

WIN-Charta Target Concept. 2018.





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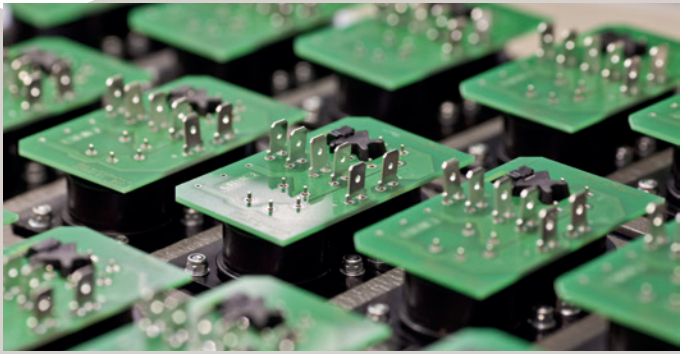
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Company profile

d&b audiotechnik GmbH is one of the leading global companies in the field of professional electroacoustics. For over thirty-five years d&b has developed and produced sound reinforcement systems for high-quality music and speech reproduction at its locations in the Swabian region of Baden-Württemberg. 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. 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 fixed scenarios for events, such as live concerts, musicals, festivals, and trade fairs. 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.

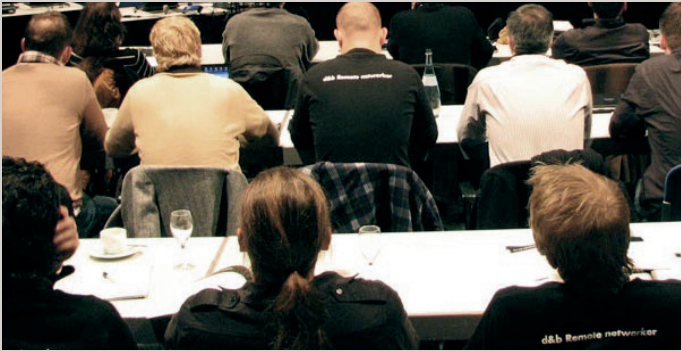


The d&b Mission

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

The d&b Vision

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



The WIN-Charta.



WIN-Charta

**The WIN-Charta
Commitment to sustainability and the region**

By signing the WIN-Charta, d&b commits itself to its economic, ecological, and social responsibility. The WIN-Charta also represents for d&b an identification with the region in which the company develops and produces products with a global demand.

**Dedicated companies in
Baden-Württemberg**

Please go to www.win-bw.com for more detailed information on the WIN-Charta and other companies who have signed the WIN-Charta.



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

Human and labor rights

Principle 1 – Human and labor rights: “We respect and protect human and labor rights, ensure and promote equal opportunities and prevent any form of discrimination and exploitation in all our business processes.”

1

Human and labor rights

Principle 2 – Employee well-being: “We respect, protect and promote the well-being and interests of our employees.”

2

Human and labor rights

Principle 3 – Stakeholders: “We consider and respect all stakeholder groups and their interests.”

3

Environmental issues

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

4

Environmental issues

Principle 5 – Energy and emissions: “We use renewable energies, increase energy efficiency and reduce greenhouse gas emissions in a target-oriented way or compensate for climate change.”

5

Environmental issues

Principle 6 – Product responsibility: “We take responsibility for our services and products by examining the value creation process and the product cycle for their sustainability and creating transparency in this regard.”

6

Economic added value

Principle 7 – Business success and jobs: “We ensure long-term business success and provide jobs in the region.”

7

Economic added value

Principle 8 – Sustainable innovation “We promote innovations for products and services that increase sustainability and underline the innovative potential of the Baden-Württemberg economy.”

8

Sustainable, fair finance, anti-corruption

Principle 9 – Financial decisions: “We act in the spirit of sustainability, above all in the context of financial decisions.”

9

Sustainable, fair finance, anti-corruption

Principle 10 – Anti-corruption: “We prevent corruption, reveal it and sanction it.”

10

Regional added value

Principle 11 – Regional added value “We generate added value for the region in which we operate.”

11

Regional added value

Principle 12 – Incentives to rethink: “At all levels of the company, we encourage incentives to rethink and act.”

12

The 12 principles of the WIN-Charta
The 12 principles listed here explain our understanding of sustainability.




The d&b key issues.

Future key issues of d&b sustainability work
Next year, d&b will focus its attention on the following principles in the WIN-Charta:

Principle 7 –
Business success and jobs

Principle 8 –
Sustainable innovation

Principle 12 –
Incentives to rethink

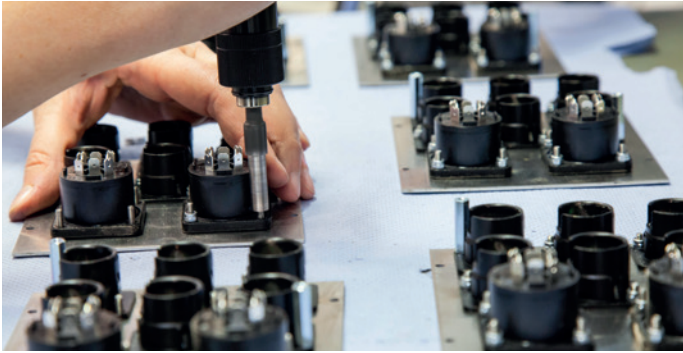


Why these key issues are so important to d&b

d&b is aware of its responsibility as a company. This was the fundamental idea at d&b from the very beginning: To create a whole where all the parts fit together to produce high-fidelity sound using a minimum of resources. This applies both to the production of optimized sound reinforcement systems and to the creation of a healthy, pleasant work environment for co-workers. The aim is that all company employees should pull together and act sustainably with full awareness. 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 co-workers are involved in projects and campaigns that they really care about. In fact, d&b promotes innovation and creativity, and encourages co-workers to think out of the box. The aim of d&b here is to secure long-term business success and strike a balance between the spheres of economy, ecology, and social responsibility.

By signing the WIN-Charta, d&b intends to create added value in all facets of the company. The focus of this year's sustainability work is on the spheres of "economy" and "social responsibility". This is why we deliberately selected the key issues of "Business success and jobs", "Sustainable innovation", and "Incentives to rethink".



Aim of d&b key issues.

Economic added value

Principle 7 – Business success and jobs: “We ensure long-term business success and provide jobs in the region.”

7

Where does d&b stand?

For thirty-five years d&b has developed and produced sound reinforcement systems for professional use at its locations in the Swabian region of Baden-Württemberg. Today d&b has a global network of subsidiaries and sales partners. Entrepreneurial vision is part and parcel of the d&b environment. A long-term plan based on sustainability is the best footing to ensure business success. Through its open and innovative corporate culture, d&b supports its co-workers in opening up new markets, market segments, and application fields.

d&b products are “Made by d&b”, whether they are loudspeakers, electronics, hardware accessories, or software, or whether it is in research and development, building prototypes, conducting trials, or ultimately in serial production.

The company conducts continuous research in modern production technologies and invests in enhancing process flows. Its committed and well-trained co-workers receive regular training in the latest production techniques.



Aim of d&b key issues.

d&b can look back on a steady rise in the number of co-workers and on the gradual expansion of its product portfolio and production lines. Since d&b moved to its present location in Backnang, the company site has grown from 900 to 24,000 square meters. Due to its strong ties with the region, d&b has continuously invested in its headquarters, conducting many modernizations and conversions to its buildings. d&b is an attractive employer in the region. And this is ultimately reflected in the low turnover of co-workers. In fact, the company pursues a sustainable HR policy, despite the company's rapid growth.

How d&b intends to introduce changes
The corporate success of d&b audiotechnik GmbH is the result of many different factors. The conditions which d&b can actively influence are now the focus of the company's efforts. Below are some of the themes which are the present center of attention (Aim and planned activities):

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

- How d&b measures its progress**
- Revenue growth:**
- Improved growth rate in revenue (EBITDA) in percent
- Expanding the sales network:**
- Number of distributing countries
 - Number of sales partners
- Raising customer satisfaction:**
- Reducing the complaints rate in percent
 - Shortening the throughput time of service queries
- Strengthening the company location:**
- Number of new jobs created in the region
 - Number of new jobs created globally
 - Readiness to innovate: percentage rise in research and development expenditure
- Others:**
- Increase in the number of subsidiaries and affiliated companies

Principle 7 – Business success and jobs:
“We ensure long-term business success and provide jobs in the region.”

Economic added value
Principle 7

Economic added value

Principle 8 – Sustainable innovation:
“We promote innovations for products and services that increase sustainability and underline the innovative potential of the Baden-Württemberg economy.”

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Where does d&b stand?

d&b is expanding its corporate position as an active member in official bodies and alliances. The aim in every case is to act in tune with the times, and even to set new standards, if necessary. d&b encourages managers and co-workers to participate proactively in cross-corporate association work and networking, whether at trade fairs, on working groups, or technology networks. d&b provides financial and personnel support to schools and universities in various educational cooperations and projects. The company gives regular support to undergraduates to prepare their bachelor or master dissertations.

d&b faces its challenges with open eyes and open ears. This forms the basis for the sustained success provided to all those involved, ranging from users through to listeners. Every d&b product is developed with a clear objective from the very start. A d&b system is not just a loudspeaker. It actually comprises a wide selection of d&b system components, such as loudspeakers, mechanical accessories, amplifiers, as well as software for sound prediction and centralized remote control. Ultimately, it is a precisely networked sound reinforcement system that represents more than just the sum of its parts.

This has been the d&b approach right from the outset - where all elements produce a systematic unit and each element is strictly specified, precisely aligned, and carefully integrated. The end product is an optimized system that reproduces neutral sound characteristics.

All d&b loudspeakers share similar sound characteristics, ensuring that when combined, the performance between different loudspeaker series is indistinguishable.



Aim of d&b key issues.

d&b amplifiers contain configurations for every d&b loudspeaker to ensure optimum results. The digital signal processors of amplifiers provide comprehensive loudspeaker management, switchable filter functions, remote control interfaces and monitoring functions, and user-definable controls to fulfill the exact needs of each application. The d&b ArrayCalc simulation tool allows a complete sound solution to be planned ahead - through system design, performance prediction, and optimization.

All simulation data from ArrayCalc is then automatically assimilated by the d&b R1 Remote control software, which automatically generates an intuitive graphical user interface, offering centralized control and monitoring for the complete system. All the way up to the d&b Soundscape which opens up a totally new world of sound creativity.

From the start, d&b has received many awards and prizes for its innovative, high-quality, and attractive products. On the market, d&b audiotechnik is one of the world's most successful manufacturers of professional sound reinforcement systems. This role ultimately goes back to the proverbial Swabian innovative talent and the open corporate culture that encourages innovation.

How d&b intends to introduce changes
Innovation is always linked to a readiness to embrace new ideas and approaches. Standstill means stagnation. As a result, it is indispensable to forge a systematic vision for the future growth of d&b. In this spirit, d&b focuses on:

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

Strengthening innovations: Continuing development on the R&D Vision / R&D Roadmap (innovation process) over a period of 5 to 10 years, constant development of product pipeline, implementing a market intelligence strategy, creating incentive systems for ideas and patents

Improving the environmental compatibility of products and production processes:
Making products more ecological, 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

How d&b measures its progress
Strengthening dialog with academe, industry, and politics:

- Publications by d&b co-workers
- Attendance at technical events

Promoting innovations:

- Increasing the percentage of the R&D budget relative to total expenditure
- Growing number of patented technology developments
- Growing number of named inventors

Principle 8 – Sustainable innovation:
“We promote innovations for products and services that increase sustainability and underline the innovative potential of the Baden-Württemberg economy.”

Economic added value
Principle 8

Regional added value

Principle 12 – Incentives to rethink:
“At all levels of the company, we encourage incentives to rethink and act, and involve our employees as well as all other stakeholders in a constant process to increase corporate sustainability.”

12

Where does d&b stand?

d&b already has a sophisticated CIP system and has set up a special learning factory for it. This boosts the number of innovations from co-workers and insures a continuous improvement process. Other elements include rounds of lessons learned and an active co-worker suggestion system.

In addition, there are initiatives for new approaches resulting from continuous exchanges in networks and working groups, both at local and at international level.

It goes without saying that d&b supports co-workers in their careers and promotes their qualification by identifying their talents and potential. This is naturally in the company’s interest. This includes regular feedback interviews with joint agreements on targets. Similarly, qualified training courses, further training programs and training offers based on the individual aims of co-workers.



Aim of d&b key issues.

How d&b intends to introduce changes

Treading new paths and thinking out of the box with the following aims and measures:

- **Insights in other industrial sectors (disruption):** 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.
- **Co-worker training:** Developing support models for further training, expanding further training offers, co-worker promotion and co-worker training (further training), supporting honorary ports, providing work time for workshops.
- **Improving/strengthening communication between departments:** Promoting networking, work shadowing in other departments, forming work partnerships between co-workers, writing motivational reports on innovations on the internal “42” platform.
- **Developing innovative business models:** Setting up playgrounds for lateral thinkers, showing appreciation for committed co-workers, expanding ideas management, expanding CIP (rolled out in more departments).

How d&b measures its progress

Continuous improvement:

- Increased number of CIPs
- Increased number of CIPs rolled out
- Greater savings due to CIP
- Increased number of improvement suggestions received

Principle 12 – Incentives to rethink:

“At all levels of the company, we encourage incentives to rethink and act, and involve our employees as well as all other stakeholders in a constant process to increase corporate sustainability.”





Human rights and labor rights

Principle 1 – Human and labor rights

Principle 2 – Employee well-being

Principle 3 – Stakeholders

- Principle 1 – Human and labor rights**
Aims and planned activities:
- Promoting diversity among co-workers
 - Insuring the involvement of co-workers (town-hall meetings, strategic journeys, etc.)
 - Promoting think patterns in corporate contexts
- Principle 2 – Employee well-being**
Aims and planned activities:
- Participatory notes (shares)
 - Variable performance-based salary component
 - Organizing campaigns to promote company health (corporate run, lectures, etc.)
 - Flexible work-time models
 - Bike-lease offer
 - Manager training
 - Offer of free mineral water
 - Wages paid on sick leave for up to 6 months
- Principle 3 – Stakeholders**
Aims and planned activities:
- Almost free training of customers and users all over the world (seminars and trainings)

Environmental issues

Principle 4 – Resources

Principle 5 – Energy and emissions

Principle 6 – Product responsibility



- Principle 4 – Resources**
Aims and planned activities:
- Evolving key performance indicators for EMAS/environment
 - Decision parameters for environment-related issues
 - Research on alternative materials
 - Short routes for service
- Principle 5 – Energy and emissions**
Aims and planned activities:
- Key performance indicators for EMAS/environmental management/CIP
 - Green electricity (where possible)
 - Increased use of videoconferences
- Principle 6 – Product responsibility**
Aims and planned activities:
- Further increasing product life
 - Long warranty
 - Enhanced product carbon footprint
 - Integrating environmental requirements in R&D performance specifications
 - Setting up safety and environment protection officers within the entire group
 - Life cycle assessment by EMAS

Sustainable, fair finance,
anti-corruption

Principle 9 –
Financial decisions

Principle 10 –
Anti-corruption



Principle 9 – Financial decisions

Aims and planned activities:

- Energy assessment for reconstruction projects (environmental projects, e.g. installation of cogeneration units)
- Long-term plans, e.g. EMAS / WIN-Charta – budget approval without immediate benefits

Principle 10 – Anti-corruption

Aims and planned activities:

- Producing a code of conduct
- d&b deprecates corrupt practices. Suspected cases are examined and prosecuted.

Regional added value

Principle 11 –
Regional added value



Principle 11 – Regional added value

Aims and planned activities:

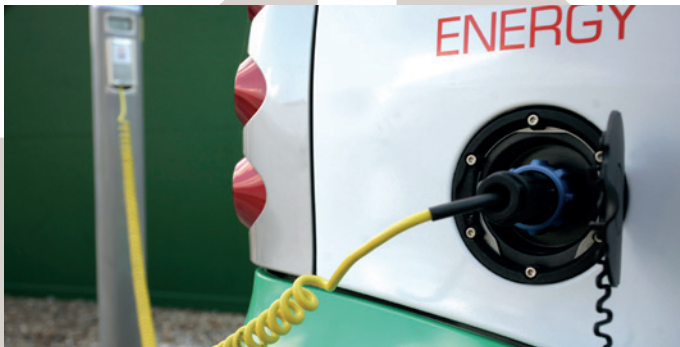
- Training posts offered in the region
- Further expansion of donations and local support
- Parts purchased from regional suppliers
- Further development of training partnerships
- Further expansion of location

WIN project

d&b intends to back this project: Expansion of municipal electric charging infrastructure with 15 charging stations for electric cars
The Stuttgart region is one of the world’s leading industry locations.

However, the downturn here is an above-average traffic density which clocks up an annual mileage of 15.3 billion car kilometers and results in a corresponding high level of pollution. The region around Backnang also suffers from high levels of nitrogen oxide. Unfortunately, the permitted limits are regularly exceeded many times over in Eugen-Adolff-Strasse near to the d&b headquarters. Of course, d&b also contributes to air pollution here – d&b co-workers and delivery traffic also use this street every day. This is why d&b decided to make an active contribution to alleviate the situation.

By installing 15 charging stations on the d&b site, d&b wants to contribute toward reducing the amount of harmful nitrogen oxides in Backnang air. The stations will be embedded in the existing municipal infrastructure. As such, they are available to all company co-workers besides vehicles belonging to the d&b car pool. In Phase 1 of the project, the charging stations will be powered from the public grid using 100% renewable energies (RE). This will increase demand for RE electricity and promote the offer of regional electricity based on renewable energies. In the medium and long term the company will supply the required power from its own photovoltaic system installed on the company site.



At the same time d&b also intends to set a trailblazing example for other companies. For this reason, the project is integrated in the “NoNOxCity/Green City Backnang” research project subsidized by the federal government. The aim of this project, which results from a cooperation with the University of Aalen, is to strive toward pollutant-free, electric-only industrial transport using locally produced regenerative electricity. The focus here is on integrating vehicles in the power grid, combined with expanding renewable energies for the transport sector at municipal level. The integration of the d&b project helps to implement a scalable best-practice example. The end of the research project is planned to produce a business model architecture for a Cloud-based data memory and communication platform to integrate electric-only industrial transport with RE electricity generated in Backnang for Backnang.

Expenditure details for “15 electric charging stations” project

At present it is difficult to estimate the costs and resources that will be ultimately tied up in this project, especially when it comes to the amount of time and labor which d&b will have to invest. At the same time there are prospects of government subsidies. However, at present it is impossible to predict their amount or whether they will be approved at all.

On the other hand, we calculate the wage (external) and materials estimates for **Phase 1** as follows:

Purchase of infrastructure	approx. €3,000.-
Installation	approx. €4,000.-
Charging stations	approx. €7,000.-
Accesses (integration)	approx. €3,000.-

Expenditure for **Phase 2** (photovoltaic systems) cannot be scheduled or estimated at present.



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