



Sustainability statements 2023

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



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↑ **Sustainability Report**

Our Sustainability Report provides detailed information on sustainability and our responsible business practices. The Sustainability Report serves as our supplementary document to the United Nations Global Compact Communication on Progress, which will be submitted later in 2024 using the new digital platform, Communication on Progress. This report constitutes Pandora A/S' statutory report in accordance with section 99a and section 107d of the Danish Financial Statements Act and forms part of the management's review. The report is available at pandoragroup.com/sustainability/resources/sustainability-reports.



↑ **Annual Report**

Our Annual Report is our detailed annual disclosure relating to company performance, strategy, corporate governance and financial results. The report constitutes Pandora A/S' statutory report in accordance with section 99b of the Danish Financial Statements Act and forms part of the management's review. The report is available at pandoragroup.com/investor/news-and-reports/annual-reports and at cvr.dk following approval at the Annual General Meeting.



↑ **Remuneration Report**

Our Remuneration Report includes full disclosure of Board and Executive Management remuneration. The report is available at pandoragroup.com/investor/corporate-governance/remuneration-reports.

BASIS OF PREPARATION

General reporting standards and principles

This report covers Pandora's global operations for the fiscal year 2023, which runs from 1 January to 31 December 2023. Our last report, published in February 2022, covered the 2022 fiscal year and is available with previous sustainability reports at [pandoragroup.com](https://www.pandoragroup.com).

The content and scope of this report were defined based on the significance of topics to both stakeholders and the sustainable growth of the company as determined by our sustainability materiality assessment. The 2023 report is prepared according to the sustainability materiality assessment performed in 2021. The double materiality principle will be applied going forward.

The scope covers our crafting facilities, retail stores operated by Pandora, our offices and distribution centres. Where relevant, data from our value chain is included. All data boundaries are specified alongside reported metrics. We are not able to provide historical data for metrics reported for the first time in 2023.

This report complies with the Danish Financial Statements Act. Sections 99a and 107d which specify the requirements to report on the management of risks related to the environment, climate, human rights, labour and social conditions, anti-corruption, gender distribution and data ethics. Our reporting on 99b is included in Pandora's Annual Report 2023. We are providing information in alignment with the [Sustainability Accounting Standards Board](#)

(Apparel, Accessories & Footwear), the Task Force on Climate-Related Financial Disclosures standards and the assessment of our activities according to the EU Taxonomy for sustainable activities. We use "-" to indicate that data for the data point has not previously been disclosed.

Principles of consolidation

The overarching principle of consolidation is to consolidate data for all functions in Pandora. The disclosures of CO₂ emissions, energy, renewable energy certificates and employee-based data covers crafting, retail, offices and distribution. The disclosure of water covers crafting and distribution. The disclosure of waste covers crafting. The disclosure of data related to responsible sourcing and third-party audits covers suppliers contracted for material productions or services.

Accounting policies and changes

The accounting policies have been applied consistently in the preparation of consolidated data for the years presented.

In 2023, we have 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.

Key changes include:

- Spend-based emissions updated to incorporate value-added tax.

- Supplier-specific emission data is backdated to baseline year where possible.
- Improved input data for business travel emissions, including supplier-specific flight emissions.
- Update of employee commuting methodology.

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%).

External limited assurance

We have obtained independent external limited assurance on selected sustainability data disclosed in this report, specifically for our Scopes 1, 2 and 3 emissions and recycled silver and gold total (%). For the independent auditor's assurance report, see [Pandora's Sustainability Report 2023](#).

Please contact sustainability@pandora.net if you have any questions or feedback on sustainability at Pandora.



FIVE-YEAR SUMMARY

FIVE-YEAR SUMMARY

	2023	2022	2021	2020	2019
Scopes 1, 2 & 3 emissions, tonnes CO ₂ equivalent ¹	264,543	341,748	320,620	300,746	360,569
Share of renewable energy, %	86%	70%	56%	51%	-
Recycled silver and gold, total, % ²	97%	61%	54%	57%	60%
Total employees, number	37,142	34,299	30,533	26,003	-
Leadership Team gender ratio, female/male, % ³	34/66	29/71	23/77	-	-
Total employee turnover, %	29.9%	31.1%	29.3%	26.0%	-
Lost-time injury frequency rate, rate	1.38	1.55	-	-	-

¹ Within limited assurance scope. The Scope 2 emissions are calculated as market-based emissions. All emissions are in metric tonnes, as aligned with the Greenhouse Gas Protocol. In 2023, we have reassessed Pandora's calculation methodology and data based on updated knowledge. 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%).

² Within limited assurance scope.

³ The Leadership Team is comprised of Vice Presidents, Senior Vice Presidents, members of the Executive Leadership Team and the Board of Directors.

GREENHOUSE GAS EMISSIONS¹		
Tonnes CO ₂ equivalent ²	2023	2022
Scope 1	1,245	1,112
Scope 2		
Location-based	46,620	48,883
Market-based	5,672	14,692
Scope 3		
C1: Purchased goods and services	153,176	212,035
C2: Capital goods	4,719	8,682
C3: Fuel- and-energy related activities	4,047	3,941
C4: Upstream transportation	33,178	45,720
C5: Waste generated in operations	6,741	4,470
C6: Business travel	13,980	12,286
C7: Employee commuting	23,832	21,122
C8: Upstream leased assets	2,094	1,798
C14: Franchisees	15,859	15,890
<i>Total Scope 3</i>	<i>257,626</i>	<i>325,944</i>
Total emissions (market-based)	264,543	341,748
Emissions intensity, Tonnes CO₂ equivalent/revenue in DKK million	9.40	12.91

¹ Scopes 1, 2 and 3 are included in the scope of the external limited assurance. See Pandora's Sustainability Report 2023.

² All emissions are in metric tonnes, as aligned with the Greenhouse Gas Protocol. In 2023, we have reassessed Pandora's calculation methodology and data based on updated knowledge. This resulted in an increase in total emissions (tonnes CO₂e) of 61,378 in 2022 (+22%), for Scope 1, -6 (-1%), Scope 2, -336 (-22%) and Scope 3, 61,720 (+23%), respectively.

Pandora's total emissions have decreased by 23% from 341,748 tCO₂e in 2022 to 264,543 tCO₂e in 2023. The decrease can mainly be explained by an increase in the share of renewable energy and the transition from spend-based emission calculations to supplier-specific emission calculations. Scope 1 emissions have increased primarily due to an increase in the use of fuels in crafting. Scope 2 market-based emissions have decreased by 61% because of an increase in the share of renewable energy. Scope 3 emissions decreased by 21%, primarily due to reduced emissions in purchased goods and services (category 1) and upstream transportation (category 4). In both categories, an increased use of supplier-specific emissions data has improved the data quality and allowed for more accurate estimates. As a result, our emissions intensity has improved from 12.91 in 2022 to 9.40 in 2023, because total emissions have decreased while revenue increased.

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 the construction of our Vietnam crafting facility, retail network expansion, store updates and increased supplier-specific data.

See accounting policies on [next page](#). ↗

ENVIRONMENT
(CONTINUED)

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, natural gas 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 [7](#)).

SCOPE 2 emissions include the purchase of electricity and district heating for crafting, retail (own stores), office and distribution. The emissions are calculated using both the market-based approach, which includes the purchase of Renewable Energy Certificates (RECs), 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.

Where meter readings and invoices are not available, consumption is estimated based on spend or size of location. The electricity and district heating consumption is multiplied by emission factors (IEA [7](#)) for their respective countries to calculate the emissions. Emissions from satellite offices with less than 30 people are omitted. These correspond to emissions from 6% 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 (incl. VAT) unless otherwise specified. We have corrected the emissions factors to represent the monetary value and energy intensity of the current year, considering the general inflation and improvement of energy intensity between 2011 and 2023:

- **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 some spend categories, 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 transportation 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 supplier-specific flight, hotel and car rental emissions as well as spend amounts on flight, hotel, car rental and travel expenses.
- **C7** Includes emissions from Pandora employees' commute from home to work. It is based on a mixture of actual fuel consumption for part of the commuting in crafting and estimated data on distance (km travelled) within different transportation types and the work-from-home ratio disclosed for the main areas in own operation, taking the development of employees into account.
- **C8** Includes spend amounts on upstream leased cars.
- **C14** Includes electricity consumption for franchisees, which is estimated based on the number of franchisee stores and the kWh/square metre average across Pandora's 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
(CONTINUED)

ENERGY

MWh	2023	2022
Crafting	54,480	63,335
Retail	60,371	50,425
Office	4,088	3,708
Distribution	1,982	2,226
Total energy	120,921	119,694

RENEWABLE ENERGY

MWh	2023	2022
Total renewable energy certificates	103,215	82,117
On-site renewable energy generation	1,352	1,369
Share of renewable energy	86%	70%
Energy intensity, MWh/revenue in DKK million	4.30	4.52

Pandora's total energy consumption increased by 1%, as an increasing number of stores and more employees in the offices led to increased energy consumption in retail and offices. The share of renewable energy increased from 70% in 2022 to 86% in 2023, which impacted our market-based CO₂ emissions positively. This development is driven by an increased (+26%) use of renewable energy certificates. Our energy intensity has improved from 4.52 in 2022 to 4.30 in 2023 due to the combination of a decrease in total energy consumption and an increase in turnover.

ACCOUNTING POLICIES

Energy consumed covers the purchased and on-site 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. Total renewable energy certificates correspond to the MWh covered by the purchased RECs. 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 total energy divided by revenue in DKK million.

WATER

m ³	2023	2022
Crafting	1,326,310	1,375,304
Distribution	5,505	4,608
Total water	1,331,815	1,379,912
Recycling percentage, %	18%	17%

In 2023, total water consumption decreased by 3% compared to 2022. This was primarily due to a decrease in production volume in crafting. The distribution centres have seen increased in water consumption, caused by construction at our European distribution centres after the fire in November 2022. Our ability to recycle and reuse water improved in 2023, and we now recycle 18% of water used.

ACCOUNTING POLICIES

Water consumed consists of the purchased volumes of water for crafting and distribution. Water used in the distribution centre in Thailand, in our owned and operated stores and in offices, has not been included, as it is considered 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	2023	2022
Recycled waste	8,050	8,995
Waste for landfill	0	0
Hazardous waste	13	38
Total waste	8,063	9,033
Total recycled, %	99.8%	99.6%

Total waste in crafting decreased by 11% compared to 2022. This is mainly driven by a decrease in production volume. In 2023, we increased the total recycled percentage from 99.6% in 2022 to 99.8%. As in 2022, we did not have any waste for 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 have not been included, as it is considered as insignificant compared to the waste in crafting.

SUSTAINABILITY DATA
CIRCULAR AND SUSTAINABLE JEWELLERY

CIRCULAR AND SUSTAINABLE JEWELLERY

%	2023	2022
Recycled silver and gold, total¹	97	61
Man-made stones ²	100	100
Share of silver of purchased product materials	68	77
Share of recycled silver and gold suppliers audited and/or certified	100	69

¹ Total recycled silver and gold is included in the scope of the external limited assurance. See Pandora's Sustainability Report 2023.
² Excluding pearls.

We have increased the share of recycled silver and gold purchased in 2023 to 97%, up from 61% in 2022. Silver made up 68% of total purchased materials in 2023, decreasing from 77% in 2022. By the end of 2023, all our suppliers transitioned to deliver recycled silver and gold, which means that 100% of our suppliers were either audited or had an existing certification of their Chain-of-Custody processes. As of December 2023, we purchase 100% recycled silver and gold. We continue to purchase 100% man-made stones.

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's 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's in-house production, production material, tooling and machinery. Our guidelines are to only use suppliers who source/use certified silver and gold and have had their Chain of Custody (CoC) process audited by an external third party. These audits are an important enabler for Pandora to trace the sourced certified silver and gold from when it is initially sourced, either by Pandora's suppliers or by

Pandora itself, and until the certified silver and gold is used in the crafting of our jewellery. Using an externally audited CoC process to verify the sourced certified silver and gold enables Pandora to secure a higher level of credibility on our commitment to craft with 100% recycled silver and gold.

The percentage of man-made stones is calculated as the share of procured stones, pearls excluded. The share of silver of purchased product materials is calculated as the share of total purchased product materials, i.e. silver, gold and other metals. The share of recycled silver and gold suppliers audited and/or certified by a third party is calculated as the share of suppliers audited.

RESPONSIBLE SOURCING

%	2023	2022
Share of high-risk supplier spend SMETA-audited	32	-
Share of high-risk supplier spend with accepted standard	61	-
Share of high-risk supplier spend due for SMETA audit next year	7	-
Share of high-risk supplier spend to total supplier spend	27	-
Share of jewellery crafted at Pandora crafting facilities	94	89

In 2023, we have expanded the scope of reporting to also include audits of high-risk suppliers in our indirect product spend categories. The share of high-risk supplier spend constitutes 27% of Pandora's total supplier spend. 32% of the high-risk supplier spend was audited in 2023, 61% is covered by other acceptable standards, and 7% is due for a SMETA audit next year. In 2023, 94% of our jewellery was crafted at Pandora's own crafting facilities, which is 5% more than in 2022.

ACCOUNTING POLICIES

The share of high-risk supplier spend SMETA-audited (paid by Pandora or the supplier), the share of high-risk supplier spend with acceptable standard (RJC, BSCI and BEPI) and the share of high-risk supplier spend due for SMETA audit next year are all calculated as a share of spend in scope for our responsible sourcing programme. The share of high-risk supplier spend is calculated as a share of total supplier spend in Pandora. The share of jewellery crafted at Pandora's crafting facilities is calculated as the share of the total crafted jewellery.



CIRCULAR AND SUSTAINABLE JEWELLERY (CONTINUED)

SMETA THIRD-PARTY AUDIT SUMMARY

Number	2023	2022
Total non-conformances	360	-
Suppliers SMETA-audited	36	-
Factories SMETA-audited	50	-
Severity of non-conformances		
Business critical non-conformances	0	-
Critical non-conformances	59	-
Major non-conformances	229	-
Minor non-conformances	72	-
Status of non-conformances		
Remediation complete	112	-
Remediation in progress	248	-
Remediation in progress from preceding years	44	-
Average non-conformances per SMETA-audited factory	7.2	-

In 2023, we aligned our reporting on non-conformances with the SMETA audit standard and have in addition added audits conducted with high-risk suppliers in our indirect product spend categories. This means that we do not have comparable data for 2022. In 2023, a total of 360 non-conformances were identified. 31% of the total non-conformances had been closed at the end of 2023. The remaining 69% are in the process of being closed. The number of non-conformances is as expected as fewer new suppliers have been audited, and reaudited suppliers performed significantly better than in previous audit.

ACCOUNTING POLICIES

Pandora audits its high-risk suppliers on a regular basis against our Supplier Code of Conduct based on robust external protocols. Audits are planned in two-year cycles and take place on one or more of the supplier's factories. The audits are either paid by Pandora or the supplier themselves. The number of non-conformances relates to the year the audit was conducted. Pandora classifies non-conformances in four categories aligned with the SMETA audit standard; business critical, critical, major and minor. Remediations completed are all issues completed independent of the timing of completion. Remediations in progress are open non-conformances still to be completed. The number of remediations in progress from preceding years are non-conformances which are still in progress at the end of the year, accumulated between 2021 and 2022. The average non-conformances per SMETA-audited factory is calculated as the total number of non-conformances divided by the number of factories which were SMETA-audited.

SUSTAINABILITY DATA
WORKPLACE AND SOCIETY

EMPLOYEES

Number	2023	2022
Crafting	12,226	13,509
Retail	21,029	17,318
Office	3,687	3,282
Distribution	200	190
Total employees	37,142	34,299

The total number of employees in Pandora increased by 8% in 2023 compared to 2022, reflecting our growing business. The vast majority of our workforce works in either retail or crafting, constituting 90% of Pandora's total employees. As Pandora has opened more owned and operated stores in 2023, the number of employees in retail has increased by 21%.

ACCOUNTING POLICIES

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

GENDER RATIO (FEMALE/MALE)

%	2023	2022
Crafting	59/41	59/41
Retail	93/7	94/6
Office	68/32	67/33
Distribution	63/37	60/40
Total gender ratio¹	79/21	77/23
Leadership Team	34/66	29/71
Executive Leadership Team	12.5/87.5	12.5/87.5

¹ In 2023, 257 employees chose not to have a binary gender associated with their employee registration for a number of reasons and are therefore not included in the ratio. In 2022, 193 had chosen not to have a binary gender associated with their employee registration.

The total gender ratio in Pandora is 79/21, with the majority being women. The trend is recurring across all areas of the business. In retail, the vast majority (93%) of the workforce is female, and in crafting the share of women is 59%. In 2023, women in leadership increased to 34%, achieving the established target a year ahead of schedule, marking an increase from 29% in 2022. At the end of 2023, our Executive Leadership Team consisted of one woman and seven men.

Please see Pandora's [Annual Report 2023](#) (page 29) for the gender ratio of the Board of Directors and the Leadership Team in Pandora A/S (section 99b disclosure requirement).

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



WORKPLACE AND SOCIETY (CONTINUED)

AGE SPLIT	2023	2022
%		
Below 20 years	8%	7%
20-29 years	38%	38%
30-39 years	41%	43%
40-49 years	9%	8%
50-59 years	3%	3%
60-69 years	0.8%	0.7%
Above 70 years	0.1%	0.1%
Total employees, number	37,142	34,299

The majority of Pandora's employees are aged between 20 and 39 years with 38% in the 20-29 age group and 41% in the 30-39 age group. 0.9% of our workforce is aged 60 or above.

ACCOUNTING POLICIES

The age split is based on the full number of employees at year-end, based on their recorded date of birth.

EMPLOYEE TURNOVER	2023	2022
%		
Crafting	7.1	6.0
Retail	51.4	58.8
Office	16.6	25.6
Distribution	27.0	26.0
Total employee turnover	29.9	31.1

In 2023, we saw a decrease from 31.1% in 2022 to 29.9% in the total employee turnover. The turnover can largely be explained by a high turnover in retail. The turnover rate in office has decreased from 25.6% in 2022 to 16.6% in 2023. The turnover rate in distribution has remained relatively constant at 26.0% in 2022 and 27.0% in 2023. Our employee turnover in crafting remains low with a small increase from 6.0% in 2022 to 7.1% in 2023.

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.

NEW EMPLOYEE HIRES	2023	2022
%		
Crafting	0.7%	13%
Retail	93%	78%
Office	6%	8%
Distribution	0.5%	1%
Total employee hires, number	15,384	14,565

In 2023, we increased the number of new hires to 15,384 from 14,565 in 2022, which is an increase of 6%. 93% of the new employee hires joined retail, which was expected as a consequence of Pandora opening more owned and operated stores.

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
(CONTINUED)**

LOST-TIME INJURY FREQUENCY RATE

Rate	2023	2022
Crafting	0.10	0.00
Retail	2.26	2.74
Office	0.51	0.76
Distribution	3.13	16.45
Total lost-time injury frequency rate	1.38	1.55

In 2023, the lost-time injury frequency rate (LTIFR) for Pandora was 1.38, down from 1.55 in 2022. In 2023, we had two injuries at our crafting facilities, causing the LTIFR rate to increase from 0 in 2022 to 0.10 in 2023, which is below the target of 0.16. The highest LTIFR rate can be found in distribution. The high rate is caused by just one injury but, as the number of employees is relatively low, the rate is relatively high compared to the other business areas. The rate has decreased from 16.45 in 2002 to 3.13 in 2023. In retail, the most common injuries are caused by moving products in storage or commuting accidents and resulted in a LTIFR of 2.26, down from 2.74 in 2022.

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

%	2023	2022
Crafting	100	100
Retail	30	30
Office	10	14
Distribution	0	0
Total employees covered	51¹	57

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

The number of employees covered by collective bargaining agreements (CBAs) decreased from 57% in 2022 to 51% in 2023. This is due to a decrease in the number of employees in crafting, where 100% of the workforce is covered by CBAs and a decrease of number of office employees covered by CBAs.

ACCOUNTING POLICIES

Employees covered by collective bargaining agreements are employees included in the total 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.

PANDORA