



# BANG & OLUFSEN A/S

## Stakeholder, CSR and Sustainability Policy

(Adopted as of 06.07.2020 by the Board of Directors)

### 1. Introduction

Bang & Olufsen has a number of key stakeholders who are important to our business. Our vision is to become the most desired audio brand in the world acting in accordance with our core values and creating long-term value for all our stakeholders. We conduct our business in a responsible and transparent way and use our core capabilities for the benefit of society. Close dialogue with our stakeholders is an integral part of how we conduct our business and we want to engage with them constructively and always with a long-term perspective. We believe that by considering our stakeholders in our decision-making process our performance will be better.

Bang & Olufsen furthermore believes that the integration of ethical, social and environmental perspectives is prerequisite for running a sustainable business. We are committed to conduct our business in a responsible and transparent manner and we respect internationally recognised principles for environmental and climate impact, ethics, human and labour rights, and anti-corruption. These principles are also the foundation for our relations with the company's stakeholders. In addition, we also aim to make our expertise and core capabilities of sound, design and craftsmanship available for the benefit of society.

This Policy outlines Bang & Olufsen's key stakeholder groups and principles for how we engage with them as well as the Bang & Olufsen approach and principles for conducting our business in a responsible and transparent manner.

### 2. Scope of Policy

This Policy applies to all Bang & Olufsen's corporate entities ("Bang & Olufsen") and all Bang & Olufsen's employees.

### 3. Definitions

|                            |  |
|----------------------------|--|
| CSR                        | Corporate Social Responsibility is used by Bang & Olufsen as the term describing how we integrate ethical, social, environmental and climate perspectives in our business. |
| Executive Management Board | Refers to the executive officers of the management board of Bang & Olufsen, registered as such, with the Danish Business Authority.  |

### Policy

### 4. Stakeholder Engagement

4.1. Our main stakeholders are:

- Consumers
- Partners (brand partners, industry associations, suppliers)
- Retailers (distributors, monobrand and multibrand partners)
- Employees (employees and their representatives)
- Investors and analysts

- General public
- Media and experts (interest organisations, key opinion leaders and experts)
- Regulators (regulators, authorities, governments and politicians)

4.2. In our engagement with stakeholders we apply the following principles:

- To be consistent with our core values and brand and treat stakeholders with fairness and respect
- To create value for our stakeholders and build long-term partnerships
- To operate with transparency and integrity and base decision-making on genuine dialogue
- To share our knowledge and expertise
- To listen and be available for dialogue and respond adequately and timely to input and feedback

4.3. The table below outlines our ambitions and approach for each stakeholder:

| STAKEHOLDER GROUP   | OUR AMBITIONS   | OUR APPROACH  |
|---|---|---|
| <b>Consumers</b>  | <ul style="list-style-type: none"> <li>• Deliver excellent consumer experience across all touchpoints to become the most desired audio brand in the world</li> <li>• Build strong and loyal consumer relationships. Satisfied consumers are the basis for the long-term growth and profitability of the company</li> </ul>            | <ul style="list-style-type: none"> <li>• The consumer is at the centre of everything – by constantly improving the value delivered to consumers, Bang &amp; Olufsen strives to become the most desired audio brand in the world</li> <li>• Ensure that Bang &amp; Olufsen’s products and services reflect the company’s position as a luxury-lifestyle brand - placing the consumer experience at the centre of technology and ensuring meticulous attention to detail in both products and services</li> <li>• Address enquiries, consumer feedback and complaints effectively together with partners, and such are considered valuable contributions to constantly ensuring high levels of service and quality</li> </ul> |
| <b>Employees</b><br>(Employees and their representatives)               | <ul style="list-style-type: none"> <li>• Create a consumer centric and performance-oriented culture where employees are empowered and act according to the company’s core values and principles for diversity and inclusion. The dedication and expertise of the company’s employees are key assets for Bang &amp; Olufsen</li> </ul> | <ul style="list-style-type: none"> <li>• Continue to attract, develop and retain competent people that reflect the company’s culture and core values</li> <li>• Respect employees’ freedom of association and the right to collective bargaining and maintain a constructive and open dialogue with both employees and their representatives</li> <li>• The company’s HR Guideline outlines details about work environment, collaboration and dialogue</li> </ul>   |
| <b>Partners</b><br>(Brand partners, industry associations, suppliers)   | <ul style="list-style-type: none"> <li>• Build mutually beneficial relationships and be a reliable, responsible and engaged partner</li> <li>• Be a collaborative and credible partner, and a trustworthy and responsible representative of the sector</li> </ul>   | <ul style="list-style-type: none"> <li>• Collaborate with the objective of reaching shared goals for the benefit of both consumers and society</li> <li>• Build, develop and maintain professional relations</li> </ul>   |
| <b>Retailers</b><br>(Distributors, monobrand – and multibrand partners) | <ul style="list-style-type: none"> <li>• Build mutually beneficial relationships and be a reliable, responsible and engaged partner</li> <li>• Attract, develop and retain competent retail partners that deliver the right consumer experience and enable them to run a profitable business</li> </ul>                               | <ul style="list-style-type: none"> <li>• Collaborate with the objective of reaching shared goals for the benefit of both the consumers and society</li> <li>• Continue to keep retailers updated via training and support as to selling of Bang &amp; Olufsen products in line with the brand position, consumer experience, guideline for installations, new technologies etc.</li> </ul>  |
| <b>Investors and analysts</b>   | <ul style="list-style-type: none"> <li>• Ensure a pro-active and transparent dialogue with investors and analysts</li> </ul>  | <ul style="list-style-type: none"> <li>• Provide investors and analysts with structured, continuous and on-going</li> </ul>   |

|   |   |   |
|---|---|---|
|   | <ul style="list-style-type: none"> <li>• To comply with the Group Investor Relations Guideline</li> </ul>   | <p>information that meets the information requirements for any investment decisions concerning Bang &amp; Olufsen's shares</p> <ul style="list-style-type: none"> <li>• Make the company's expertise available and increase knowledge of Bang &amp; Olufsen among investors and analysts and to create value through communication and collaboration, in Denmark as well as abroad</li> </ul>   |
| <b>General public</b>   | <ul style="list-style-type: none"> <li>• Build trust with Bang &amp; Olufsen in the general public and increase the company's societal contribution and engagement</li> </ul>   | <ul style="list-style-type: none"> <li>• Being transparent and accessible and engage in dialogue in the societies in which the company operate</li> <li>• Share knowledge and expertise based on the company's core capabilities as outlined in this Policy</li> </ul>  |
| <b>Media and experts</b><br>(Interest organisations, opinion leaders and experts)           | <ul style="list-style-type: none"> <li>• Be a transparent and collaborative partner for the media and ensure fair and balanced coverage of the company</li> <li>• Be available to external stakeholders and engage in dialogue</li> </ul>                     | <ul style="list-style-type: none"> <li>• Ensure that we are accessible and responsive and that we address enquiries efficiently and adequately</li> <li>• Continue to build and maintain professional relations with both media and experts</li> <li>• Share our expertise in a manner that creates value</li> </ul>  |
| <b>Regulators and politicians</b><br>(Regulators, authorities, governments and politicians) | <ul style="list-style-type: none"> <li>• Conduct our business in a lawful manner and maintain good relations in the societies in which we operate</li> <li>• Be a constructive partner driven by our ambition to create value for all stakeholders</li> </ul> | <ul style="list-style-type: none"> <li>• Ensure compliance with regulation in the societies in which we operate</li> <li>• Ensure an open and collaborative dialogue with authorities and politicians and deliver expertise in a transparent way on relevant issues</li> <li>• Build and maintain professional relations and be an accessible and trustworthy partner that provides reliable information about Bang &amp; Olufsen and our business</li> </ul> |

## 5. CSR

5.1. Our approach is to integrate CSR and sustainability in our operations through:

5.2. **Environmental & Climate impact** - Bang & Olufsen is committed to minimising the adverse impact on the environment and climate from the company's own operations and its supply chain as well as to continuously reducing the footprint of the company's products over their entire lifecycle. Resource efficiency, serviceability and high-quality standards have been an integral part of the company's daily operations for years, and Bang & Olufsen has been widely recognised from a functional, aesthetical and technological perspective for the design and long-lasting characteristics of its products. However, it is the company's ambition to push the boundaries even further by creating more sustainable products while also improving the user experience. This will include exploring the use of more recycled materials, better sourcing, better packaging and the introduction of more circular principles in the design of products. Bang & Olufsen will also work to reduce the CO2 emissions of its operations by managing its energy consumption and environmental impact in accordance with the ISO 14001 standard.

5.3. **Responsible employer** - Bang & Olufsen wants to be recognised as a people-oriented and responsible company with a strong focus on empowering the company's employees and helping them develop their competencies. Maintaining a healthy and safe working environment and ensuring that employees have the proper knowledge to perform their work in a safe manner, remains a priority. Bang & Olufsen respects employees' right to freedom of association and collective bargaining and the right to raise concerns without fear of retaliation, and the company wants to encourage and promote a diverse culture.

5.4. **Role in society** - Bang & Olufsen operates in a responsible and transparent manner and is committed to creating value to all the company's stakeholders. Bang & Olufsen will continue to share knowledge and making the company's expertise, based on its core capabilities, available to society and stakeholders, while continuing to support community initiatives in the societies in which the company operates. Towards 2020/21, the company will work to enhance two areas:

- 5.4.1. *Sound & Health* - Use the company's core capabilities within sound to help improve the quality of life for people by contributing to research and help create awareness of the positive effect sound can have in health-related areas.
- 5.4.2. *Future Innovators* - Help nurture and inspire the next generation to develop skillsets within areas such as technology, engineering craftsmanship and design, which is related to the company's core capabilities. Bang & Olufsen aims to do that by sharing expertise, making the company's resources available and working with relevant institutions and partners.
- 5.5. **Responsible partner** - Bang & Olufsen wants to ensure responsible supplier and retail relationships by integrating the company's environmental, social and ethical standards and by continuing to focus on impact and risk. In particular, supply chain management is becoming an increasingly important aspect, given the ever-higher stakeholder expectations, and because Bang & Olufsen's business model is changing towards becoming a more partner-based approach. Therefore, the company will retain its constructive relations with its supply chain based on dialogue, a focus on improvements and the expectation that suppliers share Bang & Olufsen's commitments to international principles for human rights, labour rights, the environment and anti-corruption. In addition, Bang & Olufsen will work with retail partners to ensure that they live up to the ethical and social standards and expectations from all stakeholders.
- 5.6. **CSR Governance**
- 5.6.1 The responsibility for the CSR strategy lies with the Executive Management Board. They have appointed a CSR Committee who is responsible for overseeing the implementation of the CSR strategy, and setting the strategic direction and coordinating the various CSR initiatives. The committee is chaired by the Head of Group Communication and CSR and include representatives from relevant functions and business areas. Group Communications and CSR functions as the CSR Committee's secretariat and responsible for driving the daily CSR agenda and support the implementation of the CSR strategy across the business. The Board of Directors is updated on Bang & Olufsen's CSR initiatives annually from the Executive Management Board.
- 5.7. The company reports annually on its CSR activities and performance by publishing a CSR report assured by an independent third party. The CSR report is available on [www.bang-olufsen.com](http://www.bang-olufsen.com).
- 5.8. Bang & Olufsen supports international commitments such as The UN Global Compact and The ILO Declaration of Fundamental Principles of Rights at Work, which enables companies to operate in a more responsible manner.

## 6. Policy Owner

- 6.1. Head of Group Communication and CSR.