

# PANDORA FRANCHISEE AND DISTRIBUTOR CODE OF CONDUCT

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<b>RELATED DOCUMENTS</b>	Pandora Code of Conduct Pandora Global Human Rights Policy

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## 00 INTRODUCTION

### PURPOSE

Pandora is committed to ethical business practices. This means that we conduct business lawfully, appropriately and with honesty and integrity by adhering to applicable laws and regulations, exercising sound judgment, and taking actions to minimise our environmental impact on the planet. The [Pandora Code of Conduct](#) sets out our ethical commitment, standards of behaviour and conduct to which we expect the entire Pandora organisation to adhere.

We expect that our business partners, including franchisees and distributors, share this commitment, and we are committed to working with our franchisees and distributors to ensure high social, environmental, and business ethics standards. We see this as fundamental to long-term, successful partnerships and business success. This Franchisee and Distributor Code of Conduct (hereafter “the Code” or “this code”) sets out our specific requirements for franchisees and distributors.

Pandora has set ambitious sustainability targets in support of its journey to become a low-carbon business, drive circular innovation and create an inclusive, diverse and fair culture. As franchisees and distributors operate stores under the Pandora brand, we expect them to acknowledge our ambitions and to implement appropriate processes and practices to support Pandora in achieving its sustainability goals.

Franchisees and distributors must always comply with all applicable laws and regulations. With respect to Section 2 of this Code (Human Rights and Labour Rights), whenever there appears to be a conflict between this Code and local laws and regulations, the provisions which afford greater protection to the workers or employees shall apply. Conflicts between the provisions of this Code and national laws or other applicable standards will be evaluated by Pandora in cooperation with the franchisee or the distributor, and we strongly encourage franchisees and distributors to inform Pandora when this is the case.

### SCOPE

This Code applies to all Pandora franchisees/licensees and distributors (hereafter “the franchisee” or “franchisees” and “the distributor” or “distributors”). The reference to “Pandora” includes Pandora A/S including all its affiliates.

Observance of the Code is a pivotal element of any agreement or contract between Pandora and our franchisees and distributors. The provisions of the Code extend to all franchisee and distributor stores, facilities, activities, employees and onsite contractors, including workers who are engaged informally, on short-term contracts, or on a part-time basis, that contribute to fulfilment of the contract.

We expect franchisees and distributors to conduct human rights and environmental due diligence in their own operations and supply chains, which includes but is not limited to monitoring compliance against this Code. This should include meaningful consultation with affected stakeholders such as worker interviews and worker listening surveys.

Franchisees and distributors must ensure that the Code or, as a minimum, the principles set out herein, is also observed by their suppliers involved throughout their supply chain, including the operation of stores and contractors used for refurbishments and onsite contractors such as cleaners and security guards. This includes responsibility for communicating the content of the Code to such suppliers and ensuring that the Code is implemented in full.

Franchisees and distributors must take action if they observe any failure to comply with the principles and standards in the Code and any appendixes among its suppliers. In addition, the franchisee or distributor will notify Pandora in case of any breach of this Code to ensure Pandora can provide required support in dealing with the violation.

### **PERFORMANCE EVALUATION**

Pandora believes that mutual trust, transparency, and dialogue are essential to a successful business partnership, including the effective implementation of this Code. To this end, Pandora reserves the right to request performance data and information related to this Code, including by performing audits at franchisee, distributor and supplier sites. Such audits may be performed by Pandora, by assessors appointed by Pandora and/or assessors appointed by organisations of which Pandora is a member.

Pandora seeks to continuously improve sustainability performance together with its franchisees and distributors, and to support them to achieve compliance with the provisions of this Code. We expect franchisees and distributors to be open and transparent with Pandora in their efforts to adhere to this Code, including challenges they face. In the event of failure of compliance, Pandora, franchisees and distributors will agree on corrective actions that must be taken within a specified timeline. If no solution can be agreed upon and implemented within a reasonable amount of time, where applicable Pandora may, subject to applicable laws, choose to terminate the business relationship and/or suspend future contracts with a non-compliant franchisee or distributor.

Franchisees and distributors shall ensure that policies and procedures are communicated and understood by all levels of personnel e.g., by using posters, training, worker handbooks, and other means where literacy is low.

### **GRIEVANCE MECHANISM & WHISTLEBLOWER**

Pandora has implemented a Whistleblower Policy making it possible for all Pandora employees, members of the boards, business partners and other stakeholders of Pandora to report any serious or sensitive concerns, including misconduct, unethical behaviour, violations of our Codes of Conduct, any underlying policies, or applicable laws, rules, or regulations.

Pandora requires its franchisees and distributors to raise and report serious or sensitive concerns including misconduct, unethical behaviour, violations of the Pandora Code of Conduct, this Code or applicable laws, rules, or regulations in their operations. Franchisees and distributors are required to communicate where and how to raise concerns through Pandora's whistleblowing hotline to employees and onsite contractors. Employees and onsite contractors must be permitted to raise concerns and reports confidentially and without the risk of retaliation; reports can be made confidentially via email to [whistleblower@pandora.net](mailto:whistleblower@pandora.net) or by visiting our [Whistleblower process \(pandoragroup.com\)](https://pandoragroup.com/whistleblower-process).

Further, franchisees and distributors are required to provide their employees and onsite contractors with avenues for raising legal or ethical issues (anonymously, where permitted by law) or concerns without fear of retaliation. Such grievance mechanisms should follow, and be consistently evaluated against, the criteria laid out in the [United Nations Guiding Principles on Business and Human Rights](#). Franchisees and distributors are also expected to take action to prevent, detect, and correct any retaliatory actions.

## 01 LEGAL AND COMPLIANCE

### ANTI-BRIBERY AND CORRUPTION

Franchisees and distributors shall not engage in any form of bribery, corruption, extortion, embezzlement or fraud in any business practices and transactions carried out by them or on their behalf by business partners in dealings with government officials, public authorities, business partners or any other third party. Franchisees and distributors shall not, and shall not cause Pandora to, violate any applicable anti-bribery or anti-corruption laws or regulations.

Franchisees and distributors shall refrain from offering, promising, giving, or authorising money, gifts, entertainment or anything of value to any employee of Pandora or any individual, organisation or other acting on behalf of Pandora in an attempt to influence the judgment or conduct of that person for actual or perceived favourable treatment or an advantage. All these actions are regarded as a bribe regardless of the monetary value.

Franchisees and distributors shall not offer, pay or provide anything of value (including travel, gifts, hospitality expenses, charitable donations, or other favours) to any official or employee of any government, government agency, political party, public international organisation, or any candidate for political office, or an immediate family member of any such individual, to influence any act or decision to promote the interests of Pandora in any respect.

It is expected that franchisees and distributors have a policy covering bribery, corruption, or any type of fraudulent business practice. In addition, they are encouraged to have a documented risk assessment, appropriate processes and controls, and provide training to staff in job roles that carry a higher level of risk of engaging in bribery, corruption, or any type of fraudulent business practice.

Pandora's own employees are also bound by the same business ethics. If you see any indications that any of our employees may engage in wrongful practices, you, as our business partner, are required to inform us immediately under Pandora's Whistleblower Policy<sup>1</sup>.

### ANTI-MONEY LAUNDERING AND TERRORIST FINANCING

Franchisees and distributors are expected to refrain from engaging in or facilitating activities which may contravene the requirements of applicable anti-money laundering and terrorist financing laws. Franchisees and distributors must comply with all applicable laws and regulations pertaining to the detection, prevention, and reporting of potential money laundering and terrorist financing activities. Further, they shall not cause Pandora to facilitate or violate any applicable anti-money laundering or anti-terrorist financing laws or regulations.

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

### ECONOMIC SANCTIONS

Franchisees and distributors must comply with applicable economic sanctions laws and regulations; and refrain from engaging in any transaction with any sanctioned party or country or using another party to carry out activities that could not be lawfully performed directly due to trade sanctions prohibitions.

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<sup>1</sup> <https://pandoragroup.com/-/media/files/policies/pandora-whistleblower-guidelinenov-2020.pdf>

Applicable economic sanction laws, include, but not limited to, the sanction and export restrictions of the European Union, the United States of America, the United Nations and the local legislation of the franchisee or distributor's country of operation/countries of operation.

### **CONFLICTS OF INTEREST**

Franchisees and distributors are expected to avoid all conflicts of interest or situations giving the appearance of a potential conflict of interest. Further, they are expected to provide notification to all affected parties in the event that an actual or potential conflict of interest arises. This includes a conflict between the interests of Pandora and personal interests or those of close relatives, friends, or associates.

### **FAIR COMPETITION**

Franchisees and distributors must not fix prices or rig bids with their competitors, including other Pandora franchisees or distributors. They must not, in contravention of applicable laws, exchange current, recent, or future pricing information with competitors and must refrain from participating in a cartel, and they may not abuse a dominant position.

### **INTELLECTUAL PROPERTY RIGHTS**

Franchisees and distributors must comply with all applicable laws governing intellectual property rights.

Franchisees and distributors must not infringe, misappropriate, or misuse the intellectual property of Pandora and must take reasonable measures to safeguard all Pandora intellectual property. They may not attempt to use or take any of Pandora's intellectual property for the benefit of others either during or after the contract with Pandora has ended.

Franchisees and distributors must commit to protecting Pandora's trade secrets, designs, patents, copyrights, and trademarks and must report any auction sites, web pages, bazaars, retail shops or adverts in magazines, leaflets or newspapers, etc. appearing to be selling counterfeit Pandora products to Pandora's brand protection tipline [brandprotection@pandora.net](mailto:brandprotection@pandora.net).

Franchisees and distributors may not disclose to unauthorised third parties any Pandora designs, lists, or other materials received in advance of a product launch, which have not been officially published by Pandora.

### **CONFIDENTIAL AND INSIDE INFORMATION**

Franchisees and distributors are required to take all necessary measures to ensure the confidentiality of professional secrets and other non-public information they receive in the course of their business relationship with Pandora whether received in written, oral or electronic form. This includes a wide variety of information such as strategic initiatives, targets, pricing, and employee information.

Franchisees and distributors must comply with all applicable laws and regulations concerning insider trading, and must refrain from trading shares, securities, or other financial instruments while in possession of or based on inside information relating to Pandora as well as from encouraging others, including relatives, friends, and colleagues to trade shares, securities or other financial instruments based on inside information. Franchisees and distributors must never disclose, share, or pass on any Inside Information pertaining to Pandora. If a franchisee or distributor has access to confidential Pandora information, it is to be used only with a manner permitted by Pandora and protected at a minimum with the same care in which the franchisee or distributor safeguards its own information.

## **DATA PRIVACY**

All franchisees and distributors who handle data pertaining to Pandora, its affiliates or its consumers, are bound to safeguard all data in accordance with Pandora's Data Processing Addendum as well as applicable laws and regulations. Franchisees and distributors must only use personal data for legitimate business purposes, and it must be protected, used, stored, and shared in accordance with the manner informed and agreed upon in accordance with applicable data protection laws.

## **02 HUMAN RIGHTS AND LABOUR RIGHTS**

This Code is also guided by our [Global Human Rights Policy](#). Pandora recognises the importance of respecting human rights and is committed to conducting its business in alignment with the United Nations Guiding Principles on Business and Human Rights. We expect our franchisees and distributors to uphold the values and commitments outlined in our Human Rights Policy and assist Pandora in its efforts to respect human rights and provide remedy where required. The following clauses outline more specific expectations on our franchisees and distributors in this regard.<sup>2</sup>

### **CHILD LABOUR AND YOUNG LABOUR**

Franchisees and distributors shall not engage in or benefit from the use of child labour.

The minimum age for fulltime employment shall not be less than the age of completion of compulsory schooling and, in any case, shall not be less than 15 years (or 14 years where established by local laws in accordance with the International Labour Organization (ILO) developing country exception<sup>3</sup>).

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

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

Franchisees and distributors shall establish a policy prohibiting the use of child labour and preventing young workers from doing hazardous work either as a stand-alone policy or incorporate it into an existing policy, and communicate the child labour policy to all managers and staff as well as any onsite contractors that employ people on a franchisee's or distributor's site. Franchisees and distributors shall also establish appropriate procedures to ensure the implementation of this policy, for example through age checks before employment begins.

### **FREELY CHOSEN EMPLOYMENT**

Franchisees and distributors shall ensure that all workers are working in voluntary situations and that no forced, bonded, or involuntary prison labour occurs.

Franchisees and distributors shall not retain original worker personal documentation, such as identity papers and shall not use deceptive recruitment practices and/or require workers to pay any deposits,

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<sup>2</sup> The clauses are based on the Ethical Trading Initiative Base Code. The ETI Base Code is founded on the conventions of the International Labour Organisation (ILO) and is an internationally recognised code of good labour practice. The ETI Base Code can be found [here](#).

<sup>3</sup> [Convention C138 - Minimum Age Convention, 1973 \(No. 138\) \(ilo.org\)](#)



equipment advances or recruitment fees (either wholly or partially) as part of the recruitment process. If any such fees are found to have been paid by workers, they shall be reimbursed.

Franchisees and distributors shall not prevent workers from terminating their employment after reasonable notice or as established by applicable law.

### **FREEDOM OF ASSOCIATION AND THE RIGHT TO COLLECTIVE BARGAINING**

Franchisees and distributors shall respect the right of workers to associate freely in workers' organisations of their choice, without interference or negative consequences.

Franchisees and distributors shall respect the rights of workers to collective bargaining, and shall adhere to collective bargaining agreements, where these exist. Franchisees and distributors shall, subject to applicable law, participate in any collective bargaining processes in good faith.

Workers representatives shall not be discriminated against and shall have access to carry out their representative functions in the workplace.

Where the right to freedom of association and collective bargaining is restricted under national law, the employer encourages and does not hinder the development of parallel means for independent and free association and bargaining.

### **REGULAR EMPLOYMENT**

To every extent possible work performed must be on the basis of a recognised employment relationship established through national law and practice.

Obligations to workers under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or homeworking arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

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

### **LIVING WAGES**

Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.

All workers shall be provided with written and understandable information about their employment conditions with respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.

Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

### **WORKING HOURS**

Franchisee and distributors shall comply with applicable national laws on working hours and public holidays.



Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week and the total hours worked in any seven-day period shall not exceed 60 hours.

Working hours may exceed 60 hours in any seven-day period only in exceptional circumstances and when all of the following conditions are met: where allowed by national law, collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce, when appropriate safeguards are taken to protect the workers' health and safety and the employer can demonstrate that exceptional circumstances apply such as unexpected peaks, accidents or emergencies.

All overtime shall be voluntary and shall always be compensated according to local regulations at a premium rate of the regular pay in line with relevant ILO Conventions. Overtime shall be used responsibly, taking into account all the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment.

Workers shall be provided with at least one day off in every seven-day period or, where allowed by national law, two days off in every 14-day period.

#### **NO DISCRIMINATION**

Franchisees and distributors will not practice or condone any form of discrimination in the workplace in terms of hiring, remuneration, overtime, access to training, promotion, termination, or retirement based on race, ethnicity, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, marital status, pregnancy status, or age, and any other characteristic protected by applicable law.

#### **NO HARSH OR INHUMANE TREATMENT**

Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

#### **SAFE AND HEALTHY WORKING ENVIRONMENT**

Franchisees and distributors shall provide safe and hygienic working conditions for all workers in accordance with applicable law and other relevant industry standards, including, but not limited to, physical health and safety such as protection against fire, accidents, and toxic substances and psychological health and safety such as mental health.

Franchisees and distributors shall be expected to progressively identify and eliminate or control hazards that present a risk to workers and other persons present on its sites and to the environment.

Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

Franchisees and distributors must also consider the health and safety of customers and community members that could be affected by the operation of their stores.

#### **HEALTH AND SAFETY TRAINING AND CONSULTATION**

Franchisees and distributors shall provide workers with the necessary health and safety training and/or education and will secure that adequate systems to detect and avoid potential threats and to help continuously improve health and safety are put in place, and such training shall be repeated for new or reassigned workers.

Franchisees and distributors shall develop and maintain effective systems for informing and consulting workers on relevant health and safety matters. Through these systems the franchisee and distributor shall keep accurate records of accidents, injuries and known exposure to health and safety risks at work according to local legislation.

#### **CLEAN AND SANITARY INFRASTRUCTURE**

Franchisees and distributors shall provide a suitable, clean and sanitary infrastructure, including access to toilets, potable water and food storage, which meets the needs of its workers and is adequate for its worker numbers.

#### **ACCOMMODATION**

Accommodation, if provided by the franchisee or distributor, shall be clean, safe, meet the basic needs of the workers and satisfy the same requirements, including the general provisions on health and safety listed above.

#### **HEALTH AND SAFETY REPRESENTATIVE**

Franchisees and distributors shall assign responsibility for health and safety to a senior management representative.

## **04 ENVIRONMENT**

#### **ENVIRONMENTAL IMPACTS**

As a direct representative of Pandora, we expect our franchisees and distributors to be aware of and mitigate any potential environmental impacts generated by their business processes and activities. This may include use of materials and energy, waste and emissions, noise and visual effects.

We expect our partners to continuously reduce the carbon footprint of their operations through actions such as installing timers and motion sensors, energy efficiency and sourcing renewable energy. Furthermore, we expect them to reduce and sort waste where waste recycling options are available. Franchisees and distributors shall have a particular focus on waste that is hazardous and that requires special handling and disposal or requires a license or permit.

#### **APPLICABLE ENVIRONMENTAL LAWS AND REGULATIONS**

Franchisees and distributors must, at a minimum, meet the requirements of local and national laws relevant to the environmental impacts of its activities, products and services, and ensure legal compliance through training, awareness, operational control and monitoring.

Where it is a legal requirement, franchisees and distributors must be able to demonstrate that they have the relevant valid permits including for use and disposal of resources e.g. water, waste and air emissions.

#### **PROVISION OF DATA**

To support Pandora in achieving its sustainability targets and disclose progress, franchisees and distributors commit to provide requested social and environmental information and data concerning their facilities and operations upon request by Pandora. Commercially sensitive information such as trade secrets and the like are excluded.

**SIGNATURE**

By signing this document the Franchisee/Distributor confirms that they as a business have read, understood and will respect and act to fulfil this Code of Conduct:

Name and title of signatory in capitals:

Company name in capitals:

Date and Place:

Signature: