

# WIN-Charta sustainability report. 2022

Nonfinancial statement on compliance with EU Directive 2014/95/EU

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Foreword	3
About d&b	4
The WIN-Charta	5
The 12 guiding principles for understanding sustainability	6
The Win-Charta under the banner of the Sustainable Development Goals	7
d&b sustainability commitment checklist	8
The development so far. Sustainability projects at d&b	9
And this is what's next. d&b key issues	10
Guiding principle 1 – Human rights and employee rights	11
Guiding principle 2 – Employee welfare	12
Guiding principle 3 – Stakeholder groups	16
Guiding principle 4 – Resources	17
Guiding principle 5 – Energy and emissions	21
Guiding principle 6 – Product responsibility	25
Guiding principle 7 – Corporate success and jobs	28
Guiding principle 8 – Sustainable innovation	34
Guiding principle 9 – Financial decisions	40
Guiding principle 10 – Anti-corruption	40
Guiding principle 11 – Benefits for the region	41
Guiding principle 12 – Incentives to think in new ways	42
The d&b WIN project	47
Nonfinancial statement	48
Contact information and contacts	51
Legal notice	51

## **d&b is different**

d&b is different – doing more instead of talking, with typical Swabian understatement, sustainability is an integral part of every decision at d&b.

## **d&b thinks for itself**

d&b is aware of its responsibility as a manufacturing company and as an employer. As a result, the topic of sustainability is firmly rooted in all the company's plans and actions. As part of the sense of togetherness, everyone at d&b contributes to being aware of sustainability on a day-to-day basis in the company.

Now, in times of global warming, marine pollution, and resource scarcity, it is more important than ever to focus on environmental issues and sustainability in companies. d&b has been involved in environmental issues since 2013 and has been a member of the WIN-Charta initiative of the state of Baden-Württemberg since 2018 (<http://www.win-bw.com/win-charta.html>).

The WIN-Charta is the only sustainability management system in Germany to date; it is largely in line with the Sustainable Development Goals of the United Nations.



d&b headquarters in Backnang



## The company

d&b audiotechnik GmbH & Co. KG is one of the leading global companies in the field of professional audio technology. For over forty years d&b has developed and produced sound reinforcement systems for high-quality music and speech reproduction at its locations in the southwest of Germany. d&b pursues the main approach of full system integration, from the interaction between amplifiers, loudspeakers, mounting tools, and networking software solutions through to the provision of reliable and professional service and support, including the provision of expertise through seminars and training. Or, what d&b calls system reality. To achieve pinpoint acoustics in sustainable solutions all around the world. Loudspeaker systems created by d&b are used globally in mobile and installation scenarios for events, such as live concerts, musicals, festivals, and trade shows. The range of event venues covers the spectrum from concert halls, theaters, and opera houses through to conference centers, and from small conference rooms through to large stadiums.

## The d&b mission

d&b audiotechnik constantly endeavors to elevate the quality of audio systems to accurately transfer passions.

## The d&b vision

As the renowned worldwide market leader, d&b audiotechnik defines the global standard for technology, quality, and support of professional sound reinforcement systems.

## Materiality principle

This report documents d&b's sustainability work. It follows the materiality principle and contains all the information necessary to understand the sustainability situation of the company and reflect the important economic, environmental, and social impacts of the company.





# The WIN-Charta.



## **Commitment to sustainability and the region**

By signing the WIN-Charta, d&b commits itself to its economic, environmental, and social responsibility. The company also identifies with the region in which it is based.

## **Dedicated companies in Baden-Württemberg**

Detailed information on the WIN-Charta and other companies that have signed the WIN-Charta can be found at [www.win-bw.com](http://www.win-bw.com).

# WIN- Charta

# The WIN-Charta. The 12 principles for understanding sustainability.

1

Human,  
social, and labor  
rights

Guiding principle 1 – Human and labor Rights: “We respect and protect human rights and employee rights, secure and promote equal opportunities and prevent all forms of discrimination and exploitation in all our business processes.”

2

Human,  
social, and labor  
rights

Guiding principle 2 – Employee welfare: “We respect, protect, and promote welfare and the interests of our employees.”

3

Human,  
social, and labor  
rights

Guiding principle 3 – Stakeholder groups: “We take into account all stakeholder groups and their interests in our processes.”

4

Environmental  
issues

Guiding principle 4 – Resources: “We boost resource efficiency, increase raw material productivity and reduce the use of natural resources.”

5

Environmental  
issues

Guiding principle 5 – Energy and emissions: “We make use of renewable energies, increase our energy efficiency and reduce greenhouse gas emissions in line with our targets or offset them in a climate-neutral way.”

6

Environmental  
issues

Guiding principle 6 – Product responsibility: “In line with the responsibility that we bear for our services and products, we examine the value creation process and the product cycle for sustainability and ensure transparency.”

7

Economic  
benefits

Guiding principle 7 – Corporate success and jobs: “We ensure long-term corporate success and offer jobs in the region.”

8

Economic  
benefits

Guiding principle 8 – Sustainable innovation: “We promote product and service innovations that increase sustainability and underline the innovation potential of Baden-Württemberg’s economy.”

9

Sustainable and  
fair finances,  
anti-corruption

Guiding principle 9 – Financial decisions: “We act with a view to sustainability, especially in the context of financial decisions.”

10

Sustainable and  
fair finances,  
anti-corruption

Guiding principle 10 – Anti-corruption: “We prevent, expose and impose sanctions on corruption.”

11

Regional  
benefits

Guiding principle 11 – Benefits for the region: “We generate added value for the region in which we do business.”

12

Regional  
benefits

Guiding principle 12 – Incentives to think in new ways: “At all corporate levels, we provide incentives to think and act in new ways, and we involve our employees and all other stakeholder groups in an ongoing process to increase entrepreneurial sustainability.”

## The 12 guiding principles of the WIN-Charta

The 12 guiding principles listed here explain our understanding of sustainability at d&b.

# The WIN-Charta under the banner of the Sustainable Development Goals (SDGs).

Long before the official announcement of the SDGs in 2015, Baden-Württemberg made a contribution to the international development goals with its own sustainability strategy and, in particular, the WIN-Charta, which was launched in 2014. As a result, cross-references to the SDGs are becoming clear with the focus on the Industrial Sustainability Initiative (WIN). Like the SDGs, the content of the 12 guiding principles of the WIN-Charta is based on the three pillars of sustainability. This diagram illustrates the relationships between the guiding principles and the SDGs. This should help to identify starting points for an individual SDG strategy and to derive new impulses for action in order to achieve the goals.



Thanks to their commitment to the WIN-Charta, companies are already actively involved in sustainable development in Baden-Württemberg and around the world. By analyzing the sub-goals, it was possible to determine to what extent the principles of the WIN-Charta address the SDGs and what contribution companies that have signed are already making in doing so. We distinguish between a strong correlation (orange) and an existing correlation (dark brown) of the guiding principle with one or more SDGs and a potential correlation (light brown).

		SDG1 No Poverty	SDG2 Zero Hunger	SDG3 Good Health and Well-Being	SDG4 Quality Education	SDG5 Gender Equality	SDG6 Clean Water and Sanitation	SDG7 Affordable and Clean Energy	SDG8 Decent Work and Economic Growth	SDG9 Industry, Innovation, and Infrastructure	SDG10 Reduced Inequalities	SDG11 Sustainable Cities and Communities	SDG12 Responsible Consumption and Production	SDG13 Climate Action	SDG14 Life below Water	SDG15 Life on Land	SDG16 Peace, Justice, and Strong Institutions	SDG17 Partnerships for the Goals
<b>GP1</b>	Human and employee rights	Potential Correlation			Potential Correlation	Strong Correlation	Potential Correlation		Strong Correlation		Potential Correlation						Potential Correlation	
<b>GP2</b>	Employee welfare	Potential Correlation		Potential Correlation	Potential Correlation				Potential Correlation									
<b>GP3</b>	Stakeholder groups																Potential Correlation	Potential Correlation
<b>GP4</b>	Resources		Potential Correlation	Potential Correlation			Strong Correlation			Potential Correlation		Potential Correlation	Strong Correlation		Potential Correlation	Strong Correlation		
<b>GP5</b>	Energy and emissions						Strong Correlation	Strong Correlation		Potential Correlation		Potential Correlation	Strong Correlation	Potential Correlation				
<b>GP6</b>	Product responsibility	Potential Correlation		Potential Correlation			Strong Correlation						Strong Correlation		Potential Correlation	Strong Correlation	Potential Correlation	Potential Correlation
<b>GP7</b>	Corporate success and jobs								Strong Correlation		Potential Correlation							
<b>GP8</b>	Sustainable innovation								Potential Correlation	Potential Correlation								
<b>GP9</b>	Financial decisions	Potential Correlation							Potential Correlation							Potential Correlation		Potential Correlation
<b>GP10</b>	Anti-corruption																Strong Correlation	
<b>GP11</b>	Benefits for the region								Strong Correlation		Potential Correlation							Potential Correlation
<b>GP12</b>	Incentives to think in new ways				Potential Correlation				Potential Correlation				Strong Correlation	Strong Correlation				Strong Correlation

# The checklist. d&b sustainability commitment.

Charta signatories since April 5, 2018

## Overview: sustainability activities in the company in 2022

	Strategic focus	Qualitative documentation	Quantitative documentation
<b>Guiding principle 1</b> – Human and employee rights*	■	■	□
<b>Guiding principle 2</b> – Employee welfare	■	■	■
<b>Guiding principle 3</b> – Stakeholder groups	□	■	□
<b>Guiding principle 4</b> – Resources	■	■	■
<b>Guiding principle 5</b> – Energy and emissions	■	■	■
<b>Guiding principle 6</b> – Product responsibility	■	■	□
<b>Guiding principle 7</b> – Corporate success	■	■	■
<b>Guiding principle 8</b> – Sustainable innovation	■	■	■
<b>Guiding principle 9</b> – Financial decisions	□	■	□
<b>Guiding principle 10</b> – Anti-corruption	□	■	□
<b>Guiding principle 11</b> – Benefits for the region	□	■	□
<b>Guiding principle 12</b> – Incentives to think in new ways	■	■	■

\* Guiding principle 1 was a new addition in 2022.

## Local sustainability activities

### Supported WIN project: beekeeping tour for Lebenshilfe Backnang residents

In September 2022, d&b enabled residents of Lebenshilfe Backnang, a disabled care facility, to take a tour of the Imkerei am Turm beekeepers in Allmersbach and the adjacent NaturReich ("nature rich") site. It included beeswax candle molding and honey sampling.



### Area of focus

- Energy and climate
- Mobility
- Resources
- Integration
- Education for sustainable development

### Type of funding

- Financial
- Material
- Personnel

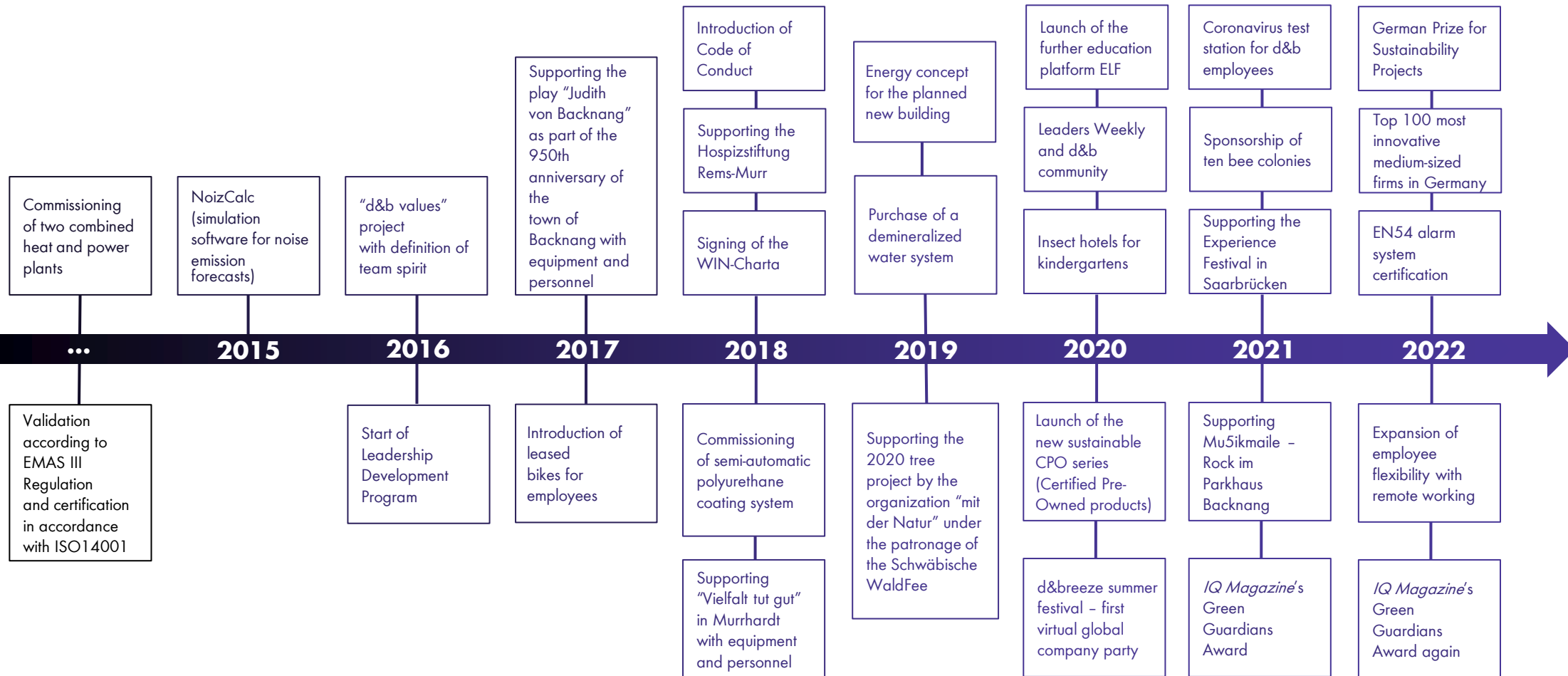
### Scope of funding

d&b provides total support of €1,000 each year to the Imkerei am Turm in Allmersbach for carrying out projects with local organizations as part of the Naturschule am Turm ("nature school by the tower") education project.



# The development so far.

## Sustainability projects at d&b.



# And this is what's next. d&b key issues.

## Overview of the selected key issues for 2022

**Guiding principle 1 –**  
Human and employee rights

**Priorities already implemented**

**Guiding principle 2 –**  
Employee welfare

**Guiding principle 4 –**  
Resources

**Guiding principle 5 –**  
Energy and emissions

**Guiding principle 6 –**  
Product responsibility

**Guiding principle 7 –**  
Corporate success and jobs

**Guiding principle 8 –**  
Sustainable innovation

**Guiding principle 12 –**  
Incentives to think in new ways

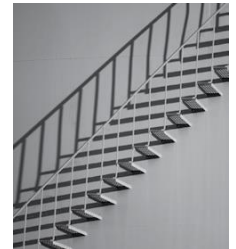


## Why these key issues are so important to d&b

As a company, d&b consciously takes its responsibility seriously. This was the underlying idea from the start: One entirety, where each fits all. This applies to the production of optimized sound reinforcement systems and to the creation of a healthy, pleasant work environment for employees. The goal is to all pull together and act consciously in the long term. By no means does this mindset end at the company gates.

d&b stands for exercising care and conscientiousness in all our actions in the shared environment. After receiving EMAS validation since 2013, d&b has succeeded in improving its environmental performance in many fields to a significant extent. Meanwhile, our employees are involved in projects and campaigns that they really care about, as d&b promotes innovation and creativity, and encourages employees to think outside the box. d&b's goal here is to secure long-term business success and strike a balance between the spheres of economy, environment, and social responsibility.

With the WIN-Charta, d&b is seeking to create comprehensive benefits and has selected guiding principle 1, Human and Employee Rights, for 2022. To this end, d&b already launched a Code of Conduct within the company in late 2018. Guiding principle 11, Benefits for the Region, is planned for the following year.



# Other activities. Guiding principle 1.

## Human and employee rights

### Guiding principle 1 – Human and employee rights

"We respect and protect human rights and employee rights, secure and promote equal opportunities and prevent all forms of discrimination and exploitation in all our business processes."

1

#### Where d&b wants to go

A company is a social fabric made up of many different people with different backgrounds. This includes the d&b listeners, users, and owners. The d&b principle applies here, too: To create a whole where all the parts fit together, because everything is interconnected. Increasing respect for human and employee rights and the welfare of employees is therefore not an end in itself, but a prerequisite for d&b's long-term success. At its headquarters in Backnang, the company employs around 460 people who embody d&b quality with determination, knowledge, and a good mood and make d&b what it is. This is the only way to develop and manufacture high-quality audio systems for d&b customers with rigor and care. For a better life, better art, better society, and better company. Today and tomorrow.

#### The following objectives have been set

With constant training and instruction, d&b wishes to create a prejudice-free work environment where all employees feel good. This also entails positive and constructive cooperation with the works council.

#### What has already been achieved

d&b rolled out a binding Code of Conduct for all employees back in late 2018. On top of that, launching the ELF learning platform created a possibility for fast and effective training and instruction for legal issues arising in the future.

#### Reasons to smile

- Professional development courses: with the ELF learning platform, d&b has created a possibility for its employees to complete free professional development on a wide variety of topics.
- All employees were given detailed information on the subject of data protection in 2022. Accordingly, d&b safeguards the protection of the personality rights of all employees as well as other stakeholders.
- In the future, online Code of Conduct training will ensure that all employees, especially new ones, are informed of the mandatory rules for conduct at d&b and are familiar with the process for reporting violations.

#### What still lies ahead

d&b is steadily working on the enhancement of the ELF learning platform. In the future, mandatory training (such as instruction on fire safety) is planned to be offered on the platform. Moreover, the professional development on offer to employees is intended to be consistently expanded.

#### Goals and planned activities

- Promoting diversity among the workforce.
- Ensuring the involvement of employees (townhall meetings, video tutorials, strategic journey, ELF).
- Promoting thinking in a corporate context.
- Extending the Code of Conduct to selected suppliers.
- Training all employees with a goal of removing prejudice and developing diversity within the company.



# d&b key issues. Guiding principle 2. Objectives.

## Employee welfare

### Guiding principle 2 – Employee welfare

"We respect, protect and promote the welfare and the interests of our employees."

2

#### Where d&b wants to go

The foundation for d&b's success is its people, their skills, and their ideas as well as their dedication and their – as is well known, different – personalities.

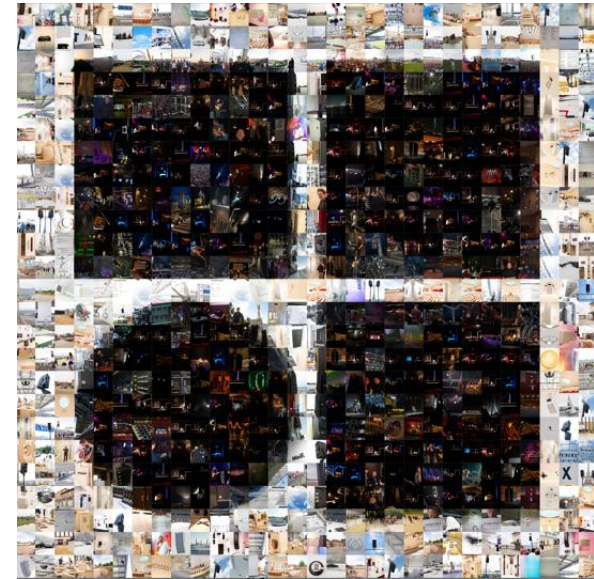
A great deal of attention is paid to the health of employees, which is why d&b is constantly working to ensure the highest level of occupational safety. Compulsory occupational health and safety and preventive checkups are regularly carried out as well as occupational health and safety training. To this end, d&b managers are supported in implementing necessary and appropriate occupational health and safety measures. In addition, d&b regularly offers activities and information on health, both at work and in leisure time. For example, the company run is promoted and articles on health and safety at work are published. Another key task is the systematic further training of employees in line with the strategic corporate goals and the promotion of individual development. In this context, d&b is particularly aware of the fact that rapidly changing economic and technical conditions place high demands on the readiness and flexibility of both employees and existing structures. That's why d&b keeps an eye on balancing professional and personal life plans.

#### The following objectives have been set

Team spirit is a top priority at d&b and is defined in the principles of HR policy as follows:

- We treat each other with mutual respect.
- We encourage our employees to contribute their ideas and suggestions for improvement.
- We enable our employees to develop professionally and personally.
- We set great store by the personal responsibility of all our employees.

- We invest in the development of our employees regardless of age or gender.
- Our managers are in constant contact with their employees, for example, through regular employee appraisals.
- Our remuneration is in line with the market.





# d&b key issues. Guiding principle 2.

## Measures taken, results, and developments.



### This is where d&b is and will continue doing work

- Further development of ELF – Education and Learning Factory – as a virtual learning platform.
- Expansion of the topic of health management.

### What has already been achieved

- Leased bikes for all employees: Since March 2018, all employees have been able to lease a bicycle or e-bike through d&b.
- Participatory notes (d&b shares).
- Variable performance-based salary component or 13th monthly salary.
- Attractive offering of additional benefits.
- Employer contribution for meals at the canteen.
- Organizing campaigns to promote occupational health (e.g., company run).
- Lectures on health and safety at work.
- Flexible work-time models.
- Management trainings (Leadership Day, Leadership Conference, Leadership Development).
- ELF (Education and Learning Factory) for further and advanced training.
- Regular, face-to-face, external further training and professional development.
- Flu vaccinations for employees.
- Annual employee appraisals with their supervisors to define targets and possible professional development.
- In addition to the IT ticket system, there is now also an HR ticket system for employees to make inquiries to the HR department more easy and efficient.



- The employee emergency hotline was launched in early 2019.
- Leaders Weekly, a monthly format for managers to exchange ideas. Each Leaders Weekly includes a keynote presentation on a topic related to employee management.
- Regular town-hall meetings held by the management board for all employees to inform them of the current situation.
- Introduction of a remote working arrangement for all employees with tasks allowing remote work.

### Reasons to smile

- eLearning Award 2022 for ELF project implementation.
- Organization of a health day in the form of a marketplace as an informational event for employees. The providers included health insurers, gyms, and bike leasing companies.
- Launch of Everyone Development Program (EDP), offering employees a wide variety of formats, promotions, and materials which can be used individually and according to personal initiative.
- 136 bicycles have already been leased since 2018.
- Modern work environments, e.g., shared desk area with fully equipped workstations and new workshop space featuring many tools for creative brainstorming (OPEX workshop).
- Learning workstations in production areas since 2022 to promote training for everyone.
- Health promotion incentives with participation in company runs (AOK company run in Waiblingen), downtown cycling (Winnenden Sunday cycling), introduction of a health day (with minor examinations and, e.g., tips for lifting heavy loads).
- Canteen reopening after pandemic.



## d&b key issues. Guiding principle 2. Challenges and indicators.

### There are some challenges ahead here

d&b is constantly working on improving and expanding its offering of training and education as well as supporting its employees' welfare.

### This is how d&b measures itself. Indicators

	Area	Indicator	Key performance indicator/ Result	Development compared to previous year or target value
	Events	Employee meetings by the executive board for employees' information	5	Goal: 4 per year + 25%
	Incentives	Percentage of employees with leased bicycles	22%	+ 0%

# d&b key issues. Guiding principle 2. Prospect.

## What still lies ahead

- Recommencement of language training programs.
- Further development promotion of occupational health.
- Definition of additional key performance indicators to measure all employees' satisfaction.

## Goals and planned activities

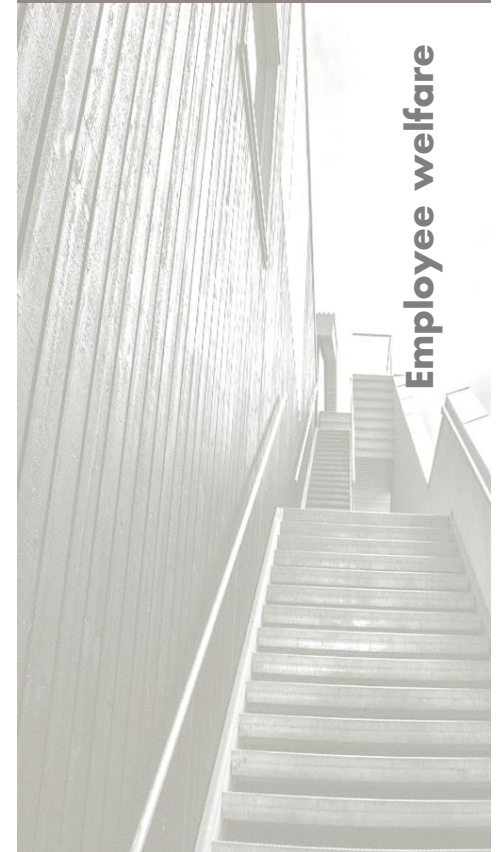
- The results of an employee survey carried out in late 2022 are planned to be discussed in team workshops and measures to improve teamwork created in conjunction with the teams.
- The employee language training programs, which were suspended during the pandemic, are planned to recommence on ELF and be expanded further.

## Guiding principle 2 – Employee welfare

"We respect, protect and promote the welfare and the interests of our employees."

2

Employee welfare



## Other activities. Guiding principle 3.

### Stakeholder groups

#### Guiding principle 3 – Stakeholder groups

"We take into account all stakeholder groups and their interests in our processes."

3

#### Guiding principle 3 – Stakeholder groups

##### Selected measures and activities

- Largely free training for customers and users all over the world (seminars and product training). As part of the d&b system approach, basic and comprehensive information for users is one of d&b's core concerns. System reality stands for the close link between loudspeakers, control, handling, and expertise.
- Cooperation on various committees, especially for sustainability and not least to drive the ongoing development of a sustainable events industry in everyone's interests (e.g., Circular Economy Alliance, A Greener Festival).

#### Results and developments

The demand for webinars and online workshops was very high in 2022. 339 online events were held for customers, partners, and anyone interested.

#### What d&b wants to continue working on

Expansion of the range of seminars, especially in the area of webinars and online workshops.

# d&b key issues. Guiding principle 4. Objectives.

## Environmental issues

### Guiding principle 4 – Resources

“We boost resource efficiency, increase raw material productivity and reduce the use of natural resources.”

4

#### Where d&b wants to go

**“We boost resource efficiency, increase raw material productivity and reduce the use of natural resources.”**

Responsibility for planet earth affects every single person. And this also goes for every single enterprise. Due to its responsibility for the environment and with a view to presenting it to the market, d&b audiotechnik has firmly anchored the topic of ecology within the company. The d&b environmental management system has been certified to EMAS and ISO 14001 every year since May 2013. In doing so, d&b has laid the groundwork to sustainably implement the topic of the environment and is constantly working to improve its environmental performance.

An important aspect here is the careful use of resources. From product development, where environmental friendliness is already a set part of the specifications, to the optimization of production processes with regard to the use of materials and energy.

#### The following objectives have been set

##### ▪ Reduction or optimization of material consumption

Further reduction of material consumption, both during development and during the production process.

##### ▪ Reduction of solvent consumption

d&b is constantly working to reduce solvent consumption through the use of new technologies and materials.

##### ▪ Reduction of waste and hazardous waste

Continuous substitution tests and continuous improvements through the continuous improvement process (CIP) system ensure a steady reduction of waste volumes and hazardous waste.

##### ▪ Extended service life of IT equipment

Especially with electronic devices such as PCs, laptops, cell phones, etc., a longer service life has a tremendous impact on resource consumption.



# d&b key issues. Guiding principle 4.

## Measures taken, results, and developments.

### This is where d&b is and will continue doing work

- Measures for reducing solvent consumption, e.g., use of a paint mixing plant and conversion from solvent- to water-based paint, although there are still some technical hurdles.
- A “Sustainable Products” project group was founded in 2019 and has since then been responsible for environmental and sustainability aspects during product development.
- Expansion of the CPO program to include additional products.



Restoration of a loudspeaker intended for the CPO program

### What has already been achieved

EMAS validation and ISO 14001 certification have created the conditions for implementation of the topic of environmental issues at d&b throughout the organization. An important aspect here is the careful use of resources. From product development, where environmental friendliness is already part of the specifications, to the optimization of production processes with regard to the use of materials and energy. So this can be implemented even better in future, environment and sustainability became a strategic topic in 2020 and a sustainability department established at the d&b Group level in 2022. The topic is therefore being given an even higher priority within the organization. Equipment is also being used for longer in the IT sector and then, where possible, handed on to employees at an IT flea market.

### Certified Pre-Owned products

Launched in 2020, the Certified Pre-Owned (CPO) program sees d&b entering the circular economy and remanufacturing, enabling its customers to purchase remanufactured d&b systems with a manufacturer's warranty. Through the program, customers can benefit from the advantages of a rider-friendly audio system, which contributes to a significant reduction in greenhouse gas emissions and the consumption of raw materials.

### Sustainability in the products

The topic of environment and sustainability is firmly entrenched in the new product development process.

### Reasons to smile

#### EN54 - voice alarm systems

Various d&b products were approved in 2022 for usage in an EN54 voice alarm system. They can be used, for example, at stadiums so that other systems do not need to be installed in addition to a conventional PA system.

#### Wooden pallets

801 wooden pallets were able to be sent for reprocessing in 2022.

#### Bee sponsorship

The sponsorship of 10 beehives which started in September 2021 was continued in 2022 as well.

#### Remote working

Employees have been able to work up to 40% remotely (where the role allows) since March 2022. This results in, among other things, a reduction in travel to the workplace. 57% of all employees used the option of remote working during the second half of 2022. After subtracting employees in operational areas where remote working tends to be less possible, the share of employees is 90%. 22% of work was done remotely in total, or 40% of days were worked remotely if operational areas are excluded.



## d&b key issues. Guiding principle 4. Challenges and indicators.

### There are some challenges ahead here

Switching to water-based paint is still a challenge and d&b will continue to carry out research in this area in the years ahead. There is also room for improvement in the area of waste.

### This is how d&b measures itself. Indicators

	Area	Indicator	Key performance indicator/ Result	Development compared to previous year
	Waste/recycling	Solvent consumption in relation to sales	41 kg/€ million	-6%
		Hazardous waste in relation to sales	0.11 tons/€ million	-31%
	Consumption	Paper consumption in relation to sales	3.38 tons/€ million	-38%
	Measures	Number of environmental measures implemented	12	+300%
		Savings through environmental measures	€21,984	/

# d&b key issues. Guiding principle 4. Prospect.

## What still lies ahead

d&b intends to maintain EMAS validation and ISO 14001 certification in the years to come. To achieve this, increasingly specific decision-making parameters must be created for environmentally relevant topics, especially in product development. The search for alternative materials and production processes is at the forefront here.

## Goals and planned activities

In order to make d&b products even more sustainable in the future, a number of projects will be launched or continued in 2023, such as:

- Use of Follow Me software for printers to reduce paper waste.
- Color-mixing system for special colors in the coating facilities and a reduction of leftover paint as a result.
- Master's thesis on "Sustainability in the Product Development Process"
- Implementation of Local Sustainability Coordinators at all subsidiaries to reinforce the subjects of environment and sustainability in the d&b Group.
- Expansion of the CPO program to include additional products.
- Various projects in connection with the new Hall T building (e.g., installation of a paint mixing system).



Remanufacturing of a loudspeaker intended for the CPO program

## Guiding principle 4 – Resources

"We boost resource efficiency, increase raw material productivity and reduce the use of natural resources."

4



# d&b key issues. Guiding principle 5. Objectives.

## Environmental issues

### Principle 5 – Energy and emissions

"We make use of renewable energies, increase our energy efficiency and reduce greenhouse gas emissions in line with our targets or offset them in a climate-neutral way."

5

#### Where d&b wants to go

**"We make use of renewable energies, increase our energy efficiency and reduce greenhouse gas emissions in line with our targets or offset them in a climate-neutral way."**

d&b has set itself the goal of reducing the carbon emissions of the organization and its products as much as possible. A direct reduction of carbon emissions will be made possible during phase one. The remaining emissions will be offset with carbon certificates in a second phase only where a full reduction is not possible in the long term.

#### The following objectives have been set

##### ■ Reducing carbon emissions

Long-term objective: carbon neutrality for Scope 1 and 2.

##### ■ Conversions and new buildings

Where possible, environmental compatibility is taken into account for conversions and new buildings, e.g., by using LED lighting. Energy concepts are being developed for larger new buildings and renovations.

##### ■ Air-conditioning systems

Air-conditioning systems are only intended to be used where they are absolutely necessary.

##### ■ New machines should have power-off functions or at least stand-by functions.

## 11 against 5 to 12.

Ideas to support the climate.



# d&b key issues. Guiding principle 5.

## Measures taken, results, and developments.

### This is where d&b is and will continue doing work

- d&b is continuously working to implement recommended measures from audits and inspections.
- Use of environmentally friendly technologies in energy supply (combined heat and power plants).
- Further switch to renewable energies.
- Increase in the share of electric vehicles in the entire fleet.
- Provision of sufficient bicycle parking spaces and bicycle repair facilities.
- Increasing the quota of waste for recycling or pretreatment.
- Further development of existing KPI systems in the area of environment and sustainability.
- Expanding the topic of environment and sustainability at d&b Group level.



### What has already been achieved

Since 2013, d&b has regularly implemented measures to reduce energy consumption. As a result, the production areas and large parts of admin were converted to LED lighting. For several years now, two combined heat and power plants have been supplying electricity in addition to heat, and a great deal of attention has been paid to avoiding and reducing waste and to recycling. Energy concepts are drawn up for new buildings and renovations and an environmentally friendly energy supply is ensured. When purchasing machines, care is taken to ensure that they have a power-off or stand-by function.

### Reasons to smile

#### Self-generated electricity

Two combined heat and power plants generated 285,206 kWh of electricity in 2022. With the new building, two more CHP units will significantly increase the company's electricity self-generation in 2023.

#### Air-curtain doors

Heat loss from drafts of air is planned to be reduced through the installation of air-curtain doors. Three towers were installed in 2022 with two more planned to follow in 2023.

### Fleet

Since the beginning of 2019, d&b has operated a total of 15 electric charging stations, encouraging employees to switch to electric or hybrid vehicles. At the end of 2022, the company fleet comprised 9 electric and hybrid vehicles.

### Power supply transition to 100% renewable energies

As a result of renovation measures, most of the electricity used for production will be converted to 100% green electricity from 2023.

### Remote working

With the "New Work" project initiated in March 2022, the conditions were created for employees to be able to work up to 40% remotely where their work allows. This will result in, among other things, a reduction in travel to the workplace and, by extension, a significant reduction in carbon emissions. Moreover, it can reduce office usage in the future and additionally heating energy consumption.

## d&b key issues. Guiding principle 5. Challenges and indicators.

### There are some challenges ahead here

d&b is constantly working to reduce energy consumption and has set itself the goal of carbon-neutrality in Scope 1 and 2. To this end, a switch to electricity from 100% renewable energies is necessary when purchasing electricity. It is currently not possible to completely change the electricity provider on the company premises of the headquarters. However, this will improve with the commissioning of the new building in 2023.



### This is how d&b measures itself. Indicators

	Area	Indicator	Key performance indicator/ Result	Development compared to previous year
	Energy	Power consumption in relation to sales	16.4 MWh/€ million	-27%
		Weather-adjusted gas consumption in relation to sales	43.3 MWh/€ million	-34%
		Hazardous waste in relation to sales	0.11 tons/€ million	-31%
	CO <sub>2</sub>	Carbon balance with the goal of carbon-neutrality (Scopes 1 and 2)	1,863 tons CO <sub>2</sub> e	+8%*
		Number of electric or hybrid vehicles	9	-40%
	Measures	Savings through environmental measures	€21,984	/
		Number of environmental measures implemented	12	+300%

\* Absolute energy consumption in production areas has risen again following COVID-19



# d&b key issues. Guiding principle 5.

## Prospect.

### What still lies ahead

In the years ahead, d&b will continue to strive to further reduce carbon emissions, be it via energy consumption, business travel, or the fleet, with a focus on avoidance and reduction rather than offsetting.



Delivery of sustainable heat exchangers to reduce energy requirements in the new finishing center

### Goals and planned activities

- Further conversion of lighting to LED.
- Implementation of the energy concept for the new building in 2023: process heat generation by using two combined heat and power plants in combination with cooling of the paint booths by an absorption cooling system.
- Reduction of emissions by restructuring production areas and thus avoiding unnecessary travel routes.
- Reduction of compressed air.
- Consideration of the topic of business travel in the context of an international company.
- Reduction of carbon emissions for Scopes 1 and 2.
- Review and partial switch to carbon-neutral transport.
- Installation of two further air-curtain systems on external doors to reduce draft and heat loss.

### Guiding principle 5 – Energy and emissions

"We make use of renewable energies, increase our energy efficiency and reduce greenhouse gas emissions in line with our targets or offset them in a climate-neutral way."

5

Environmental issues



# d&b key issues. Guiding principle 6. Objectives.

## Environmental issues

### Guiding principle 6 – Product responsibility

“In line with the responsibility that we bear for our services and products, we examine the value creation process and the product cycle for sustainability and ensure transparency.”

6

#### Where d&b wants to go

**“In line with the responsibility that we bear for our services and products, we examine the value creation process and the product cycle for sustainability and ensure transparency.”**

An important aspect here is the careful use of resources. From product development, where environmental friendliness is already part of the specifications, to the optimization of production processes with regard to the use of materials and energy. However, the use of the products by the end customer is also a relevant element. Reducing the size and weight of the loudspeakers in relation to efficiency plays a key role in reducing fuel consumption during transport, and more efficient amplifiers reduce energy consumption during use.

#### The following objectives have been set

- Clearer definition of sustainability in relation to products.
- Further improvement of ease of repair.
- Enhancing the environmental and sustainability profile of d&b products on the market.



# d&b key issues. Guiding principle 6.

## Measures taken.

### This is where d&b is and will continue doing work

#### Energy consumption

d&b loudspeaker systems are exceptionally efficient. Transducers are equipped with particularly strong neodymium drivers. These provide higher field strengths than ceramic drivers and thus reduce power requirements while maintaining the same drive power. Furthermore, they are smaller and lighter than conventional magnets and thus reduce the use of materials for polar plates (steel) and loudspeaker baskets (among others, aluminum).

Together with the consistent use of switching mode power supplies and switching amplifiers, this significantly reduces the average power consumption of the power amplifiers. The use of power factor correction circuits (PFCs) at the mains input of the amplifiers ensures low-harmonic power consumption with low peak current loads. This significantly reduces both line losses and the demands on power supply from the power grid or power units.

#### Noise emission

More consistently than any other manufacturer, d&b relies on cardioid dispersion in many products. This results in a very directed dispersion pattern. With cardioid technology, sound in all frequency ranges is directed forward to the listening areas in a very targeted manner and strongly suppresses dispersion in other directions. Compared to conventional PA systems, with the same volume level in the audience area, the total acoustic output is reduced by about 30%. This not only improves sound, but also protects neighboring areas from unwanted noise levels. d&b is the only loudspeaker manufacturer to offer software (NoizCalc) that can predict noise levels in the vicinity of open-air events.

#### Transport

Due to its high efficiency and compact design, the transport volume and weight of a d&b PA system is relatively low compared to the rest of the industry. This means that less loading capacity and associated carbon emissions are required for touring.

#### Service

d&b aims to have a spare parts supply for all products for at least ten years. Electronic products are kept up-to-date on an ongoing basis as a result of corresponding software updates. This ensures an exceptionally long product service life.

### What has already been achieved

The carbon footprint of a loudspeaker was worked out as part of a bachelor's thesis in the first half of 2020. This work was expanded by the creation of a sustainability index for future products. A further master's thesis on "Sustainability in the Product Development Process" is planned to follow in 2023.

#### Certified Pre-Owned products

The new business unit for remanufactured products was launched in early 2020. The global availability of d&b products for large-scale events and touring allows artists to rent their d&b equipment locally on a tour, rather than transporting it over long distances by ship and truck.

### Guiding principle 6 – Product responsibility

"In line with the responsibility that we bear for our services and products, we examine the value creation process and the product cycle for sustainability and ensure transparency."

6

Environmental issues



# d&b key issues. Guiding principle 6.

## Results, developments, challenges, and prospects.

### Reasons to smile

#### German Prize for Sustainability Projects

In 2022, d&b was given the German Prize for Sustainability Projects in the recycling category. The judges honored d&b's Certified Pre-Owned (CPO) program, which offers customers the opportunity to purchase a remanufactured d&b loudspeaker system.



#### EN 54 certification for selected d&b products

EN 54 is a range of European standards for smoke detector, fire alarm, and voice alarm systems. With it, these products can meet not only the highest sound quality standards, but also be used as part of an emergency communication system. They make it unnecessary to install separate emergency communication systems.

#### The new 5D amplifier

The four-channel DSP amplifier with an integrated audio network and flexible output power sharing has an ultracompact design and is an excellent example of the scalability of d&b technology solutions. The compact design and adaptable scalability enable significant carbon emission reductions when transporting the systems.



### There are some challenges ahead here

- A project team takes care of sustainability in d&b products.
- Procurement guideline for sustainable procurement.

### What still lies ahead

To make environmental and sustainability developments measurable for products, d&b is constantly working on improving the KPI system and researching environmentally friendly materials and production processes. d&b incorporates the widest possible environmental considerations into the specification and development of new products.

### Goals and planned activities

- Increased integration of environmental requirements into the product development process, with the support of a master's thesis.
- Group-wide establishment of Local Sustainability Coordinators in 2023.
- Broader life cycle assessment of products.

### Guiding principle 6 – Product responsibility

"In line with the responsibility that we bear for our services and products, we examine the value creation process and the product cycle for sustainability and ensure transparency."

6

Environmental issues





# d&b key issues. Guiding principle 7. Objectives.

## Economic benefits

### Guiding principle 7 – Corporate success and jobs

"We ensure long-term corporate success and offer jobs in the region."

7

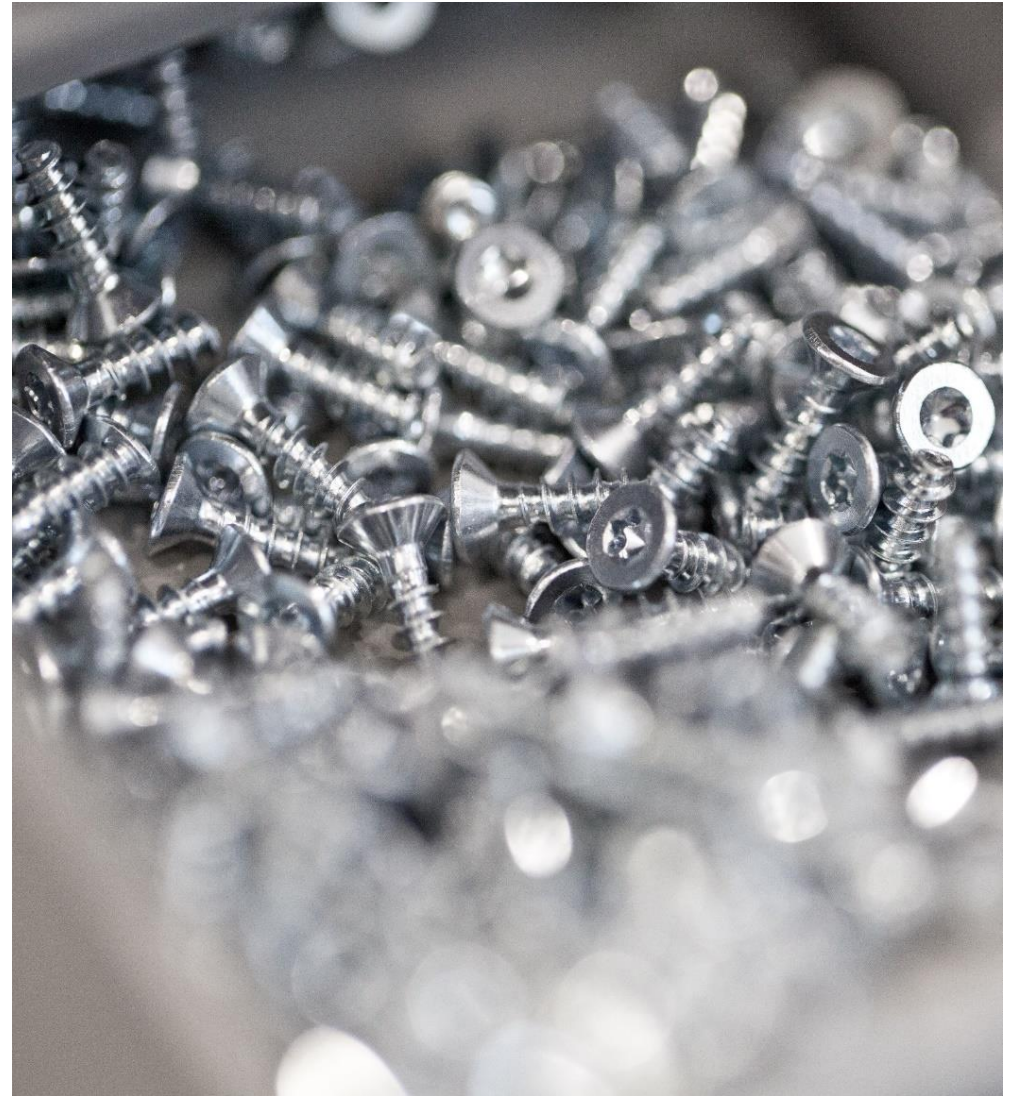
#### Where d&b wants to go

**"We ensure long-term corporate success and offer jobs in the region."**

The corporate success of d&b audioteknik GmbH & Co. KG is the result of many different factors. This is why the conditions which d&b can influence are now moving into focus of the company's efforts.

#### The following objectives have been set

- **Increasing revenue and market share:** Developing new markets and market segments, rolling out a segment strategy, and implementing an internationalization strategy
- **Raising customer satisfaction:** Setting up a quality circle, expanding and optimizing support and service channels
- **Expanding the sales network:** Acquiring new sales partners
- **Increasing brand value:** Intensifying external communication (e.g., sustainability reports), launching novelties and product enhancements on the market
- **Strengthening the company location:** Expanding the company site, investing in locations, investing in new machines and systems, creating new jobs





# d&b key issues. Guiding principle 7.

## Measures taken.

### This is where d&b is and will continue doing work

Various set targets had to be postponed due to the coronavirus crisis, during which there were severe challenges for the events industry. Nevertheless, d&b remains true to its targets:

- Opening up new markets and market segments, and rolling out a new segment strategy and an internationalization strategy.
- Acquiring new sales partners.
- Intensifying external communication.
- Launching new products and relaunching existing ones in the market.
- Rolling out a zero-error strategy (Kaizen) and expanding and optimizing support and service channels.
- Expanding the company site, investing in buildings, investing in new machines and systems.

### What has already been achieved

d&b pursues sustainable business growth. This includes the continuous expansion of its product portfolio and production lines, the expansion of the d&b market share and distribution network, and the strengthening of the company's locations. The new production building in Backnang, for example, was finally ready to be occupied in early 2023. The events industry had largely normalized in 2022, so d&b was able to return to its usual operational level.



# d&b key issues. Guiding principle 7.

## Results and developments.

### Reasons to smile

New products were released in 2022.

#### EN 54 certification for selected loudspeakers

The EN 54 series of standards has its origins in Europe and is used in multiple countries outside the EU. This series of standards comprises guidelines for smoke detectors and voice alarm systems. With this certification for selected speakers and variants of them, d&b can meet the needs of its customers optimally and, in doing so, ensure that d&b products are not only made with the highest quality and to the highest sound quality standards, but also are able to be used as part of a voice alarm system or emergency communication system. This lets them be used in an even greater variety of installations and replace separate emergency evacuation systems.

### 5D

The four-channel DSP amplifier with an integrated audio network and flexible output power sharing has an ultracompact design and is an excellent example of the scalability of d&b technology solutions. The compact design and adaptable scalability enable significant carbon emission reductions when transporting the systems. This latest member of the d&b family is suitable for a large number of small to medium-sized installation projects.

#### Enhancement of Soundscape

d&b Soundscape was able to develop further again in 2022. d&b Soundscape is a scalable, sophisticated platform for generating immersive listening experiences which enable a new dimension of creativity for sound and performance. The listening environments that d&b Soundscape generates with continuously enhanced automation software and simulation tools are highly innovative audio solutions which simulate the sound of events to perfection and can be replicated across the world in a climate-friendly way.



# d&b key issues. Guiding principle 7.

## Results and developments.

### Reasons to smile

#### German Prize for Sustainability Projects

d&b has received the German Prize for Sustainability Projects in the recycling category. The prize honors a company's involvement in sustainability and is aligned with the 17 Sustainable Development Goals. The aim is to raise the visibility of commitment to sustainability at all levels – from micro-enterprises to associations, initiatives, and large corporations – and thus to inspire other companies and institutions to start their own sustainability projects.

The award was attributed to d&b's Certified Pre-Owned (CPO) program, which offers customers the opportunity to purchase a remanufactured d&b speaker system. The J series line array loudspeakers are the first product on offer under the CPO program. This established, large-format system continues to be used on tours globally and is characterized by acoustic performance that is suitable for events and genres of any kind. A certified used system offers all the benefits of a brand-new system, such as accessories, services, and financing options as well as the same comprehensive service. A CPO J8 loudspeaker produces roughly 80% less carbon emissions than the production of a completely new J8 loudspeaker.

#### Company premises extension.

The construction of the new hall for loudspeaker production was successfully finalized. It is scheduled to be occupied in early 2023.



#### Internationalization.

Our subsidiary companies within the d&b Group are committed to sustainability as well. White Light Ltd. – a d&b solutions company, became B Corp certified in 2022.

Certified B Corp companies look to create added value for society and the environment with their business model. To make progress measurable, an impact assessment is carried out on a regular basis.



## d&b key issues. Guiding principle 7. Challenges and indicators.

### There are some challenges ahead here

After the events industry recovered from the COVID crisis and d&b's revenues normalized, employees were able to be hired again in Backnang in 2022. There are plans to recruit further staff members and expand the location over the coming years.

### This is how d&b measures itself. Indicators

	Area	Indicator	Key performance indicator/ Result	Development at target value	Development compared to previous year
	Sales figures	Sales figures compared to previous year	/	/	+80 %
	Expansion of the sales network	Number of sales partners*	368	/	-24%
		Number of d&b companies abroad	10	/	0%
	Increase in customer satisfaction	Complaint rate of max. 2%	1.6%	-19%	/
		Full service query processing time of max. ten working days	9 working days	-10%	/
	Other	Number of new jobs created in the region	83	/	**
		Percentage rise in staff capacity for research and development	/	/	+14%

Remark: For KPIs, it makes little sense to refer to the base year. Target values exist for the complaints rate and service throughput time. The result therefore relates to the target value.

\*The area structures were adjusted in 2022.

\*\* No new employees were hired during the coronavirus pandemic, so this number was not calculated in 2022.

# d&b key issues. Guiding principle 7. Prospect.

## What still lies ahead

As mentioned above, sustainable business growth is a key concern of d&b. The promising approaches will continue to be pursued in the future. This is why d&b will continue to work on this key topic in the following year, implement further measures, and aim to improve the indicators achieved.

## Goals and planned activities

In 2023, d&b wants to achieve its goals and implement appropriate measures in these areas once again.

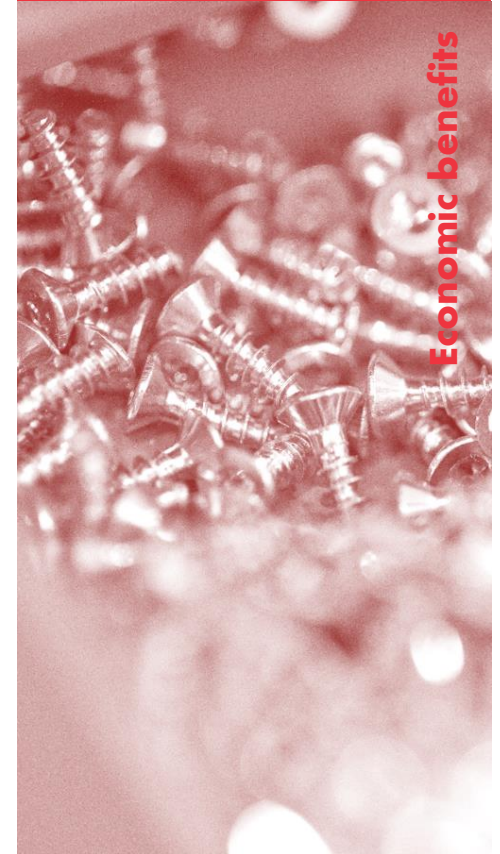
- Further expansion of the company premises (moving into the expanded production facility, expansion of additional office space).
- Keep complaint rate below 2% and full service query processing time at max. 10 days.
- Further expansion of the quality circle team from all departments involved in d&b product quality.

## Guiding principle 7 – Corporate success and jobs

"We ensure long-term corporate success and offer jobs in the region."

7

Economic benefits





# d&b key issues. Guiding principle 8. Objectives.

## Economic benefits

### Guiding principle 8 – Sustainable innovation

"We promote product and service innovations that increase sustainability and underline the innovation potential of Baden-Württemberg's economy."

8

#### Where d&b wants to go

**"We promote product and service innovations that increase sustainability and underline the innovation potential of Baden-Württemberg's economy."**

Innovation is always linked to a readiness to embrace new ideas and approaches. If you don't go forward, you go backward. As a result, it is indispensable to forge a systematic vision for the future growth of d&b.

#### The following objectives have been set

##### ▪ Strengthening educational cooperations

Expanding cooperations with various institutions and educational establishments (e.g., DHBW, schools), supervising degree theses.

##### ▪ Strengthening innovations

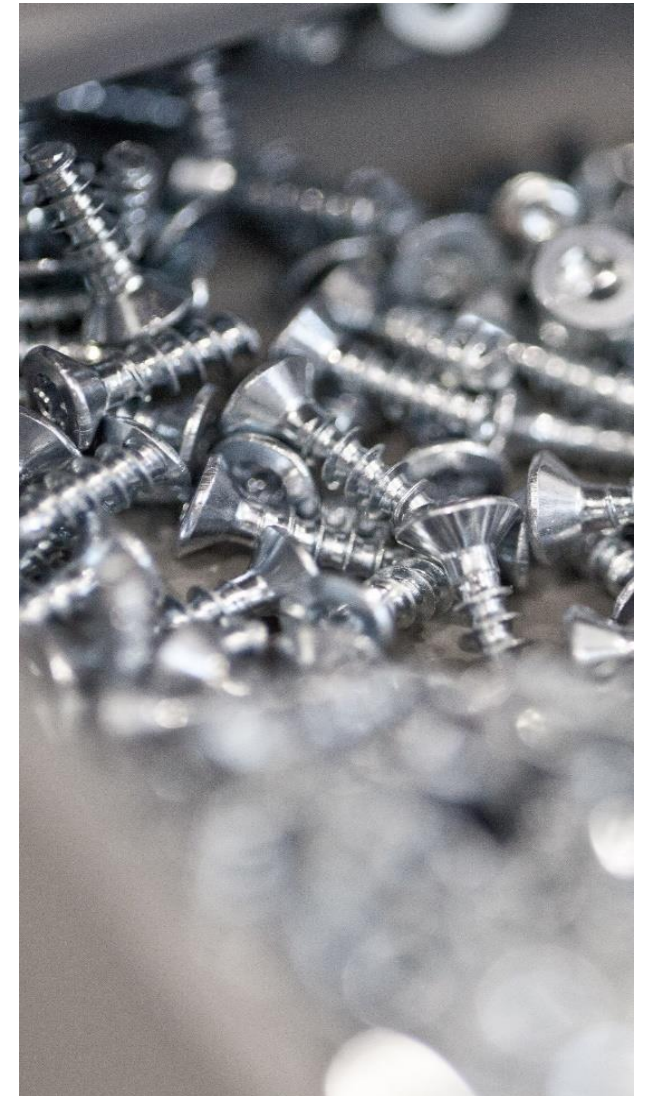
Expanding the R&D Roadmap with innovative products and technologies to ensure long-term innovative capacities, further implementing the market intelligence strategy, further developing incentive systems for ideas and patents.

##### ▪ Improving the environmental compatibility of products and production processes:

Making products more environment friendly, increasing product efficiency, optimizing production processes, and identifying problems in practical applications.

##### ▪ Strengthening dialog with academe, industry, and politics:

Seeking dialog with decision-makers and interest groups, improving association work and networking by managers at local, national, and international level, setting industry standards, introducing future themes.



# d&b key issues. Guiding principle 8.

## Measures taken.

### **This is where d&b is and will continue doing work**

- Expanding cooperations with various institutions and educational establishments, mentoring degree theses.
- Expanding the R&D Roadmap.
- Continuous development of the product portfolio, creating incentive systems for ideas and patents, expanding the innovation management system.
- Continuously improving the environmental compatibility of products, increasing product efficiency, optimizing production processes, and identifying problems in practical applications.
- Seeking dialog with decision-makers and interest groups, improving association work and networking by managers at local, national, and international level, setting industry standards, introducing future themes.

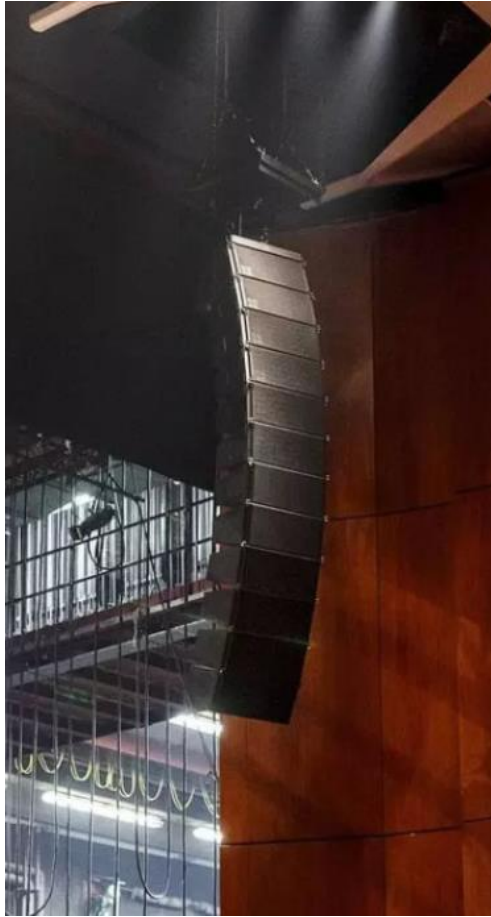
### **What has already been achieved**

d&b stands for innovative, high-quality products. That's why d&b is constantly working to improve its products, both from a technical and an environmental perspective. In addition, d&b transfers the knowledge gained by cooperating with various educational establishments and supervising degree theses. The exchange with academia, business, and politics is constantly being expanded, as d&b employees participate in various technical events and publish trade journals.

### **Innovation management**

d&b also sees sustainability as an essential source of innovation. In addition to CPO, d&b is working on new innovation management solutions to make d&b and the events industry more sustainable. Agility and speed of implementation play a decisive role here. d&b achieves this through design-thinking workshops, innovation competitions, and other agile methods.

## d&b key issues. Guiding principle 8. Results and developments.



### Reasons to smile

#### Strong expansion of cooperation with educational institutions to support pro-audio training

- d&b audiotechnik Asia-Pacific has signed a memorandum of understanding (MOU) with Republic Polytechnic (RP) in Singapore. The memorandum provides for cooperation on various initiatives in the fields of education, training, and careers.
- In April 2022, d&b audiotechnik Greater China, in Hong Kong, introduced its first official certification program for pro-audio engineers who work with d&b Soundscape technology. As part of the Soundscape Production Engineer Certification Program (SPEC), production technicians, sound designers, and mixing technicians were able to successfully earn the newly introduced d&b certificate at the five-day premiere event. The program offered training on signal processing and object-based audio content mixing and explained the possibilities associated with the high-performance En-Scene and En-Space software modules in d&b Soundscape. It concluded with a test which attested to the participants being fully trained and prepared to hold high-quality events with d&b Soundscape.

- d&b audiotechnik Singapore cooperates with LASALLE College of the Arts to enrich pro-audio education. LASALLE and d&b have already worked together for many years and leverage their mutual experience in the industry to create joint opportunities. Their focus here is on supporting teaching, research, and collaboration with industry.

#### d&b enhancement of Soundscape

In addition to expanding the functionality of the immersive d&b audio system, a significant partnership has also been achieved.

With DiGiCo, the industry leader for digital mixing solutions, d&b audiotechnik has gained a partner to drive the accessibility and user-friendliness of Soundscape, the immersive audio system platform.

#### Ranked among the top 100 most innovative medium-sized firms in Germany

d&b has been labeled one of the top 100 most innovative medium-sized firms in Germany. The top 100 label is given out for a company's innovative achievement and innovation potential. It paid tribute to the high priority of innovative approaches at d&b, and not only for products either. It involved all areas of the company, including research and development, human resources, product development, training methods, and management decision making.



# d&b key issues. Guiding principle 8.

## Results and developments.

### More reasons for a relaxed smile d&b employees supporting industry-specific organizations

Here are a few examples:

- Chair of Audio Engineering Society (AES) Germany – international professional association for sound engineers, academics, and development engineers in the field of audio technology.
- Board of Directors of the Avnu Alliance – consortium of member companies working together to create an interoperable ecosystem of clock-synchronized, low-latency, highly reliable network devices.
- Member of standardization committee at the German Institute for Standardization (DIN e.V.) – most important organization for standardization in Germany.
- Member of standardization committee at German Commission for Electrical Technology, Electronics, Information Technology in DIN and VDE (DKE) – organization for developing standards and safety regulations in these fields.
- Board of Directors of the Open Control Architecture (OCA) Alliance – organization working on promotion of and support for the AES70 standard for open-control architecture.
- Founding member of the climate protection company network (a chamber of commerce scheme) – initiative to drive climate protection at companies.
- Vice president of the Asociación de fabricantes e importadores de sonido profesional e iluminación espectacular (AFIAL) – support for national and international activities in the field of audiovisual technology to promote and establish Spanish brands.
- Premium supporting member of the Institute of Sound & Communications Engineers (ISCVE) – professional association for the sound and communications industry, active across the UK.



### Award success. Another AWARD FOR d&b

In 2022, d&b received the Green Guardians Award for the second year in a row, in recognition of its efforts to reduce the carbon footprint in the live entertainment industry. Launched by the Green Events & Innovations Conference and *IQ Magazine*, the Green Guardians Guide is a new initiative highlighting some of the global efforts to reduce the live entertainment industry's carbon footprint each year.

### E-learning award for Education and Learning Factory (ELF)

The eLearning Journal gave an award to ELF, the d&b e-learning platform, in 2022. The digital platform made a stellar impression with its various functions which unlocked very new possibilities for individual learning. Even during the learning platform's development stages, the focus was on a good learning culture. It is intended to reflect the vibrant core of the company and help it grow. With over 100 high-quality training programs and a user interface optimized for mobile devices, the platform is also well received among employees.



## d&b key issues. Guiding principle 8. Challenges and indicators.

### There are some challenges ahead here

In some areas, it became clear that there are still some implementation challenges that need to be managed.

For example, d&b does not yet have a Group-wide view on guiding principle 8.

A project group started work in 2022 with an aim of ensuring more sustainability in the product portfolio in the future and studying the entire value creation process in this context.

### This is how d&b measures itself. Indicators

	Area	Indicator	Key performance indicator/ Result	Development compared to previous year	Development compared to base year 2017
	Strengthening the dialog with academe, industry, and politics	Percentage rise in staff capacity for research and development	/	+14%	+44%
	Promoting innovations	Growing number of named inventors	/	/	+ 0%



# d&b key issues. Guiding principle 8. Prospect.

## What still lies ahead

Innovation and improvement are in d&b's DNA, in keeping with the Swabian spirit of invention. This is why work will continue to be done on this key topic and further measures are being taken.

## Goals and planned activities

In the new year, d&b also intends to achieve its goals and implement appropriate measures.

- Market launch of various new products in 2023.
- Expansion of the range of services.
- Expansion of an innovation management system.
- Green Logistics project, sustainable transport solutions.

## Guiding principle 8 – Sustainable innovation

"We promote product and service innovations that increase sustainability and underline the innovation potential of Baden-Württemberg's economy."

88

Economic benefits

## Other activities. Principles 9 and 10.

### Sustainable, fair finance, anti-corruption

#### Guiding principle 9 – Financial decisions

#### Guiding principle 10 – Anti-corruption



#### Sustainable, fair finance, anti-corruption

Behaving in a way that reflects the fundamental values of society without restriction has always been a matter of course for d&b. However, d&b is growing steadily, is active globally, and maintains business exchange with a variety of countries and cultures. The number of new colleagues, customers, and partners is increasing. The associated responsibility is reflected in many areas of the company. To live up to this responsibility, d&b sets standards for business, legal, and ethical conduct. This also applies to financial decisions and business relationships.

#### Guiding principle 9 – Financial Decisions Selected measures and activities

An energy concept has been commissioned for the new production building, which will be occupied in early 2023. This way, d&b ensures that energy-related issues are considered from the outset when investing in a new building and d&b therefore remains state of the art.

#### Results and developments

The proposals for heating and cooling compiled in the energy concept were implemented at the end of 2022.

#### What d&b wants to continue working on

- Energy assessment for renovation and new-building projects (environmental measures such as the use of renewable energies and energy-efficient technologies).
- Investment in environmental measures without a direct financial benefit.

#### Guiding principle 10 – Anti-corruption Selected measures and activities

The Code of Conduct defines the framework for the actions and conduct of the company and its employees. In business, legal, and ethical terms, it is the mandatory benchmark for dealing with colleagues, customers, distribution partners, suppliers, and other interest groups. The Code of Conduct makes relevant rules of behavior fixed elements of the activity of d&b. Worldwide. This ensures transparency, provides security, and generates trust.

#### Results and developments

The Code of Conduct has been approved and applies to all employees. It can be accessed by all those interested on the website. For more information on the d&b Code of Conduct, see guiding principle 9 – Nonfinancial Statement.

#### What d&b wants to continue working on

As in the past, d&b will continue to object to corruption and investigate it immediately if it is suspected. The Code of Conduct is planned to be extended to suppliers over the next few years.

## Other activities. Guiding principle 11.

### Benefits for the region

#### Benefits for the region

After the foundation and the first years in Korb near Waiblingen, the headquarters of d&b has been located in Backnang since the late 1980s. d&b feels connected to the town and the region. This connection is expressed through very different aspects. Be it the expansion of the company's site, the creation of new jobs, or the diverse volunteer work done by the employees.

#### Guiding principle 11 – Benefits for the region

##### Selected measures and activities

With the new loudspeaker production hall completed at its headquarters in Backnang in late 2022, d&b continues to demonstrate its commitment to the Backnang location. Where possible, local sourcing is preferred.

##### Results and developments

The construction of the new production building was successfully completed in 2022 and the move is planned for early 2023.

##### What d&b wants to continue working on

- Expansion of training posts offered in the region.
- Further expansion of donations and support of local projects and institutions.
- Where possible, sourcing from regional suppliers.
- Further development of training partnerships.
- Further development of location (expansion) and, consequently, increase in employee numbers.
- Support for local and sustainable events by d&b.

#### Guiding principle 11 –

"We generate added value for the region in which we do business."

11

# d&b key issues. Guiding principle 12.

## Objectives.

### Benefits for the region

#### Guiding principle 12 – Incentives to think in new ways

"At all corporate levels, we provide incentives to think and act in new ways, and we involve our employees and all other stakeholder groups in an ongoing process to increase entrepreneurial sustainability."

# 12

#### Where d&b wants to go

**"At all corporate levels, we provide incentives to think and act in new ways, and we involve our employees and all other stakeholder groups in an ongoing process to increase entrepreneurial sustainability."**

Treading new paths and thinking out of the box. In order to remain innovative, d&b wants to implement this credo at all levels of the company.

#### The following objectives have been set

- **Promote insights into other areas**  
Exchange with other companies (work experience), training cooperations, increased cooperation with schools and universities, ideas from experts (lectures, music productions, etc.), strategy workshops at all hierarchy levels.
- **Strengthen employee development**  
Expanding range of training, supporting and developing employees (professional development), supporting volunteer work, providing workshops during working hours.
- **Improving/strengthening communication between departments**  
Promoting networking, work shadowing in other departments, forming work partnerships between employees, writing motivational reports on innovations on the internal "42" platform.
- **Developing innovative business models**  
Setting up playgrounds for creativity, appreciating dedicated employees, further developing ideas management.



# d&b key issues. Guiding principle 12.

## Measures taken.

### This is where d&b is and will continue doing work

- Exchange with other companies (work experience), training cooperations, increased cooperation with schools and universities, ideas from experts (lectures, music productions, etc.), strategy workshops at all hierarchy levels.
- Expanding range of training, driving employee support and development, supporting volunteer work, providing workshops during working hours.
- Promoting networking, work shadowing in other departments, forming work partnerships between employees, reports on innovations on the internal "42" platform.
- Supporting creativity, appreciating dedicated employees, further developing ideas management.

### What has already been achieved

d&b already has sophisticated ideas management and CIP systems. The exchange within networks, working groups, and beyond departments is actively promoted to create space for new ideas. Employees and their development are very important to d&b. Innovation and continuous improvement can only be achieved through and with them. d&b attaches great importance to supporting employees and giving them time and space for innovation.



Continuous improvement process information board



# d&b key issues. Guiding principle 12.

## Results and developments.

### Reasons to smile

#### **Success story. Further development of continuous improvement process CIP**

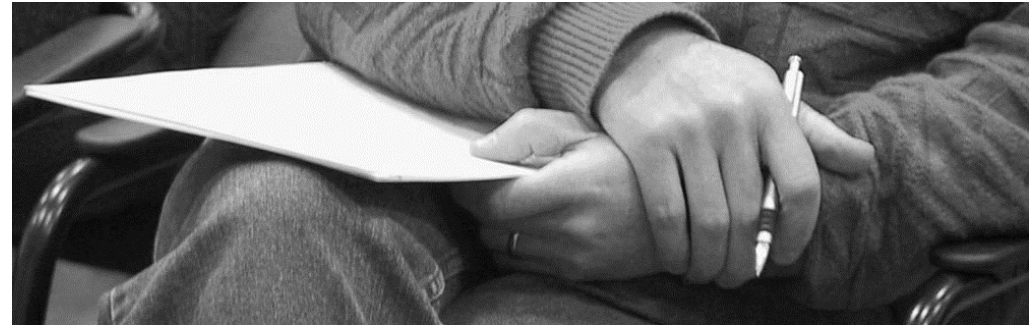
A total of 172 CIP improvement suggestions were received in 2022. Of these, 119 were implemented and €42,119 saved.

Here are a few examples:

- Amplifier accessories and link cables were previously packed in a bubble-wrap bag. This bag will no longer be used in the future, resulting in approximately 8,500 fewer bubble-wrap bags being used in 2022.
- Reduction in usage of internal advice cards for spare parts.
- Painting cabins clad with used cardboard instead of new.

#### **Everyone Development Program (EDP)**

This is made possible and supported by the ELF platform.



## d&b key issues. Guiding principle 12. Challenges and indicators.

### There are some challenges ahead here

The d&b onboarding program is constantly evolving. For example, all new employees are now provided with detailed information on the topics of the environment, sustainability, and corporate values. In addition, as part of their onboarding, every new employee also receives detailed information on how they can contribute to the CIP process or ideas management with new ideas for improvement. Further modules are to follow.

### This is how d&b measures itself. Indicators

	Area	Indicator	Key performance indicator/ Result	Performance compared to target value	Development compared to previous year
	Continuous improvement	Number of CIP proposals	172	/	+79%
		Implemented CIP proposals	119	/	+133%
		Savings through CIP	€42,119	/	+465%
		Number of suggestions for improvement received via idea management	7	/	-65%

Remark: As the quantity of ideas and CIP proposals is not always conclusive and quality is paramount here, a comparison with the base year is not made.

# d&b key issues. Guiding principle 12. Prospect.

## What still lies ahead

In particular, the area of employee development is a topic that d&b is constantly working on and advancing in order to maintain its high level and to be able to hold its own in the ever-changing market environment. Further measures are also to be taken in other areas. This is why we need to continue working on this focus area next year.

## Goals and planned activities

In the new year, d&b also intends to achieve its goals and implement appropriate measures.

- Expand 5S to other areas.
- Further expand the key user concept for software used in the company.
- Further expand mentoring/master program.
- Provide insight into other departments when hiring new staff.
- Create more extensive onboarding plans.
- Expand the ELF (Education and Learning Factory) as a software solution for an individual learning platform for employees and d&b partners.
- Expansion of the innovation management system.

## Guiding principle 12 – Incentives to think in new ways

At all corporate levels, we provide incentives to think and act in new ways, and we involve our employees and all other stakeholder groups in an ongoing process to increase entrepreneurial sustainability.

# 12

Benefits for the region

# The d&b WIN project.

## **d&b has backed this project: beekeeping tour for Lebenshilfe Backnang residents**

In September 2022, d&b enabled 12 residents of Lebenshilfe Backnang, a disabled care facility, to take a tour of the Imkerei am Turm beekeepers in Allmersbach and the adjacent NaturReich ("nature rich") site. The participants could come into direct contact with the bees as well as mold beeswax candles and sample a range of honey varieties. There was also a lively discussion about where bees in the region could find specific plants for the various honey varieties. After a subsequent party, everyone was able to take home a personally filled jar of honey and a self-made candle.

## **Type and scope of support**

d&b provides total support of €1,000 each year to the Imkerei am Turm in Allmersbach for carrying out projects with local organizations as part of the Naturschule am Turm ("nature school by the tower") education project.

With the WIN project, d&b is contributing to Sustainability in the region.



## **Other donations and support**

d&b did not want to miss out on being a sponsor of ECOrun 2022 in the Rems-Murr district. With a motto of "Running for a Good Climate," it called on schools, kindergartens, and nurseries to organize a sponsored climate run and carry out their own climate action project. A total of twelve organizations got involved and roughly 1,200 children joined in the run. In this context, d&b was able to support the Lerchenstrasse kindergarten in Winterbach with €875 for its sustainability-themed event.

## **Über:Morgen – Backnang Water Tower**

In fall 2022, d&b became involved in an extraordinary project called Backnang Water Tower for the new Über:Morgen ("day after tomorrow") art festival in the culture-rich Stuttgart region. In view of climate change and technological transformation, the identity of the region and values were questioned. The Backnang Water Tower project by stage designer Bertil Mark made a show of the tower using light and sound, with d&b helping the artist with the latter.

In July 2022, d&b was able to help the Bandhaus Theater in Backnang with funding and material for the Gänsekrieg ("Goose War") open-air spectacle. And, in August, d&b took the opportunity to run a stand at the Sustainability Festival in Berlin.



# Nonfinancial statement.

## Test processes.

In addition to the description above, d&b provides the following nonfinancial information in accordance with Corporate Social Responsibility Directive EU 2014/95/EU.

### Business model

The d&b business model is described at the start of this report.

### Concepts and results

The d&b sustainability concepts, activities, and the results and developments in this regard are described in detail in guiding principle 4 (Key Issues) and guiding principle 5 of this report.

### Test processes

d&b has established the following processes to check sustainability aspects in relation to d&b business operations and keep an eye on the implementation of sustainability activities.

#### Existing test processes

Topics	Test processes
Human rights	<p>d&amp;b is committed to the fundamental values of society and does everything necessary to act in accordance with the law and ethical values at all times. This is why d&amp;b has put together a Code of Conduct. It defines the general standards for the actions and conduct of the company and its employees in business, legal, and ethical terms and provides the basis for dealings with colleagues, customers, business partners, and other stakeholder groups of the company.</p> <p>The Code of Conduct is aimed at all employees, including management. It is expected that each and every one of us consistently adheres to this Code of Conduct and any other internal guidelines that apply to the respective area of responsibility.</p> <p>d&amp;b defines <b>“Responsible action and legal compliance,”</b> which includes human rights, as follows: the fundamental principle of acting in an economically responsible manner is essential. Accordingly, d&amp;b makes all decisions in accordance with the internationally recognized standards of responsible corporate governance and all applicable mandatory legal rules and regulations.</p> <p>Furthermore, d&amp;b is clearly <b>against discrimination and harassment working on a day-to-day basis:</b> all employees, customers, suppliers, and partners have the right to fair, respectful, polite, and appropriate treatment. d&amp;b treats all people equally, regardless of age, skin color, sexual identity, cultural or ethnic origin, disability, religious affiliation, or worldview. d&amp;b promotes equal opportunities in the workplace and prevents unfounded unequal treatment.</p> <p>Incidents and suspected cases can be reported at any time via the line manager.</p>



# Nonfinancial statement.

## Test processes.

### Existing test processes

Topics	Test processes
<b>Social and labor rights</b>	<p>Here, the d&amp;b Code of Conduct has also established binding rules:</p> <p>The <b>health and safety of all employees</b> has the highest priority. Therefore, it is essential for d&amp;b to ensure that workspaces are safe and good working conditions prevail throughout the company. d&amp;b adheres to all applicable employee protection regulations. In addition, d&amp;b supports and promotes employee health with activities and offers for health protection.</p> <p>In addition, the rules established on the subject of <b>“freedom from discrimination and harassment”</b> also apply: all employees, customers, suppliers, and partners have the right to fair, respectful, polite, and appropriate treatment. d&amp;b treats all people equally, regardless of age, skin color, sexual identity, cultural or ethnic origin, disability, religious affiliation, or worldview. d&amp;b promotes equal opportunities in the workplace and prevents unfounded unequal treatment.</p> <p>Reviewing compliance with these regulations is an integral part of the annual employee appraisal. Here, a firm and trusting framework is created to offer employees the opportunity to talk about incidents or suspected cases.</p> <p>Occupational safety is ensured by the internal safety officer and is monitored and documented by an external occupational health and safety specialist. In addition, every employee is required to regularly familiarize themselves with the existing laws and to watch out for and report any safety risks. Accidents at work are recorded in the annual accident report, from which suitable measures are derived. Information on the implementation of health and occupational safety measures is also provided in an annual report.</p>
<b>Environmental issues</b>	<p>Responsibility toward the nature and with regard to the presentation on the market, d&amp;b audiotechnik has sustainably anchored the topic</p>

### Existing test processes

Topics	Test processes
<b>Environmental issues et seq.</b>	<p>of ecology in the company. <b>Sustainability and environmental protection</b> are central d&amp;b bobjectives. That’s why d&amp;b always takes into account the consequences for the environment and ensures that natural resources are used as sparingly as possible.</p> <p>The d&amp;b environmental management system has been validated according to EMAS and ISO 14001 since 2013. Thanks to the organizational structures of EMAS, all prerequisites have been created in order to implement the topic of the environment in a sustainable manner.</p> <p>More information, including about the d&amp;b environmental policy, the evaluation of the environmental aspects, and the environmental indicators, can be found in the Environmental Statement, which is available on the d&amp;b website.</p>
<b>Sustainable and fair finance, anti-corruption</b>	<p>d&amp;b has also defined standardized requirements to be observed by all employees in its Code of Conduct:</p> <p><b>Fair competition:</b> d&amp;b is committed to fair competition and respects all competition regulations and principles of conduct relating to the protection of competition. d&amp;b does not tolerate any anti-competitive behavior such as cartel agreements, corruption, bribery, or abuse of one’s own market position.</p> <p><b>Prevention of money laundering:</b> d&amp;b is aware of its obligations under applicable anti-money-laundering laws. d&amp;b assists in their enforcement by carefully selecting contractual partners and only using permissible forms of payment.</p> <p><b>Accounting and documentation:</b> d&amp;b aims to ensure that all account books, records, accounts, and other documents required for accounting and other documentation purposes, meet the most stringent standards of accuracy and reliability. d&amp;b maintains a documentation that monitors all financially relevant processes and thus enables financial statements in accordance with applicable law and the relevant general principles of proper accounting.</p>

# Nonfinancial statement.

## Test processes.

### Existing test processes

Topics	Test processes
<b>Sustainable and fair finance, anti-corruption et seq.</b>	<p><b>Handling of property and financial resources:</b> d&amp;b uses its own property and the financial resources appropriately and sparingly. d&amp;b therefore takes care to ensure that inappropriate or improper use is avoided and that the resources are available to each employee to the best possible extent at all times. Thanks to the efficient handling of financial resources, it is ensured that the company continues to be economically well positioned in the future.</p> <p><b>Gifts and donations:</b> d&amp;b strives to ensure transparency when dealing with customers, suppliers, partners, and authorities. Business decisions and contracts may only be made on the basis of reasonable, performance- and quality-related criteria. Accepting and offering gifts or other donations that are likely to influence business relationships or decisions is not permitted.</p> <p>Reviewing compliance with these regulations is an integral part of the annual employee appraisal. Here, a firm and trusting framework is created to offer employees the opportunity to talk about incidents or suspected cases.</p> <p>In addition, d&amp;b has defined criteria and specifications for procurement in order to make them as sustainably as possible.</p>

# Nonfinancial statement.

## Risks and how to handle them.

### Risks and how to handle them

The company's business activities are associated with opportunities and risks. For early detection, assessment, and to correctly handle business risks, a forward-looking risk management system is used is constantly being developed further. The goal is to analyze possible factors influencing risks in advance, to identify changed risk situations, and counteract developments. At the same time, potential opportunities should be identified and exploited.

### Reflection on possible risks and how to handle them

Topics	Privatization
<b>Human rights</b>	d&b is aware of the risks that exist in the supply chain of the purchased products. This especially includes the mining and use of rare earths and other finite raw materials. In a scope of action that is possible for a medium-sized company, d&b tries to minimize these risks as far as possible and to influence its direct suppliers. For example, this includes the definition of environmental guidelines for procurement. However, d&b attaches particular importance to starting where its impact is greatest: product design. This means that d&b tries to substitute the raw materials used or to use recycled material. This also includes achieving the greatest possible level of dismantability during product development in order to ensure the recycling of the materials used and guarantee a long product life. In addition, d&b works with universities on an ongoing basis to develop substitution options for critical substances in the long run.
<b>Social and labor rights</b>	Risks with regard to social and labor rights arise primarily d&b's upstream supply chain. Explanations relating to the topic of "human rights" are therefore equally applicable to the topic of "social and labor rights."
<b>Environmental issues</b>	Environmental risks are regularly identified and assessed as part of the d&b environmental management system and then measures are developed to manage them. The main risks in this area include the possibility of the site being flooded by the Weissach river. To avoid environmental damage, d&b has installed various protective devices here. Another risk in this area is a shortage of resources, in particular

# Nonfinancial statement. Risks and how to handle them.

# Contact information

## Reflection on possible risks and how to handle them

Topics	Privatization
<b>Environmental issues et seq.</b>	rare earths. d&b addresses these risks with far-reaching framework agreements with its suppliers and the use of specialist expertise by the specialist purchasing department.
<b>Sustainable and fair finance, anti-corruption</b>	d&b is internationally active and is in touch with various countries and cultures in business terms. d&b is aware of the potential risks associated with this. To address these risks, the d&b Code of Conduct features clear rules and guidelines on fair competition, preventing money laundering, and how to handle gifts and donations. These rules are an integral part of d&b's actions.

## Nonfinancial performance indicators

Our nonfinancial performance indicators are comprehensively described in the sections "d&b Key Issues" and "Other Activities" of this report.

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## Legal Notice

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