

PANDORA GLOBAL MATERIALS STANDARD

VERSION 1.0

PANDORA

Materials Standard | V.1.0 | 0

Classification: Pandora Public

DOCUMENT OVERVIEW

DEPARTMENT OWNERSHIP Global Communications and Sustainability

CONTENT ENQUIRIES sustainability@pandora.net

RELATED DOCUMENTS [Pandora Code of Conduct](#)
[Supplier Code of Conduct](#)
[Responsible Sourcing Policy](#)

1 OBJECTIVE

Pandora recognises the importance of ensuring that the use of raw materials in its business leaves as little negative impact as possible on the environment, people and communities and is committed to conducting its business in full compliance with laws, regulations and standards regarding the sourcing of raw materials.

This Standard is intended to create awareness of the principles of sourcing raw materials more sustainably and ensure that employees and suppliers have a broad and basic understanding hereof.

2 SCOPE

This Materials Standard sets out the principles and standards that we apply to the use of raw materials in our products, in addition to materials that we use in our packaging, product display and in-store furniture and fixtures.

The Materials Standard applies to three categories of raw materials:

- i. Raw materials used in the crafting of Pandora jewellery, whether manufactured by Pandora or by suppliers to Pandora.
- ii. Raw materials used in product packaging and in-store materials including promotional and display materials.
- iii. Raw materials used in the production of in-store furniture and fixtures.

Our suppliers must comply with our Materials Standard and must ensure that this Standard is also observed by sub-suppliers.

This Standard applies to all Pandora employees and suppliers of materials outlined above as well as its subsidiaries and affiliates worldwide.

In the event of discrepancies between this English version of the Standard and any local translations thereof, the English version shall prevail. Additionally, in the event of discrepancies between this Standard and any local corresponding legislation or addendums, the stricter requirement shall apply.

3 ROLES AND RESPONSIBILITIES

The Materials Standard is approved by the Executive Leadership Team and governed by Pandora's Sustainability Board. The Sustainability Board is chaired by Pandora's Chief Financial Officer and comprises both several members of the Executive Leadership Team and senior cross-functional leaders. The Sustainability Board is supported by the Responsible Sourcing Committee.

The Responsible Sourcing Committee (RSC) comprises representatives from several functions within Pandora including Supply Chain, Indirect Procurement, Creative Sourcing, Innovation and Product Development, Marketing, Global Communications and Sustainability. The RSC is co-chaired by the VP, Supply Chain and the VP, Global

Sustainability, convenes on a semi-annual basis and ad-hoc when required, and reports to Pandora's Sustainability Board at least twice annually.

The RSC oversees updates to and implementation of the Standard, with our Global Sustainability team working in close coordination with relevant business areas to lead the day-to-day implementation of the Standard. This includes ensuring that any applicable local laws and regulations pertaining to responsible sourcing are documented and applied. Moreover, the RSC ensures that adequate procedures are in place throughout Pandora to provide employee training on the Materials Standard.

Employees are required to observe and act in compliance with this Standard and if in doubt, consult with the relevant manager or the Global Communications and Sustainability Department at sustainability@pandora.net.

4 GENERAL COMMITMENTS

Pandora is committed to ensuring that our use of raw materials for the crafting and manufacturing of jewellery, as well as for the development of packaging materials, product display materials and in-store furniture and fixtures, leave as little negative impact as possible on the environment, people and communities. This commitment is in line with our vision to adopt a circular approach to how we design, craft, source and offer our products.

Pandora has taken measures to ensure compliance with legal and regulatory requirements regarding the sourcing of raw materials and is committed to adhere to any additional minimum standards of raw material sourcing based on applicable local laws and regulations. It is fundamental to ensure that all subsidiaries and affiliates, regardless of geographic location, comply with applicable legislation.

Every employee is responsible for assisting Pandora in its efforts to source materials more sustainably.

5 STANDARD STATEMENT

5.1 PRIORITISATION OF MATERIALS

In support of our vision to develop a circular business model, the Materials Standard establishes a guidance hierarchy that prioritises the use of renewable or recycled materials followed by the use of materials that are considered more sustainable than prevailing market alternatives. The prioritisation is detailed as follows:

- i. Renewable materials, e.g. paper-based products instead of plastic-based products or
- ii. Recycled materials, e.g. recycled gold instead of mined gold
- iii. Sustainable materials – two categories covering materials that are neither renewable or recycled, yet sourced responsibly in accordance with:
 - a. Internationally recognised certifiable social and environmental standards;
 - b. Our own standards, and that represent a more sustainable alternative to the prevailing market choices, e.g. cubic zirconia instead of mined gemstones.

5.2 PRINCIPLES

Our application of the materials guidance hierarchy will adhere to these principles:

- i. We comply with regulatory requirements.
 - a. Pandora and suppliers must comply with the Pandora Regulatory Requirements for the Control and Monitoring of Hazardous Substances.
- ii. We aim to increase the relative share of primary raw materials coming from renewable or recycled sources.
 - a. Renewable and recycled materials must comply with internationally accepted certifiable social and environmental standards and where no such standards exist, they must comply with our own standards.
 - b. When renewable or recycled materials do not present a better alternative to their non-renewable or non-recycled counterparts, we may choose not to use renewable or recycled materials provided the existence of robust scientific evidence that confirms that non-renewable or non-recycled materials are not better alternatives.
- iii. We aim to reduce use of primary raw materials that are not produced in accordance with internationally accepted certifiable social and environmental standards.
 - a. When no such standards exist and there are no viable materials alternatives, we will consider whether and how such standards can be created.
- iv. We will ground our approach based on scientific evidence, which we will use to inform our assessment of sustainable materials.

We recognise, however, that certain critical raw materials cannot be replaced by renewable or recycled materials, and that for certain materials no relevant internationally accepted certifiable raw materials standards exist or are forthcoming. In such cases, our suppliers must comply with our social and environmental standards as outlined in our [Responsible Sourcing Policy](#) and our [Supplier Code of Conduct](#).

5.3 OUR MATERIALS

Pandora uses a wide range of raw materials. Our products are made primarily with metals such as gold, silver, and copper as well as lab-created stones including simulants, lab-created diamonds and lab-created gemstones. In addition, we also use, in much smaller volumes, raw materials such as natural stones, leather, textile, cultured pearls, mother of pearl, and glass. Our product packaging, in-store product displays, and furniture and fixtures are mainly made with wood, paper, and plastic.

TABLE 1: LIST OF RAW MATERIALS

	Metals	Man-made stones	Other product raw materials	Non-product raw materials
Key materials	Gold, silver, copper, stainless steel, zinc, and palladium, platinum, rhodium, and other PGM metals	Cubic Zirconia, Thermal Fusion Colour Cubic Zirconia, nano-crystals, lab-created diamonds, and other lab-created gemstones	Leather, enamel, glass, fabric, mother of pearl, and freshwater pearls	Wood, paper, and plastic

NB: This list is not exhaustive but representative of our raw materials.

5.4 MEASURING OUR PROGRESS

In each raw materials category, we aim to set objectives, targets and standards for individual materials defined as Category Specific Requirements. When possible, we will base these on internationally accepted certifiable social and environmental standards for each material.

We will define objectives, targets and standards for individual materials on a step-by-step basis, beginning with our most used primary raw materials and those that we consider to have a particularly high sustainability risk. When no specific objectives, targets or standards are defined, the sourcing of materials must comply with our [Responsible Sourcing Policy](#) and our [Supplier Code of Conduct](#).

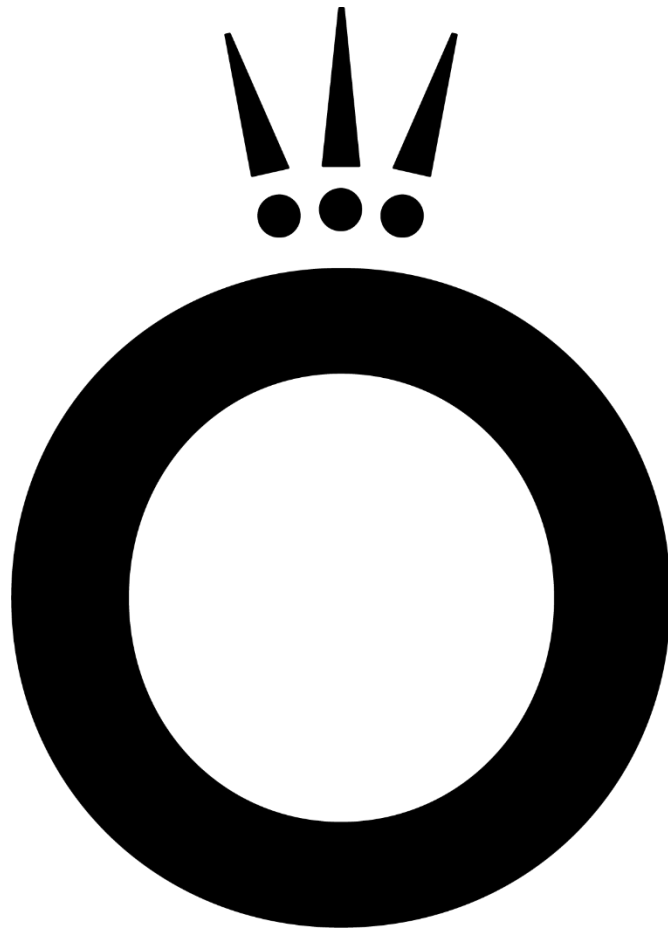
We will disclose our targets and standards and provide progress updates for individual materials on our website and in our annual Sustainability Report.

6 DEFINITIONS

KEYWORD	DEFINITION
Primary raw material	Any basic or intermediate material that constitutes a measurable element in the final product.
Recycled material	Material that has been reprocessed from recovered (reclaimed) material by means of a manufacturing process and made into a final product or into a component for incorporation into a product.
Renewable material	A natural resource that is not depleted by use. Renewable materials derive from either plants or animals.

7 DOCUMENT VERSION HISTORY

VERSION	DATE	AUTHOR
1.0	November 2021	Global Sustainability



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