 3, mtCO₂e	309,468	277,649	298,419	325,944	257,626
Total emissions, mtCO₂e	360,569	300,746	320,620	341,748	264,543

In 2023, we reassessed Pandora's greenhouse gas accounting methodology and data based on updated knowledge to improve the scope and quality of emissions data, in line with the GHG Protocol. This resulted in an increase in total emissions (tonnes CO₂e) of 63,792 in 2019 (+21%), 34,671 in 2020 (+13%), 43,170 in 2021 (+16%) and 61,378 in 2022 (+22%). Read more on page 44 in Pandora's Sustainability report 2023.

CONTRIBUTION TO SDGs

The KPI contributes to the following two UNSDGs:





Inclusion and diversity

KPI 2 Gender diversity

DEFINITION Gender parity in leadership refers to an equal number (50/50) of men and women in leadership positions from VP-level and above (including the Board of Directors) with a +/- 5 percentage points variation.

SCOPE The Leadership Team is comprised of Vice Presidents, Senior Vice Presidents, members of the Executive Leadership Team and the Board of Directors.

RATIONALE & MATERIALITY Inclusion, diversity and fair culture is one of Pandora's three sustainability strategic priorities and we are committed to creating an inclusive environment where differences are celebrated and all employees are given fair opportunities, regardless of their gender or background. Pandora rolled out its inclusion and diversity strategy in 2021, with a focus on leadership positions where the gender imbalance is most material. Pandora believes a balanced leadership, in addition to the overall workforce, is key to closing the gender gap and promoting diversity across the Group. While Pandora has made progress in the last couple years, its leadership remains male-dominated and the Group deems the KPI material to address.

CALCULATION METHOD The gender ratio is based on the total number of employees within VP-level and above (including the Board of Directors) at year-end attributed to binary gender of either female or male. Numbers will be rounded up or down to the nearest percentage point.

HISTORICAL PERFORMANCE KPI 2 has historically not been externally reviewed, but will be subject to external limited assurance from 2024.

	2021	2022	2023
Leadership team gender ratio, female/male, %	23%/77%	29%/71%	34%/66%

CONTRIBUTION TO SDGs

The KPI contributes to the following two UNSDGs:



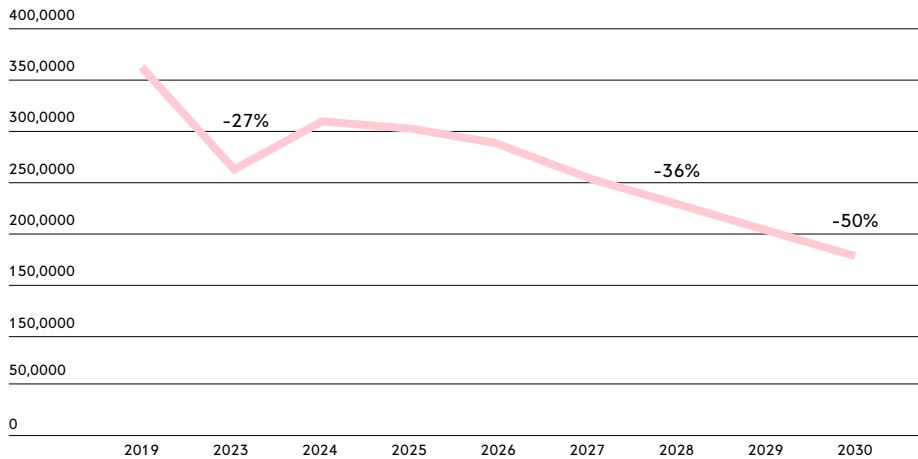


LOW-CARBON BUSINESS

METRIC	SCOPES 1, 2 & 3 GHG EMISSIONS	
Baseline	FY 2019	
Target	-36%	-50%
Target Observation Date	31st December 2028	31 st December 2030

¹ See Pandora's Sustainability report 2023 for latest data

SPT1 TRAJECTORY



Key external factors which may limit progress towards SPT 1

Macroeconomic risk driven by the transition to a low carbon economy may include increased regulation and legislation, which may cause changes in market conditions

- Availability of low-emissions energy
- Availability of low-emissions materials, such as recycled raw materials e.g. recycled gold, recyclable/recycled packaging
- Access to closer and local suppliers
- Extreme weather events

STRATEGY TO ACHIEVE THE TARGET

Scopes 1 & 2:

- Operational efficiency across retail, crafting facilities, offices and distribution centres.
- At our crafting facilities this includes improving the efficiency of our heating, ventilation, air conditioning (HVAC), air filtration systems and burnout processes, which are the main components of our energy consumption.
- Sourcing renewable electricity will deliver the main contribution towards achieving the target and expansion of on-site solar is expected to increase the on-site electricity production.
- Our preference is to increase the amount of new renewable energy through Power Purchase Agreements (PPAs), and over time we aim to replace RECs with PPAs where feasible and available.

Scope 3:

- Maintain purchasing 100% recycled silver and gold.
- Switching to low-carbon point-of-sale materials such as packaging, for example reducing plastics and increasing recycled content.
- Partnering with our franchisees to have them source renewable energy for their stores.
- Increasing the use of low-carbon transportation and working with logistics providers to identify solutions with a lower carbon footprint.
- Supplier engagement outreach to lead the way for suppliers to shift to renewable energy, increase energy efficiency savings and increase the reporting of supplier-specific climate impact data to Pandora.

SPT 1 AMBITION

Our commitment for Scopes 1 and 2 is to reduce emissions by 90% from a 2019 baseline by 2025, and thereafter maintain that level. This requires a 15% reduction annually, which is about three times the annual reductions required by the SBTi methodology

for a 1.5C ambition level. Further, our commitment to reduce Scope 3 emissions from 2019 to 2030 will require average 4.18% reductions annually, which is in line with the SBTi methodology for a 1.5C ambition level. In addition, Pandora set an interim target for 2028, established in accordance with the SBTi-validated trajectory.

Reaching our climate target will not be a linear journey, and we expect an increase in our 2024 emissions compared to 2023, notably as a result of constructing and setting up the crafting facility in Vietnam, expanding our retail network, updating our stores, receiving more supplier-specific data and overall growth. Reducing emissions in spite of these factors will require significant effort and reflects the high ambition level in our reduction targets.

INCLUSION AND DIVERSITY

SPT 2 – Reach full gender parity in leadership by 2030

We want to create an inclusive workplace and increase the share of underrepresented groups in our workforce, achieve full gender parity in leadership and reflect societal diversity in our customer engagement.

Key external factors which may limit progress towards SPT 2

- Unanticipated resignations from women in leadership
- Strategic acquisition of companies with low share of women in leadership positions
- Challenges to attract external women talents

METRIC	GENDER PARITY IN LEADERSHIP TEAM	
Baseline	FY 2021	
Target	At least 44% women in leadership	Reach 50% women in leadership (+/- 5%)
Target Observation Date	31 st December 2028	31 st December 2030



STRATEGY TO ACHIEVE THE TARGET

We will be working to raise awareness and responsibility among leaders in attracting and developing senior female leaders with a particular focus on providing balanced shortlisted candidates for senior roles and enhancing our talent and succession plans.

We plan to integrate a learning module into the recruitment process to highlight the responsibility of all hiring managers in taking a fair and balanced approach during hiring decisions.

In addition, we will deliver inclusive training to the Executive Leadership Team and VP-level and above, with a focus on raising awareness of our responsibility as leaders to create an inclusive environment for colleagues.

SPT 2 AMBITION

As we continue working towards full gender parity in leadership, the achievement of SPT 2 will be measured against our target timeline towards full gender parity by 2030. We ended 2023 with 34% women in leadership positions, up from 29% in 2022. This means we have achieved our interim 2025 target of 33% women in leadership ahead of schedule. We will continue our work with succession plans and promotion processes to reach full gender parity by 2030. In 2023, the share of women at Director level was 51%, providing a solid foundation to help us reach our gender parity target.

SPT 2 TRAJECTORY

Share of women in leadership (male/female %)

	2023	2028	2030
	66/34	56/44 At least 44%	50/50 At least 45%

FINANCIAL CHARACTERISTICS

The financial characteristics of all securities issued under this Framework will be impacted depending on the achievement of the selected SPT(s). Pandora may choose to include one or more KPIs and respective SPTs for each security to be issued.

The specific characteristics to any single Sustainability-Linked Security issued under this Framework, such as the selected KPI(s) and SPT(s) and the financial characteristics, will be included in its security-specific legal documentation (e.g final terms of the Bond). All securities under this Framework will incorporate sustainability-linked features resulting in a change in the financial characteristics of the Sustainability-Linked Security when a Trigger Event occurs. This may include, but is not limited to, a pre-determined coupon or margin adjustment, or premium payment, as will always be stated in the security-specific documentation.

For the avoidance of doubt, a Trigger Event occurs if:

- A KPI included in a security issued under this Framework has not achieved the SPT(s) on the Target Observation Date as stipulated by the security specific documentation, or

- The reporting or the verification (as per the “Reporting” and “Verification” sections below) has not been provided and made publicly available within the stipulated timeframe.

Recalculation Policy

The KPIs and SPTs set out in this Framework will remain applicable throughout the tenor of any security issued under the Framework, regardless of any changes to Pandora’s sustainability strategy. This includes any changes relating to the company’s general sustainability targets and ambitions or changes in applicable benchmarks or industry standards.

However, the baseline and / or SPTs may be recalculated to reflect a material change in:

- The perimeter or structure of Pandora as a result of a material acquisitions or disposals or
- Data due to the discovery of significant errors,
- [change in the methodology of calculation of the KPI(s)] which results in an increase or decrease to the value of the KPI by at least 5 percent, may result in a recalculation of the baseline of Scope emissions and the targets set for the absolute greenhouse gas emissions for the Scope emissions.

Such recalculation will be performed by Pandora in good faith provided that an External Verifier has confirmed:

- The recalculated baseline / SPTs is at least as ambitious as the initial level of ambition of the SPT
- For KPI 1, that it remains aligned with Pandora’s SBTi-validated trajectory
- It is consistent with Pandora’s latest sustainability strategy

Any recalculations of baseline and / or SPT will be reported in the Company’s Annual report.

Any new or updated Sustainability-Linked Financing Framework, in relation with any subsequent securities issuance, shall not have any implications on the Sustainability-Linked Securities issued under this Framework.



REPORTING

Reporting of the Sustainability-Linked Securities will be published publicly at least on an annual basis and at least for the period required to determine whether a Trigger Event has occurred. Pandora will ensure that it will publish, keep readily available and easily accessible up-to-date information on the performance of the selected KPI(s) in our Annual Report.

The Annual Report will be published on Pandora's web page no later than 90 days after the end of each financial year to ensure investors and other stakeholders have updated and adequate information about Pandora's sustainability strategy and the progress on the KPIs towards the respective SPTs.

The Annual Report may include the following items:

- The performance of the KPI, as per the relevant reporting period and when applicable, as per the Target Observation Date including the calculation methodology and baselines when relevant,
- Information about potential recalculations of baselines and respective SPT levels, alongside circumstances leading to any such recalculation,
- External verification related to the KPIs and SPTs, Information on any updates to Pandora's sustainability strategy and/or governance with an impact on the KPI and SPT.

Where feasible and possible, Pandora's Annual Report will also include:

- The performance of the KPI, as per the relevant

reporting period and when applicable, as per the Target Observation Date including the calculation methodology and baselines when relevant,

- Information about potential recalculations of baselines and respective SPT levels, alongside circumstances leading to any such recalculation,when relevant
- External verification related to the KPIs and SPTs,
- Information on any updates to Pandora's sustainability strategy and/or governance with an impact on the KPI and SPT.

Where feasible and possible, Pandora's Annual Report will also include:

- Qualitative and/or quantitative explanations of the contribution of the main factors, including M&A activities, behind the evolution of the performance on the KPI on an annual basis,
- Illustration of the performance of key sustainability impacts
- Updates on new or proposed regulations from regulatory bodies relevant to the KPIs and the SPTs.

Notwithstanding the above, in situations where the financial characteristics of Pandora's outstanding Sustainability-Linked Securities may need to be amended in less than 90 days from the end of the relevant financial year related to the Target Observation Date, Pandora will undertake to make the Reporting related to the period including the Target Observation Date available in a shorter timeline, as shall be described in the security specific documentation. This can include,



but is not limited to, a separate reporting outside of the Annual Report to be delivered to the holders of the Sustainability-Linked Security in question.


Learn more about our Policies and Standard on our [corporate website](#) ↗



EXTERNAL VERIFICATION

Pre-issuance external verification

To confirm the transparency and robustness of this Framework, Pandora has engaged Moody's Investors Service to provide the Second-Party Opinion (SPO). Moody's Investors Services concludes that the Framework has a High contribution to sustainability and is aligned with the Sustainability-Linked Bond Principles 2023 and the Sustainability-Linked Loan Principles 2023 and assigns the Framework a Sustainability Quality Score of 2 – Very Good.

The SPO, along with the Framework, can be found on Pandora's website www.pandoragroup.com. 

Post-issuance external verification

Pandora will ensure an external and independent verification, in the form of a limited assurance, of the performance of the KPIs listed in this Framework, in their progression towards the respective SPTs, is provided on an annual basis and at least for the period required to determine whether a Trigger Event has occurred ("Verification Assurance Report").

The Verification Assurance Report shall be conducted by a qualified auditor and will either be published as part of Pandora's Annual Report, in all cases no later than 90 days after the end of each financial year.



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