

## Bang & Olufsen ESG Factsheet

### 1. Environmental related data

The greenhouse gas (GHG) emissions of B&O are calculated according to the Greenhouse Gas Protocol<sup>1</sup>. All emissions are reported as CO<sub>2</sub> equivalents (CO<sub>2</sub>e). The scope 1 and 2 GHG emissions include emissions derived from the energy consumption of the head offices and facilities in Struer and Lyngby, Denmark. The scope 3 emissions include emissions derived from employee travel by plane. Based on the data availability, we assess the reporting to cover the majority of B&O's scope 1 and 2 CO<sub>2</sub>e emissions and a smaller part of B&O's scope 3 emissions. B&O is currently working on improving its data availability.

<b>Greenhouse Gas Emissions</b>	<b>2020/21</b>	<b>2019/20</b>	<b>2018/19</b>
Scope 1 (tCO <sub>2</sub> e)	488	1446	2457
Scope 2 (tCO <sub>2</sub> e)	2216	1044	1422
Scope 3 (tCO <sub>2</sub> e)	6291	4947	5217
Emissions per 1m DKK revenue (Scope 1 + 2 / DKK)	1,10	1,2	1,4
Emissions per 1m revenue (Scope 1, 2 + 3 / DKK)	3,7	3,7	3,2

#### Scope 1 greenhouse gas emissions

The scope 1 GHG emissions of B&O are calculated as the direct CO<sub>2</sub>e emissions from B&O's combined heat and power (CHP) plant and boilers in Struer. The CHP plant and boilers use natural gas as the energy source. The CHP plant was taken out of use in January 2020. The natural gas consumption for energy generation is measured at local meters at the B&O facility in Struer. To calculate the direct CO<sub>2</sub>e emissions, the natural gas emission factor from the Danish gas utilities company, Evida, is used. The CO<sub>2</sub>e emissions from the use of company cars are not included in the total Scope 1 emissions, due to a current lack of data availability.

#### Scope 2 greenhouse gas emissions

The scope 2 GHG emissions of B&O comprise CO<sub>2</sub>e emissions from purchased electricity and heating for B&O's facilities and offices in Struer and Lyngby, Denmark. The energy consumption data is sourced directly from consumption meters in B&O's locations and consolidated by Eloverblik.dk, a third-party platform. The emission factors used for electricity and heating are based on the average emission factors for Denmark, sourced from the International Energy Agency (IEA). The energy consumption data from B&O's offices and COCO (Company Owned and Company Operated) stores globally are not currently available and therefore not included in the Scope 2 emissions.

#### Scope 3 greenhouse gas emissions

The scope 3 GHG emissions include emissions related to employee business travel by plane for B&O and transportation of finished goods and spare parts. The CO<sub>2</sub>e emissions of business travel by plane is calculated based on the total number of kilometers flown by B&O's employees. The total number of flown kilometers is sourced from B&O's travel agency, AirSeg, and the emission factors used for calculating the CO<sub>2</sub>e emissions is sourced from the UK Government Department of Environment, Food and Rural Affairs (DEFRA). The CO<sub>2</sub>e emissions from business travel are based on emissions from international flights divided into different classes. Each of these classes have a distinct emission factor based on their CO<sub>2</sub> footprint. CO<sub>2</sub>e emissions from transportation of B&O products are calculated based on the weight, distance, and shipping method (road, sea, air, or rail) of B&O's six largest shipping lanes. Emission factors for road, sea, and air are sourced from ANSYS GRANTA. Emission factors for Rail are sourced from Eco Transit World. The CO<sub>2</sub>e emissions derived from the production of products are not included in the scope 3 emissions, since the data for calculating these emissions is not currently available. The data coverage and quality on transportation of products is currently associated with some uncertainty. B&O is currently working on improving its data coverage and quality of its scope 3 emissions.

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<sup>1</sup> See <https://ghgprotocol.org/corporate-standard>

## 2. Social related data

The social data collected for B&O currently includes diversity, employment satisfaction, and health and safety. B&O is currently working on improving its data availability.

<b>Employee metrics</b>	<b>2020/21</b>	<b>2019/20</b>	<b>2018/19</b>
Women in the Board of Directors	33%	43%	13%
Gender Balance - Director plus (% female)	18%	24%	21%
Gender Balance - Executive management (% female)	25%	0%	0%
International profiles in HQ (% international)	22%	17%	12%
Employee satisfaction (number)	75	75	73
Lost time injury rate (per 200,000 working hours)	0,7	1,4	-

### Women in the Board of Directors

The gender balance for the Board of Directors is calculated as the number of women compared to the number of men who hold a seat at the Board of Directors, excluding employee elected members. The data is reported on the last date of the fiscal reporting period on May 31st.

### Gender balance

The gender balances for the leadership categories, Director plus and Executive management, are calculated as the number of women in each leadership category, respectively, compared to the total number of men and women employed in the same employee category. The data does not include retail employees in USA, Great Britain, and Hong Kong. The data is reported on the last date of the fiscal reporting period on May 31st.

### Percentage of international profiles in HQ

The percentage of international profiles employed in B&O's headquarters in Denmark is calculated as the share of non-Danish employees of the total population of salaried employees.

### Employee satisfaction

The employee satisfaction score is measured using B&O's recurring employee survey. For the fiscal year 2018/19 and 2019/20 B&O's engagement score is reported. The maximum engagement score is 100. For the fiscal year 2020/21 B&O has changed its engagement score into a PULSE score, which includes a different methodology for calculation the score. The maximum PULSE score is 100, and the reported data is an average of four annual PULSE surveys. The reported data covers B&O.

### Lost Time Injury rate

The lost time injuries are reported as the number of injuries that occurred to an employee, which led to a loss of productive work time. The lost time injuries cover B&O's activities in Denmark and is only available for 2019/20 and 2020/21. The lost time injuries of suppliers associated with B&O are not included. The lost time injury rate is calculated per 200,000 working hours. The total working hours are calculated as the average number of working days in each month multiplied with 7,4 working hours per day for all B&O employees in Denmark.

## 3. Governance related data

The governance data of B&O currently includes coverage of supplier audits, non-conformities with the Supplier Code of Conduct, and cases reported and closed through the BeoShare whistleblower scheme. The data reported below covers all of B&O.

### Percentage of "High risk" supplier spend audited

All suppliers rated as "High Risk" in terms of compliance with B&O's Supplier Code of Conduct are audited every 3rd year by an independent auditor company. Each audit results in a report based on the findings of the audit, which includes conformities and non-conformities with the Supplier Code of Conduct as well as relevant legislation. The percentage of "high risk" supplier spend audited is calculated based on the total spend for suppliers in countries defined as "high risk".

High risk countries are defined by B&O's internal risk assessment of non-compliance with e.g., ILO Core Conventions. B&O has a policy on auditing at least 95% of the "high risk" supplier spend within every three years.

Number of critical non-conformities with Supplier Code of Conduct

Non-conformities with B&O's Supplier Code of Conduct are listed as part of the audit reports received by B&O's 3rd party auditors. Non-conformities marked as "Critical" are the most severe non-conformities and may regard issues such as forced or child labor.

Number of BeoShare cases

BeoShare is B&O's whistleblower scheme which was launched in 2020/21. The number of BeoShare cases are reported as the total number of cases reported directly into B&O's online whistleblowing reporting portal, as well as, cases reported by email or verbally to the B&O Compliance team for both B&O entities and employees, as well as, external stakeholders. The data reflects that the BeoShare culture and whistleblower-tool is functioning well and there is no general perception of a culture of retaliation or fear of speaking up. None of the reported cases were assessed to potentially threaten the company's ability to meet financial targets, execute on strategy, or maintain license to operate.

Number of closed BeoShare cases

The number of closed BeoShare cases refers to all the cases that have been resolved within the reporting year.

<b>Governance metrics</b>	<b>2020/21</b>	<b>2019/20</b>	<b>2018/19</b>
'High risk' supplier spend audited (%)	97%	96%	95%
Critical non-conformities with Supplier Code of Conduct (number)	1	0	0
BeoShare cases (number)	8	-	-
Closed BeoShare cases (number)	7	-	-