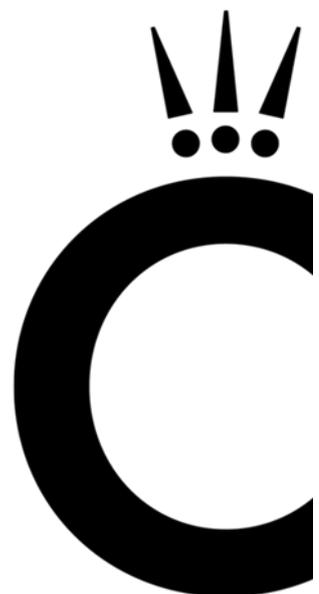


# PANDORA COUNTRY-BY- COUNTRY TAX REPORT

FINANCIAL YEAR 2021



## **1 OUR APPROACH TO TAXES**

Sustainability and responsible business practices have been part of Pandora's way of doing business since the very beginning. Our sustainability strategy is reflected in our approach to taxes and we aim to pay a fair tax in all markets where we operate. Pandora is committed to ensure compliance with the letter and spirit of tax law in the markets where we operate, while striving to maximise shareholder value in a responsible way. The Group tax policy, which has been approved by the Board of Directors of Pandora, is available on [pandoragroup.com](https://pandoragroup.com) and includes more information on our approach to taxes.

Pandora A/S is the principal value driver and also assumes the majority of business risks. Pandora allocates a profit margin, based on benchmark studies, to all entities in the Group, and the residual profit (or loss) in the value chain remains with Pandora A/S. With a principal tax model, Pandora by nature has a significant number of intercompany transactions. All intercompany transactions are based on arm's length standard and therefore priced on a basis consistent with the way unrelated parties would have priced such transactions. This impacts the taxes we pay in the countries in which we do business. Pandora understands the need for more transparency by both taxpayers and tax administrations, and the need to provide more clarity about Pandora's position on tax. In doing so we provide insight in accordance with the EU Directive to be adopted, which introduces mandatory public country-by-country reporting for EU markets.

## **2 OUR COUNTRY-BY-COUNTRY REPORTING**

The ultimate parent undertaking is Pandora A/S which is located in Denmark.

The reporting period is 1 January 2021 – 31 December 2021 for all countries. This country-by-country reporting includes data for all countries where Pandora has taxable presence. Information regarding branches is reported for the country where the branch has a permanent establishment and tax residency.

The data is sourced from the group consolidation reporting system and is based on the International Financial Reporting Standards (IFRS). The currency is DKK.

The financial information has been prepared under Pandora's general financial policies. The country-by-country reporting is not subject to external audit opinion.

The information is prepared based on the EU directive which was approved by the European Parliament in November 2021.

## DEFINITIONS

*Business activity* – reflects the main activity carried out in that country which can be distribution, production, central warehouse and headquarter.

*Total revenue, incl. related party* - includes third party revenue, related party revenue, other income and financial income but excludes dividend.

*Profit before tax* – is based on the IFRS principles and can vary from the local financial statement.

*Tax paid* - reflects the cash tax payments for 2021 and consists of both tax prepayments for 2021 and tax payments for prior years.

*Current income tax charge for the year* – is the calculated tax expense related to expected taxable profit based on local principles for 2021.

The majority of the companies pay the final tax for the current year (2021) in the following year (2022), and this gives a difference between tax paid and current income tax charge.

*Employees (FTE)* – average number of full time employees during the year.

*Accumulated earnings* - reflect the profits at the end of the year that are retained and not used for any other purpose.

## COUNTRY BY COUNTRY REPORTING PANDORA GROUP 2021 - DKK million

● Distribution   
 ● Warehouse   
 ○ Production   
 ○ Headquarter   
 ● Service

Country	Business activities	Total revenue incl. Related party	Profit before tax	Tax paid	Current income tax charge for the year	Employees (FTE)	Accumulated earnings
Argentina	●	51	9	1	2	41	6
Australia	●	1.370	212	58	74	271	36
Austria	●	77	8	1	2	49	14
Belgium	●	118	3	0	2	51	8
Brazil	●	162	-56	0	1	511	-160
Canada	●	1.103	42	5	9	239	29
Chile	●	106	6	2	2	103	5
China	●	1.140	18	19	35	1.228	46
Colombia	●	10	0	0	0	22	-4
Czech Republic	●	151	6	2	1	58	8
Denmark	● ○	14.729	6.282	480	1.011	823	11.018
Dubai	●	121	-8	0	0	102	96
Finland	●	4	0	0	0	0	2
France	●	1.237	64	22	44	509	119
Germany	● ●	1.601	88	14	26	908	99
Hong Kong	●	446	18	-1	3	162	299
Hungary	●	100	3	-1	0	58	14
Ireland	●	128	39	4	4	92	79
Isle of Man	●	4	1	0	0	7	0
Italy	●	2.639	108	14	32	758	93
Japan	●	59	-15	0	-1	70	-27
Jersey	●	5	1	0	0	8	0
Luxembourg	●	10	2	0	0	5	11
Macao	●	15	0	0	0	17	18
Mexico	●	720	24	13	15	403	17
Netherlands	●	191	5	2	2	81	41
New Zealand	●	142	36	9	10	68	124
Norway	●	7	0	0	0	9	1
Panama	● ●	98	3	0	0	46	9
Peru	●	15	2	0	0	28	-2
Poland	● ●	914	46	3	6	486	150
Romania	●	107	4	0	1	75	15
Singapore	●	103	1	0	0	76	17
Slovakia	●	8	0	0	0	17	0
Spain	●	907	39	-4	12	495	533
South Africa	●	85	2	1	1	114	8
Sweden	●	39	2	1	0	18	4
Switzerland	●	109	5	1	1	40	31
Taiwan	●	185	7	1	2	104	16
Thailand	● ○	6.010	918	20	28	11.767	448
Turkey	●	94	2	1	3	141	6
UK	●	3.583	198	10	42	887	172
USA	● ●	14.091	348	153	148	1.497	275
Eliminations		604	-3.093	-	-22	-	-1.293

