



People and Diversity Policy

(Adopted as of 05.07.2023 by the Board of Directors)



Reg. number: 41257911

Table of Contents

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People and Diversity Policy

Introduction	3
Scope of Policy	4
Diversity, Equity, and Inclusion	4
Our focus areas are:	5
Human Rights	6
Discrimination or harassment	6
Freedom of association and working conditions	6
Policy Review	7
Policy Owner	7



Introduction

Bang & Olufsen has been an iconic figure in the consumer electronics industry and leading the way in craftsmanship, sound, and design since 1925. Our close to 1,100 employees work globally with the ambition to change how we all hear, see, and feel the world. We want to secure a sustainable business growth by continuously developing our innovative and passionate work environment.

The core values of our organisation: Be Entrepreneurial, Show Love, and Create Magic guides the people in Bang & Olufsen regarding how we reach for our strategic ambitions.

The values support our belief that diversity, equity, and inclusion can create a work environment, where passionate employees can learn, interact, and grow. Bang & Olufsen believes in empowerment and accountability with a low hierarchy. Equity and diversity are the basis of true innovation and a key enabler of success. At Bang & Olufsen, we embrace and leverage diversity through a compassionate culture of inclusion. We believe that it is everyone's whole self, the authenticity of the individual that brings value to the company and fosters passion and engagement. We believe that respecting human rights and securing dignity for all is important.





Scope of Policy

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

Diversity, Equity, and Inclusion

We believe that diverse perspectives brought forward in an equitable setting in all our teams will help ensure innovative solutions and solidity in complex decision making, addressing the challenges of a growing global organisation.

Therefore, our fundamental beliefs are that:

- Attracting and retaining highly skilled people with deep functional expertise will create the best results for our large number of stakeholders. We will only succeed if we select from the widest talent pool possible.
- A global mindset and international experience can help ensure that our organisation have the capacity to act and adjust with agility to develop our brand and products globally.
- An inclusive culture that enables an equitable work environment where everyone can thrive and do their best is our best enabler.





Our focus areas are:

Gender

At Bang & Olufsen we believe that diversity is any dimension that differentiates people, and we fully believe that diversity enables a diverse line of thought. Gender is one of the diversity dimensions to which we are committed, and we set target to pursue a more balanced share of gender diversity in our senior leadership roles. Our target is to reach 25% women in senior leadership* by the end of 2025 and a minimum of 40% over time.

We will continue enhancing our focus on diverse candidate pools in all recruitment, as well as in ensuring a diverse pipeline of talents for leadership positions.

Age composition

We want a balanced age distribution across the company, securing development opportunities for both newly graduates and experienced professionals. This means considering the stages of life of the individual, offering flexible opportunities for employees at different times. This way we can ensure knowledge sharing and collaboration across the organisation.

Cultural background

We want an environment of innovators. We believe that bringing together different nationalities can increase our commercial creativity and support our global strategy. To attract qualified non-HQ nationalities, we will provide good mobility packages, cross-functional career opportunities and ensure internal career mobility.

Multifunctional competencies

We want to attract and retain highly skilled people with deep functional knowledge and with different capabilities to be able to create the innovative solutions that meet the future needs of our customers. In a tight job market, we must be open to people with non-traditional credentials who have the abilities and the skillsets, such as hiring bachelors instead of masters or people who can code but do not hold a relevant degree.

* Leaders reporting to the Executive Management Board



Human Rights

Human rights refer to basic standards of treatment to which all people are entitled to, such as the right not to be discriminated, the right not to be subjected to forced labour, the right to a safe and healthy working environment and the right to water and sanitation among many others. Where national law and international human rights standards differ, Bang & Olufsen will follow the higher standard. Where they are in conflict, Bang & Olufsen will seek to respect internationally recognized human rights to the greatest extent possible.

We expect all employees of Bang & Olufsen to act with integrity and to be respectful of others, no matter whether it is a colleague, a manager or a business partner.

We welcome employees of many different cultures, beliefs and backgrounds because we believe that innovation and great results are driven by a diverse workforce that reflects the global environment in which we operate.

At Bang & Olufsen we respect our employees' right to express themselves freely and encourage an open dialogue and constructive feedback between managers and employees.

Discrimination or harassment

At Bang & Olufsen we respect cultural differences and wishes to treat each employee with dignity. We do not tolerate discrimination in the workplace, and we want to ensure that employees are not subjected to unfair discrimination.

We want a safe working environment and we do not tolerate harassment of any nature not only limited to sexual, racial or religious harassment. Harassment is unwelcome acts, which makes a person feel offended, humiliated and/or intimidated.

Freedom of association and working conditions

At Bang & Olufsen we want an open and constructive dialogue regarding working conditions. We respect the employees' right to organize and acknowledge their right to collective bargaining. We expect our leaders to respect the regulations and national laws of working hours and to ensure that excessive working hours (over time) are being avoided.

Bang & Olufsen monitors that we at all times are complying with minimal wages and all legally mandated benefits as set out in collective bargaining agreements, national agreements, business specific wage directives and regulations. In any case, Bang & Olufsen acknowledges that the legal minimum wage is not always sufficient to cover an employee's basic needs and consequently pledge to provide a "living wage" as recognized as a basic human right by the International Labour Organisation (ILO).



Policy Review

This policy will be reviewed annually by the Nomination Committee

Policy Owner

Vice President, Chief Human Resources Officer





Bang & Olufsen A/S, Bang & Olufsen Allé 1, DK-7600 Struer, Tel. +45 9684 1122, www.bang-olufsen.com, Reg. number: 41257911