

PANDORA GLOBAL DATA ETHICS POLICY

VERSION 1.0

PANDORA

Data Ethics Policy | V.1.0 | 0

Classification: Pandora Public





DOCUMENT OVERVIEW

**EFFECTIVE
DATE** 1 January 2022

**DEPARTMENT
OWNERSHIP** Data Analytics & MarTech

**BOARD OF
DIRECTORS
APPROVAL** 2 December 2021

PANDORA

Data Ethics Policy | V.1.0 | 1

Classification: Pandora Public

1 OBJECTIVE

Pandora recognizes the importance of data ethics and is committed to conduct its business in accordance with the principles set out in this Policy.

The purpose of this Policy is to externally communicate Pandora's position on and create internal awareness of data ethics.

2 SCOPE

This Policy applies to the Board of Directors and all employees of Pandora as well as its subsidiaries and affiliates worldwide.

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

3 ROLES AND RESPONSIBILITIES

Employees are required to observe and act in compliance with this Policy and if in doubt, consult with the relevant manager or Data Analytics & MarTech.

The Global Policy Framework provides further information on roles and responsibilities regarding e.g. review, implementation, training etc. of this Policy.

4 GENERAL COMMITMENTS

Pandora has taken measures to ensure compliance with legal and regulatory requirements on data ethics and Pandora's Code of Conduct. Where applicable, Pandora is required and committed to adhere to any additional minimum standards on data ethics based on the applicable local laws and regulations. Adherence to this Policy is fundamental to ensure that all subsidiaries and affiliates, regardless of geographic location, comply with applicable requirements related to data ethics.

Every employee is responsible for assisting Pandora in its efforts to comply with data ethics. Breaches of this Policy will not be tolerated and

may lead to disciplinary action up to and including termination of employment.

5 POLICY STATEMENT

This Policy describes Pandora's approach to data ethics and the principles we apply to our processing of data. We are committed to an ethical standard, which is not just legally compliant but also ethically the right thing to do. This Policy supplements our compliance efforts in relation to all applicable data protection laws, including internal and external policies, procedures and notices as well as other relevant legislation.

This Policy applies to all data processed by Pandora, whether categorised as personal data or not, and all employees working with or having access to data must comply with this Policy.

In Pandora, we strive to ensure that our processing of data is at all times consistent with the values we apply to our day-to-day work and which drives our actions and behaviour. One of our four values is WE CARE. We care about our consumers, employees, shareholders and communities and we care about the data they entrust us with. With our ambition to grow our data-driven efforts and with personalisation as one of our growth pillars, we are therefore also committed to apply and continuously develop our data ethical standards. We believe this goes hand in hand with our aspiration to do what is right with the data we process.

6 OUR PROCESSING OF DATA

In Pandora, we process data, both personal and non-personal data, across our global business as part of our ongoing operations within manufacturing, supply chain, HR, finance, technology, sales and marketing.

We process personal data as a controller¹. In our role as controller we mainly process data regarding our consumers in order to fulfil a purchase and achieve a better understanding of our consumers' interaction with and behaviour in relation to our brand, and regarding our employees as part of day-to-day HR operations. The type of data we process ranges from ordinary personal data such as general contact information and product preferences to sensitive personal data such as employee health information. The latter only to the extent required by law.

¹ The term "controller" comes from the General Data Protection Regulation (GDPR) and means: the entity determining *why* (for what purpose) and *how* (with what means) processing of personal data should take place.

As our data-driven growth and personalisation efforts are focused around our consumers, this Policy primarily highlights our processing of consumer data.

We use consumer data to target our content and create a more personalised, relevant and frictionless experience for our consumers when they interact with Pandora. We use parameters such as website behaviour data, transactional data and campaign response data to enhance machine learning algorithms to guide and improve these personalised customer experiences.

7 OUR DATA ETHICAL PRINCIPLES

In Pandora, we recognise the benefits of data utilisation and how it can drive better consumer experiences as well as enhance internal processes. But people, whether it being consumers or employees will always be the foundation of Pandora and as a result, our data ethical commitments are built on our care and respect for their privacy.

7.1 WE APPLY EQUALITY AND FAIRNESS IN OUR PROCESSING OF DATA

We treasure inclusivity and fairness in the way we use data and strive to apply non-discriminatory measures in terms of our segmentation, personalisation and our use of algorithms.

We do not conduct activities, apply existing or new technology or use data in a way resulting in unintended consequences for our consumers or employees.

We are conscious of how certain uses of technologies or data can reinforce conscious and unconscious bias and strive to actively address potential issues and work towards reducing these.

When applying technology in our use of data, we ensure human agency and oversight in our processes and we have established procedures to govern, control and document the development of algorithmic models.

7.2 WE RESPECT THE PERSON BEHIND THE DATA

We want to enable trust and respect in our relationship with consumers and employees. It is part of our privacy ambition and an essential element of our data ethics commitments. We recognise that trust is earned and built over time by aligning what we say with what we do.

We strive to continuously develop our level of transparency to ensure that our ways of processing data are explainable and transparent. Our activities must make sense for those whose data we process and we

recognise that an increased use of data should go hand in hand with an increased level of transparency.

We have been entrusted with personal data, but it does not belong to us. This is why we will not sell² personal data with which we have been entrusted to third parties for their own individual commercial use. We use third parties as vendors to support us in our data-related business activities.

7.3 WE FOCUS ON SUSTAINABLE DATA PRACTICES

Sustainability is part of the Pandora foundation. As with our products, we aim to be sustainable in our use of data. A core aspect of this is ensuring that technology and data are used in a responsible and sustainable manner and essentially applied in ways preventing harm from both an environmental and social point of view.

Applying technology and data within our business must seek to benefit the people it concerns in a positive manner.

8 OUR TRAINING APPROACH

All employees will be introduced to Pandora's principles on data ethics, including this Policy, as part of their onboarding. In addition, data ethics is further integrated into the onboarding and continuous training of employees working directly with or making decisions on data use.

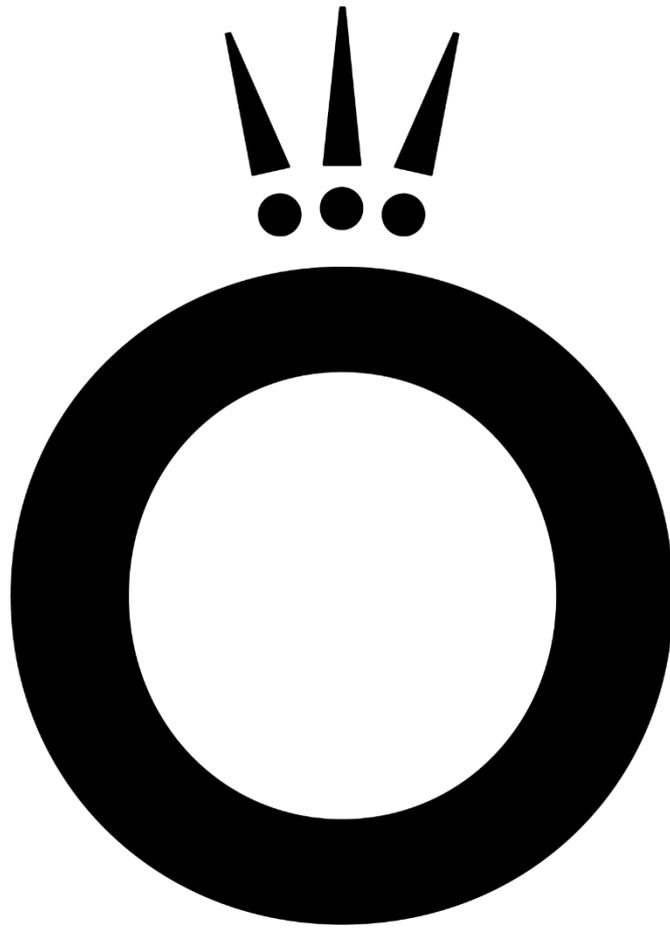
9 OUR ORGANISATIONAL ANCHORING OF DATA ETHICS

As a data-driven company, we believe data ethics are important and should be anchored at the top of our organisation. As a result, the Board of Directors is responsible for approving this Policy and will assess on an ongoing basis and at least once a year whether updates to the Policy are necessary.

Day-to-day responsibility concerning data ethics is anchored in Pandora's Privacy Board consisting of cross-functional members of senior management with diverse professional backgrounds. Ongoing initiatives are driven by a cross-functional Data Ethics Working Group reporting directly to the Privacy Board.

Pandora will going forward annually report on data ethics in our annual report.

² This may not apply in the context of the California Consumer Privacy Act which defines "sale" broadly as "renting, disclosing, releasing, disseminating, making available, transferring, or otherwise communicating..."



PANDORA

Data Ethics Policy | V.1.0 | 6

Classification: Pandora Public