



# ESG Report

## 2023

Sennheiser Group





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# Sustainability at Sennheiser

80  
years of audio  
innovation.

Strategy, Business Model,  
and Value Chain

The independent, family-owned company Sennheiser was founded in 1945 and is today one of the leading companies in the field of professional audio technology. Now in its third generation of family management, the company’s operations are overseen by co-CEOs Daniel Sennheiser and Dr. Andreas Sennheiser. The Sennheiser Group is headquartered in Wennebostel, near Hanover, Germany. The Group has a total of seven development centers worldwide: five in Germany (Wennebostel, Berlin, Duisburg, Düsseldorf, Hamburg) and two in Switzerland (Zurich, Puidoux). In addition, via its 21 sales subsidiaries and 55 sales partners, the Sennheiser Group is active in over 100 countries worldwide.

Sennheiser Group generated sales of €527.2 million in 2023. Equivalent to an increase of 12.7 percent over the previous year, the Group has evidenced strong growth for the third consecutive year.

Our Brands and Sites

The Sennheiser Group’s product portfolio covers wireless microphone and monitor systems, wired microphones, conference and information technology, headphones for professional use, streaming technologies, 3D audio technologies and software, and digital audio recording systems. The Group markets its products under the brands Sennheiser, Neumann.Berlin, and Dear Reality as well as the technology brands AMBEO and Merging Technologies. The Sennheiser-brand products are distributed by the company Sennheiser electronic SE & Co. KG<sup>1</sup> (Wennebostel, Germany). Its products include microphone and monitor systems, conference and information technology, headphones for professional use, and streaming and 3D audio technologies. Neumann.Berlin-brand products are distributed by Georg Neumann GmbH (Berlin, Germany) and include microphones and monitor speakers as well as headphones for professional use. The company Dear Reality based out of Düsseldorf, Germany, distributes the Group’s 3D audio software for VR/AR applications and multichannel mixing. Merging Technologies S.A. (Puidoux, Switzerland) markets AD/DA solutions, digital audio workstations, and audio networking solutions.

<sup>1</sup>Operating until February 1, 2024 as Sennheiser electronic GmbH & Co. KG.

About This Report

As one of the leaders in audio technology and a family-run company with a 80-year history, we at Sennheiser aim to contribute to upholding the generational contract that lies at the heart of sustainability. With this first summary of our sustainability activities, we provide information on how sustainability shapes our decision-making and strategy and how it is considered as we continually strive to push boundaries in building the future of audio.

The KPIs published in this brochure relate to the 2023 fiscal year (January 1 to December 31). In addition to information about the Group’s sustainability activities in 2023, this summary contains selected information from the 2024 fiscal year as well – especially with regard to relevant organizational developments. It also presents details of the comprehensive materiality analysis conducted in 2024 in accordance with the requirements of the European Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). The editorial deadline was October 21, 2024.







190

granted patents are held by the Sennheiser Group.

The Group operates two own production locations – in Wennebostel, Germany, and Braşov, Romania. The Wennebostel location specializes in the manufacture of high-end products and concentrates on technologies for high-precision, automated processes. The plant in Braşov focuses on manual production as well as final product testing and packaging.

The Group’s seven development sites in Germany and Switzerland are tasked with carrying out cutting-edge research

that will take our overarching aim of building the future of audio forward on such topics as 3D audio, innovative wireless systems, digital signal connection, software, and trends. In 2023, the Group invested some €46 million in the research and development of new audio technologies and registered nine new patents. In total, the Sennheiser Group holds 190 granted patents.

Our Management, Supervisory, and Administrative Bodies

The operating business of the Sennheiser Group is managed by the Executive Management Board (EMB). It includes Ron Holtdijk (Executive Vice President Business Communication), Yasmine Riechers (CEO Georg Neumann GmbH), Jørgen Wengel (CFO), and Dr. Andreas Fischer (COO), who manages Research and Development in addition to Supply Chain. By interlinking all central functions with the business units, various perspectives are brought together in a strong, collaborative leadership team.

Co-CEOs Dr. Andreas and Daniel Sennheiser focus on corporate leadership, strategy development, and customer relations. Andreas Sennheiser also temporarily leads the Pro Audio Business Unit. Jacob Navne-van Vliet (Corporate Development Office) and Mareike Oer

(Brand & Corporate Communication) complete the extended management team of the Sennheiser Group. Following the dual-governance body principle, the Sennheiser Group has a Supervisory Board as well comprising four members. Its members are Andreas Dornbracht (Chairman), Prof. Dr. Jörg Sennheiser, Stefan Plenz, and Iris Epple-Righi. The Supervisory Board of Sennheiser electronic GmbH & Co. KG held four ordinary meetings in the 2023 fiscal year.

On February 1, 2024, Sennheiser electronic GmbH & Co. KG was renamed Sennheiser electronic SE & Co. KG. As a result, the existing Supervisory Board was augmented to include the new Executive Management Board. It now consists of the previous Supervisory Board members as well as co-CEOs Andreas and Daniel Sennheiser.

Material Impacts, Risks, and Opportunities of Our Business Strategy

Sennheiser Group continually strives to orient its operational decision-making and strategic vision on the risks and opportunities that are material for our business as well as relevant impacts by our company. To do so, we employ a robust, systematic process that enables us to identify, evaluate, and prioritize allrelevant factors. In 2024, we carried

out a comprehensive materiality analysis via a multistage process comprising characterization, preliminary assessment, evaluation, and validation. The analysis was conducted by an internal project team, supported by external sustainability experts and informed by interviews with external stakeholders. The assessments underwent multiple review cycles and were refined following in-depth discussions. The analysis considered both the inside-out (impacts by our company on others or “impact materiality”) and outside-in (effects on our company or “financial materiality”) perspective, achieving a so-called double materiality analysis.

Identifying and Assessing Impacts, Risks, and Opportunities

As a first step, an analysis of our operations identified all relevant stakeholders throughout the Group’s business relationships and value chain. With this as a basis, we developed a comprehensive concept to ensure targeted involvement of affected and interested stakeholders.

Following this – using the guidance provided by the European Sustainability Reporting Standards (ESRS 1, A16) – we prepared a catalogue of potential risks, opportunities, and impacts based on an analysis of both our own operations as well as different stages of our value chain.

Our assessment considered our various business activities, the regions of the respective sites, and covered the value chain from raw materials extraction through to the end of the product life. Our analysis also looked at industry-specific topics, such as local noise emissions. The resulting catalogue provided the foundation for identifying, assessing, and prioritizing Sennheiser’s actual and potential impacts on people and the environment as well as potential risks and opportunities.

From the initial value chain assessment, we performed individual topical analysis not only of subjects where our company is involved through its own activities or business relationships but also those resulting at upstream tiers of the value chain. We consulted a wide range of internal and external stakeholders to ensure all relevant knowledge and functions were considered. Our review was informed by internal subject matter expertise, contributions from external sustainability experts and stakeholder interviews, environmental data, and scientific sources, as well as information from an electronic component data and parts management software solution. This data in particular enabled us to identify supply chain risks that go beyond first-tier suppliers, especially in high-risk production countries.





Prioritizing Material Topics and Validation

To prioritize the focus of our efforts and resources, materiality was assessed for each topic and impact independently. Impact materiality was determined by evaluating both the severity of the (potential) impact and the likelihood of occurrence. The severity of negative impacts was assessed using the mean value of the parameters scale, scope, and irremediability. In the case of a potential negative human rights impact, the severity of the impact took precedence over its likelihood. Positive (potential) impacts were assessed on the basis of the mean value of scale and scope as well as the likelihood of occurrence. A materiality threshold based on the guidance of the European Financial Reporting Advisory Group (EFRAG) was then applied.

As impact materiality and financial materiality are closely related, interdependencies between the two dimensions were taken into account as well – in particular the financial risks and opportunities arising from our impacts. Additional financial risks and opportunities that were independent of specific impacts were also incorporated. We assessed the financial materiality of each sustainability topic separately based on the likelihood of

occurrence and the magnitude of the potential financial impact of identified risks and opportunities – relative to Sennheiser’s other financial risks and opportunities. The Group’s internal risk management was factored in and the assessment results were compared with existing risk management categorizations; adjustments were made where necessary.

To validate the results of the preliminary assessments, these were discussed in detail in workshops with a broader group of internal and external experts. Impacts that were close to the materiality threshold were reviewed critically and their classification adjusted as needed. It was furthermore possible to examine previously unconsidered impacts in the workshop. The workshop participants took into account the views and expectations of relevant external stakeholder groups.

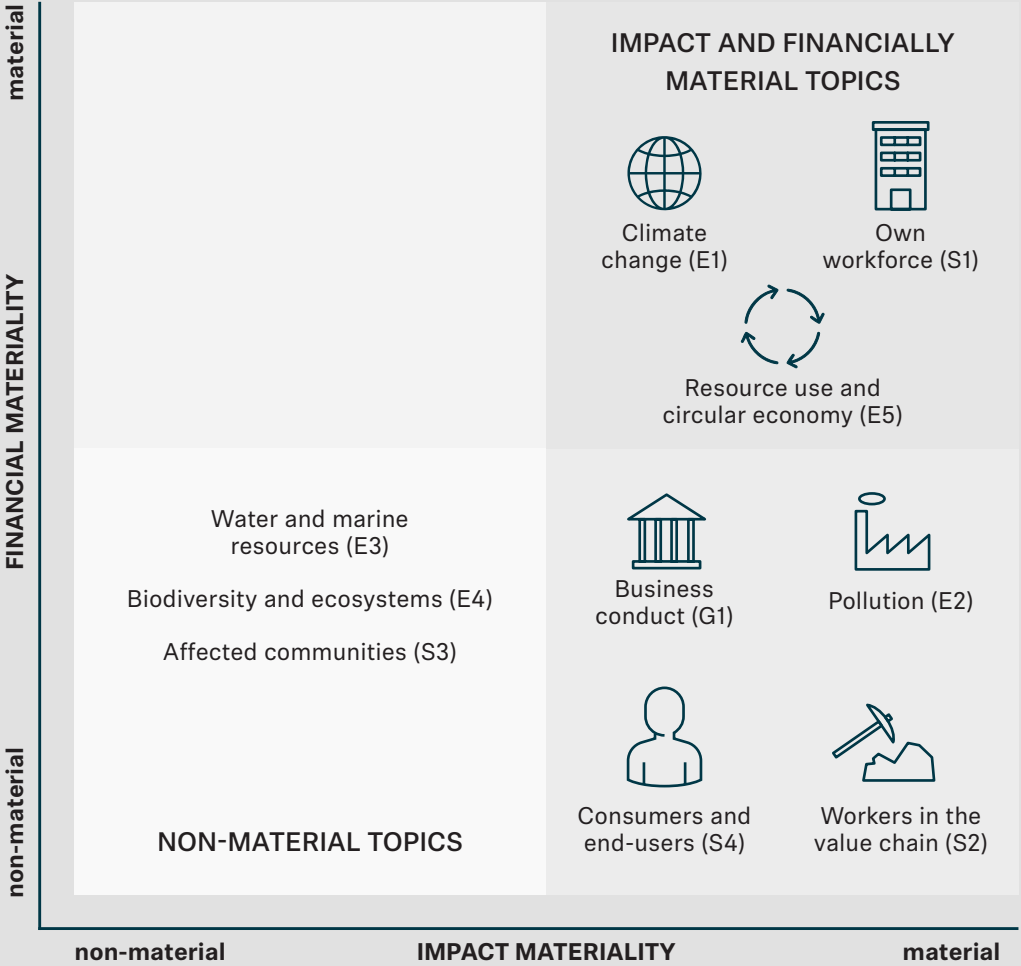
The results of the materiality analysis were subsequently presented to the Executive Management Board for final approval.

The results of our materiality analysis will be used to further develop and define our goals for sustainability-oriented action. By orienting our targets and thus deployment of resources on the results of the

materiality analysis, we can ensure that sustainability is embedded at a foundational level in our corporate strategy.

The internal project team periodically reviews the list of material topics for accuracy and completeness, making revisions as needed.

Our Material Topics and Their Alignment with the ESRS



	Topic	Sub-Topic
ESRS E1	Climate change	<ul style="list-style-type: none"><li>Climate change adaptation</li><li>Climate change mitigation</li><li>Energy</li></ul>
ESRS E2	Pollution	<ul style="list-style-type: none"><li>Pollution of air</li></ul>
ESRS E5	Resource use and circular economy	<ul style="list-style-type: none"><li>Resource inflows</li><li>Resource outflows</li><li>Waste</li></ul>
ESRS S1	Own workforce	<ul style="list-style-type: none"><li>Working conditions</li><li>Equal treatment and opportunities for all</li><li>Other work-related rights</li></ul>
ESRS S2	Workers in the value chain	<ul style="list-style-type: none"><li>Working conditions</li></ul>
ESRS S4	Consumers and end-users	<ul style="list-style-type: none"><li>Personal safety</li></ul>
ESRS G1	Business conduct	<ul style="list-style-type: none"><li>Corporate culture</li><li>Relationships with suppliers</li></ul>





# Environment





# Climate Change

We are committed to align our own activities with

1.5°C goal.

The data on climate change and people’s contribution to its development is clear. It poses distinct risks to communities and businesses around the world. Mitigating its effects and stopping its ongoing progression is a top priority for our society.

Sennheiser’s business operations generate carbon emissions and contribute to global warming in a number of areas. Our buildings’ electricity, our employees’ mobility, the energy consumed by our production facilities, and the transportation of our goods to distributors and/or end-users are among our most direct sources of emissions. Farther up the value chain, the components and raw materials we purchase generate emissions, too, during their manufacture or extraction as well as their transport.

We at Sennheiser are committed to playing our part by setting clear reduction targets for emissions, materials use, and other components of our ecological footprint. We are aware of our responsibility and are dedicated to achieving the Paris Agreement’s climate goal of limiting global warming to 1.5°C.

Sennheiser Values and Policies

We have embedded our commitment to mitigating climate change by communicating a climate-oriented value system in

the Sennheiser Code of Conduct. This value framework guides our actions on a day-to-day basis and directs us to act in ways that will reduce climate impact and continually improve environmental protection. Currently, our efforts focus primarily on expanding the use of green energy and enhancing recyclability of our products and the materials used in our manufacturing processes.

As part of our newly introduced climate protection strategy, we began work in 2022 gathering data in order to identify areas where we can achieve further improvements and implement targeted measures. In a first step, we used collated data to prepare an overview of our various emissions sources. These were then categorized into Scopes 1, 2, and 3 according to the Greenhouse Gas Protocol’s Corporate Standard. Measurable reduction targets (see below, “Targets and Metrics”) were then defined for Scopes 1 and 2 in particular, with work on Scope 3 to follow.

As a next step, we will be developing a comprehensive transition plan for climate change mitigation. It will fulfill the requirements stipulated by the European Sustainability Reporting Standards.

Efficient Energy Use

Our first priority is to take measures that enable us to avoid climate-relevant emissions wherever possible. This will be achieved through the use of renewable energies as well as through measures to reduce overall energy consumption in production. Supplying our headquarters with green electricity, for instance, not only reduces the carbon emissions we generate but also supports the energy transition and helps promote the expansion of renewable energies.

Our sites currently already make use of modern energy-saving technologies, such as thermal recovery systems in production and an ice storage heating system to automatically regulate the room temperature at our Innovation Campus. Additional projects currently underway in this area include the installation of photovoltaic systems on building roofs at our main location in Wennebostel, Germany. In 2023 we signed a contract for the supply of green cooling; this will enable us to significantly lower the ecological footprint of our production site in Wennebostel.

Reducing Business Travel and Commutes

As certain sources of emissions lie more within our direct control than others, one of the measures we have taken to create

KPIs*		
KPIs	2023	2019
Gross Scope 1 GHG emissions (ktCO <sub>2</sub> e)	1.5	3.4
Gross market-based Scope 2 GHG emissions (ktCO <sub>2</sub> e)	0.6	1.5
Gross Scope 3 GHG emissions		
3.4 & 3.9: Upstream & downstream transportation and distribution (air & sea) (ktCO <sub>2</sub> e)	8.5	–
3.6: Business travel (ktCO <sub>2</sub> e)	3.5	3.6

\*The Sennheiser Group’s emissions data covers an extract of relevant scopes and is based on a variety of data sources, predominantly detailed activity data. Where necessary, estimates, assumptions, and extrapolations were used.

immediate positive impact is to adapt our business travel guidelines and to expand offers that will lower the emissions resulting from our staff’s commutes.

By implementing clear limits on the use of air travel we have a strong lever to reduce our company’s carbon footprint. We have also introduced a range of options as well as corresponding communication aiming to motivate and facilitate more green commuting on the part of our staff. For employees at our company headquarters, a job ticket option is available for public transport and there is a company job bike offer, as well as charging stations for electric cars and e-bikes. Moreover, an e-vehicle is now used in logistics at our main production facility to further expand green mobility at Sennheiser.

Targets and Metrics

Sennheiser has set itself the goal of substantially reducing its GHG emissions by

the year 2030.<sup>2</sup> Concretely, by 2025 we aim to have reduced our Scope 1 and Scope 2 emissions by 25% (calculated per FTE/sqm). On top of this, we have set ourselves the goal of cutting air travel emissions per FTE by 30%. And we intend to complete steps to enable calculation of our Scope 3 emissions and lower these by 10%.

By the year 2030, we aim to further reduce Scope 1 and 2 emissions by 50% per FTE/sqm, as well as air travel per FTE by 40% (see above). Our current target-setting applies relative values in order that the sale of the consumer division and other recent substantial changes to company size can be taken into account appropriately.

<sup>2</sup> Over 2019 as the base year.





# Pollution



[www.sennheiser.com](http://www.sennheiser.com) >  
Product-related safety

In the production of electronics, various chemicals and materials are used, some of which – e.g. solvents, acids, and heavy metals – can be harmful to health and the environment.

For many substances which are hazardous to human safety and/or to the environment, limit values or even prohibitions

have been enacted by national and international laws. Sennheiser takes ongoing action to guarantee compliance with all regulations in respect of harmful substances that exist for our various products in the different markets. We verify our products in the different markets in our own and external laboratories.

**Sennheiser Values and Policies**

Our Environment, Health, and Safety Policy provides all our functions with overarching guidance regarding safety, hazardous substances, and waste management. This policy stipulates that optimum environmental protection must be guaranteed during every phase of production. It also includes a proactive approach to preventing and minimizing the impact of accidents on the environment.

Our processes, facilities, and equipment comply with legal requirements and environmental principles. In particular, most of our products fall within the scope of the RoHS Directive (Restriction of Hazardous Substances), which regulates the use of ten specific substances in electronics and electrical equipment (EEE). The European Regulation for the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) overlaps this regulation in certain areas, but augments by expanding scope in terms of critical substances, products/ parts, and application.

**Actions and Resources**

The REACH legislation designates various categories of substances<sup>3</sup> and stipulates handling and declaration requirements depending on the severity of the classification. The SVHC category – substances of very high concern – contains a list of substances where, if used, the manufacturing company must declare the substance, as well as provide information on safe use of the product to the end-user. Our own manufacturing processes are entirely REACH-compliant, and we work together closely with suppliers to ensure compliance with all restrictions, limit values, and declaration obligations.

The specifics of regulatory requirements change continually, however, in line with the state of technological progress as well as current research and knowledge. As the respective frameworks are quite complex and in light of the critical nature of potential impact, Sennheiser views close collaboration with suppliers and transparency to be crucial for ensuring any harm to the environment as a result of our operations, products, or manufac-

turing processes is avoided entirely as far as possible, and where necessary remedied quickly. Further information on our product-related environmental protection measures can be found on our website, for instance on batteries, disposal, and specific product markings.

Moreover, we advocate throughout our value chain for sustainable practices, efficient resource use, and minimizing negative environmental impacts, in particular harmful soil changes, water and air pollution, noise emissions, and excessive water consumption. The [Sennheiser Code of Conduct for Partners and Licensees](#) defines binding standards in respect of environmental protection and safety for all partners of Sennheiser Group. They form the basis of cooperation with all suppliers and are mandatory components of contracts with partners and licensees worldwide.

<sup>3</sup>The currently applicable list of substances can be viewed on the website of the European Chemicals Agency (ECHA) at <https://echa.europa.eu/candidate-list-table>







# Resource Use and Circular Economy

Sennheiser Group consumes resources during the manufacture of its products. We are dependent on these resources, and their availability will impact both the environment and our business success. For instance, the materials Sennheiser requires to deliver the desired premium quality are in part based on virgin rare earths. Their limited availability will likely cause prices to increase in the medium term. In addition, the use and continued development of technologies for conserving energy and water have great significance for both the company and the environment.

As a high number of different materials are necessary to create Sennheiser products, enhancing the separability of components and therefore recycling capability is a goal we are working toward. To do so, we are planning to align our new product portfolio with circular principles. As our products already evidence high repairability and great longevity (up to 60 years), we are well positioned to take the next step. Current efforts are focusing on modularity in product design.

### Sennheiser Values and Policies

Sennheiser stipulates in its Supplier Code of Conduct that all products manufactured along the value chain must meet the environmental principles of their respective market segments. This applies to the

complete product life cycle, including disposal, as well as to all materials used.

In the area of waste management, Sennheiser structures its operations according to a preventive principle. Our philosophy for all our production sites is always that preventing waste is better than recycling. Additionally, the Sennheiser Waste Management Process defines how waste generated at Sennheiser electronic SE & Co. KG is to be handled. Its stipulations are specifically designed to ensure compliance with the German Circular Economy Act (Kreislaufwirtschaftsgesetz, KrWG), the German Commercial Waste Ordinance (Gewerbeabfallverordnung, GewAbfV), and the relevant regional waste statutes for the Hanover area. The overarching aim here is to conserve natural resources and ensure the environmentally friendly disposal of waste.

### End-of-Life Disposal

Where waste cannot be prevented at the outset, recovery, reuse, and recycling are essential to a sustainable future. A high recycling rate can only be guaranteed by carefully sorting waste, especially at the point of origin. Sennheiser undertakes to provide all necessary information required for the recovery or recycling of our products. This information is made available to all Sennheiser subsidiaries around the globe to make sure that the

products can be correctly registered in each country according to applicable local disposal regulations. Recycling or treatment facilities and reuse centers are encouraged to contact us at a designated address, should they require more information on disassembly.

With both existing and new products, Sennheiser furthermore strives to continually improve their waste profile. For instance, in our packaging design, foam elements are increasingly restricted and paper packaging is to be used wherever possible to reduce single-use plastic.

### Extending the Useful Life of Products

One key pathway for reducing materials consumption is to consider product repairability as early as the design stage. By thinking of products as modular, we have made it easier to exchange components and repair products. If only a single component rather than the whole product can be replaced, significantly fewer resources are used and less waste is generated.

Sennheiser is also proud to provide a worldwide technical service for our products – the Sennheiser Global Repair Service. Our technicians are able to extensively diagnose, repair, maintain, and adapt Sennheiser products. Together with the Georg Neumann Service in Berlin, we cover Neumann products worldwide, too.

Additionally, our development units benefit from close exchange with our central technical service department. Thanks to bidirectional feedback and communication, we can fine-tune service concepts and pursue constructive product visioning.

Georg Neumann, as well, considers its unique product and service promise a key part of the company’s philosophy. Neumann products are designed for longevity – even getting handed down from one generation to the next – and thus so is its service offer. Maintenance and repair services are provided to all Neumann products no matter the purchase date. Where possible, original spare parts are used in repairs, thus maintaining product quality. As of 2023, the Neumann technical service also takes products back free of charge. Depending on the product in question, the company uses returns to extract original spare parts or refurbish and resell.







# Social





# Own Workforce

We aim to hire and retain the best-qualified and most passionate employees and to provide for them a work environment where each person can develop and grow their unique talents within the Sennheiser Group.

We understand that our own workforce is a key stakeholder and is essential to our success. As a global company operating in a global environment, we depend on diversity. Our Sennheiser “family” is as international as our customers are. By treating each other with a spirit of openness and respect, we create a community in which everyone feels valued and welcomed. Our passion for bringing people together through the power of sound and music unites us.

### Sennheiser Values and Policies

Our company culture is what sets us apart, lifts us up, and inspires us to always aim higher. It defines how we relate to our colleagues and to our customers, and it drives our success. We are committed to fostering a diverse, inclusive, and safe workplace for our employees.

Our Sennheiser Code of Conduct and the Sennheiser Culture Principles are the foundation of everything we do at the Sennheiser Group. They are published on the Group intranet platform, Backstage,

and thus available to all staff. Everyone at Sennheiser serves as both a role model and guardian of our principles.

**Sennheiser’s Seven Culture Principles**

- Everything starts and ends with our customers.
- Attitude is our most important asset.
- We take risks and learn from both our successes and our failures.
- We are all owners of our success.
- We foster an inclusive environment of trust, openness, and collaboration.
- We perform to our full potential based on our common goals.
- We are determined, empathetic, and committed to fostering and exemplifying our culture.

By promising to uphold the Code of Conduct, our workforce – staff and executives alike – commit to treating each other, as well as all partners we work with, with courtesy, respect, professionalism, and fairness at all times. More specifically, the Code of Conduct defines clear requirements regarding protecting human rights and labor standards, among others the freedom of choice of employment, the ostracism of child labor, protection of

equal opportunities and ban of discrimination, the freedom of association and right to collective bargaining, fairness in pay, working hours, and social benefits, and health and safety at the workplace.

At an operational level, the Sennheiser Group’s Global HR Framework defines the structures behind our cooperation, communication, and people management. It applies to all units in the Group and is the framework to which all local policies must be aligned. It serves as the umbrella for and is designed to go hand in hand with all global HR guidelines and local HR policies. Policies at local level address supplemental topics relevant at the respective subsidiary.

**Main Pillars of the Global HR Framework**

- Ensure transparent, comparable, and consistent people management
- Lay a foundation for smooth cooperation between subsidiaries and divisions
- Encourage performance and leadership founded on our Culture Principles
- Ensure compliance with legal requirements

The Global HR Framework governs all areas of employment in the Group, including recruitment, selection, hiring, training, transfer, promotion, termination, compensation, and benefits. Equal employment opportunity for all Group employees is based on qualifications, merit, ability, and performance. The policy is administered in accordance with local law and legislation requirements and prohibits any form of discrimination.

Sennheiser has additionally published a Declaration of Principles on our human rights strategy. This declaration defines our standards. It is available publicly on our website and is communicated to all employees and business partners. For more information on expectations of partners, see the “Workers in the Value Chain” chapter.

### Cultivating a Culture of Respect and Diversity

Sennheiser Group is deeply committed to fostering an inclusive and diverse workplace where every individual is valued and respected. We believe in equality for all, regardless of national or ethnic origin, social background, health status, disability, sexual orientation, age, gender, political opinion, religion, or worldview. By actively embracing and promoting diversity, we create a positive environment

that encourages collaboration, innovation, and personal growth for everyone. Our initiatives reflect our dedication to ensuring that every employee feels empowered and free from discrimination, contributing to a culture where unique perspectives are celebrated.

A dedicated interdisciplinary team has been established to oversee all diversity, equity, and inclusion (DEI) topics at the Group. We believe that DEI is an area that requires constant development and is not a one-off project. Our efforts in this area are ongoing and multifaceted. The Sennheiser Diversity Network was founded in 2019. Among other activities, it organizes our annual global Diversity Day, which has been held three times so far. On this day, we celebrate the diversity within Sennheiser and inspire our employees through talks and presentations of various initiatives.

On Diversity Day 2022, for instance, Sennheiser signed the German Diversity Charter and in doing so joined ranks with some 4,600 companies, public institutions, associations, foundations, and organizations pledging to be role models for diversity. It commits us to appreciate all employees regardless of age, ethnic origin or nationality, gender or gender identity, physical or mental abilities,



Workers in the Value Chain





religion or worldview, sexual orientation, or social background. By signing the Diversity Charter we are sending a clear message about the importance of inclusivity in the workplace.

To augment this, we have established a DEI Framework and Toolbox. The DEI Framework is the go-to resource for all employees regarding definitions, tools, and information relating to DEI topics. The DEI Toolbox comprises various tools with which to support the creation of an inclusive environment, such as a guide to using gender-neutral language and an overview of DEI-related trainings. A variety of training modules are available to everyone in the organization. These include unconscious bias training to identify and overcome biases, and the training of future managers includes specific modules on DEI-related topics.

The KPI dashboard that provides quarterly reporting to the Executive Management Board now also contains DEI-related data, broken down by business unit and function. Responsibility for diversity topics is thus clearly embedded in executive responsibility. Moreover, in 2024 a DEI survey was conducted for the first time to dig deeper into the status quo and seek feedback on key action areas.

Protecting Equal Treatment

We have a firm and clearly communicated policy as well as cultural expectation that no Sennheiser Group employee shall be discriminated against by the company or by other employees, managers, agents, suppliers, or customers. To ensure a safe and inclusive environment, we take proactive steps by offering comprehensive awareness training in DEI. These preventive measures are specifically designed to address and prevent any form of violence or harassment in the workplace, fostering a culture where everyone feels valued, safe, and empowered.

We communicate contacts for reporting incidents both internally and externally. In addition to company-internal contact persons, incidents can also be reported through our whistleblowing system (for more on whistleblowing, see the “Business Conduct” chapter). We take any and all violations seriously and will implement immediate measures to eliminate all forms of violence or harassment at work as such behavior jeopardizes our employees’ safety.

At Sennheiser Group, we are committed to recruiting and promoting employees based solely on qualifications and professional merit. Discrimination of any kind – whether based on nationality, ethnic origin,



gender, age, religion, sexual orientation, disability, or any other protected category – will not be tolerated.

As part of our ongoing effort to improve our HR processes, we have carefully reviewed the language used in our job postings. Where necessary, we have revised and rephrased them to ensure they are inclusive and attract a more diverse range of candidates. We have also updated our interview guidelines to fully integrate the principles of DEI. These guidelines provide examples of inclusive questions and emphasize the tremendous value that diverse perspectives bring to our organization. By ensuring DEI principles are considered throughout the hiring process, we aim to unlock the full potential of every individual and foster innovation and collaboration.

Working Conditions

Fair working conditions, occupational safety, and the promotion of employee health are the focus of our company-wide Health and Safety Strategy. This strategy is operationalized through the Sennheiser occupational health and safety management process, and together they implement – and in parts go beyond – internationally recognized and nationally applicable labor standards. Compliance with legal working hours is of particular

importance. At a minimum, working hours and time off must be in conformity with applicable laws, industry standards, or relevant International Labour Organization (ILO) conventions, whichever are strictest. Employees at both our headquarters and at Georg Neumann are covered by the IG Metall tariff agreement and thus all collective agreements of the metals and electrical industries. These create an extensive framework that regulates working hours, overtime, and pay.

At Sennheiser, we consider employee safety and other working conditions a core component of being an attractive employer. We recognize the physical demands placed on employees in production roles, where labor-intensive tasks and handling of heavy machinery are part of daily operations. Without the proper safety measures, such work can pose risks for work-related injuries. Additionally, we are aware that shift work can take a toll on employees’ health, potentially increasing the risk of cardiovascular disease, depression, and sleep disorders.

To address these challenges, we are committed to implementing strict safety protocols, providing comprehensive training, and promoting ergonomic practices to minimize risks. We also focus on em-

ployee well-being through initiatives aimed at mitigating the effects of shift work, ensuring that our workforce remains healthy, supported, and safe.

Our environmental health and safety management process also contains specific provisions for the handling of hazardous substances, radiation protection, and other areas of concern (e.g. production equipment noise and protection for hearing) which we mitigate with the help of a comprehensive and continuous risk assessment and the preventative measures derived from it.

Remuneration and Development

Fair remuneration is not only a fundamental part of any employment relationship, but in our view a key component of attracting and retaining highly qualified employees. Payment according to collective tariff agreements and international grading wholly precludes any differences due to gender or other characteristics. For non-tariff-bound employees, the Global Salary Review process ensures fairness and development. Via this framework, all roles in the Group are allocated to a salary band and the segments are assessed annually at Group level on the basis of actual salary data by country. The headquarters also maintain a works council.

Our payment structures are augmented by wide-ranging social benefits, such as the company pension scheme and flexible work options. We take pride in practicing a balanced approach to work. At the same time, we recognize that the demands of personal and professional lives require flexibility. In addition to adjusting working hours to specific roles and personal needs, in line with client demands, we offer hybrid working approaches and an option for 100% mobile working. There are further possibilities available in the form of sabbaticals, workations, and part-time hours. For our working parents, we provide a company nursery at our headquarters for children up to three years of age.

Taking a forward-looking view, Sennheiser strives to provide offerings that will strengthen its employees’ mental and physical health. These include, for instance, ergonomic workstations, a bike leasing program, and addiction prevention workshops. A company doctor is also available at Sennheiser headquarters. Moreover, an employee satisfaction survey is carried out twice a year, where the results are used to develop new measures.

We aim to create an environment where all our employees have the opportunity to excel and to pursue continuous personal





development. We view staff development as a shared commitment where we provide opportunities for growth and employees contribute enthusiasm and dedication to expanding skills and advancing their knowledge. The annual Performance Development Dialogue (PDD) creates a systematic framework of dialogue for identifying further education and training at individual level. Conducted between December 1 and March 31 of every year, they provide regular opportunities to discuss expectations, provide feedback, and to create a personal development plan. The purpose of the Performance and Development Dialogue (PDD) is to promote an open and regular dialogue between employees and their managers, thus fostering a feedback culture within the company.

Sennheiser maintains an extensive range of in-house training and learning programs for advancing its employees' skill sets. Training programs at Sennheiser are conducted as part of normal working time. The VDI WoMentoring program is a particular highlight here. In addition to providing financial support, this program pairs women engineers at various stages of their careers in a mentoring relationship. The Maschinenraum program makes a similar offering available across com-

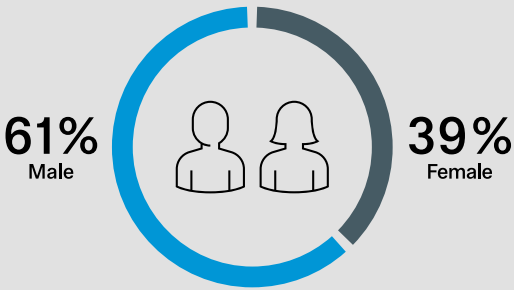
panies. Programs like these are aimed at specifically linking staff development with DEI-related topics, such as supporting the advancement of women in our currently male-dominated industry.

Targets and Metrics

To continue to uphold our business success, we at Sennheiser have set ourselves the goal of employing the best-qualified and most passionate professionals in our industry. Our aim is to attract the best candidates via a strong employer brand. A key aspect of this brand will be to take a leading role in our industry with respect to diversity, equity, and inclusion by 2030.

As of December 31, 2023, the Sennheiser Group had 2,180 employees worldwide. Of these, 83 percent are employed in Europe, six percent in the Americas region, and 11 percent in the APAC region. Of the employees based in Europe, 1,382 (63 %) work in Germany.

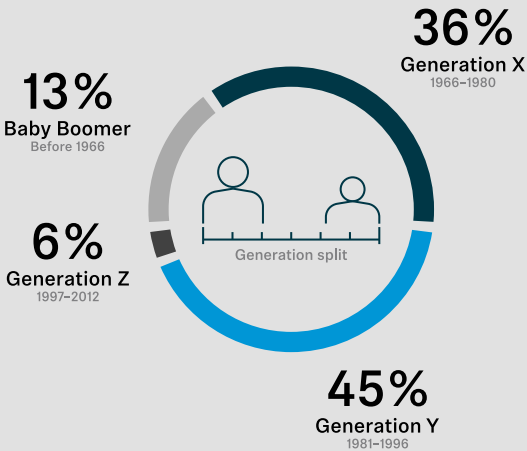
Further information about how our workforce breaks down by function, nationality, age, and gender can be taken from the graphic on the right.



The overall gender split in the Sennheiser Group is 39 percent women and 61 percent men. The share of women in management positions is 19 percent.



With 419 employees, about a fifth of the Sennheiser Group's team works in production. In Wennebostel, Germany, there are 306 production employees, and in the production facility in Braşov, Romania, there are 113.



Four different generations work together for the Sennheiser Group. Generations X and Y are the most strongly represented.



54 Nationalities worldwide

People of 33 different nationalities work at the headquarters in Wennebostel. Worldwide, there are 54 nationalities represented.



33 Nationalities at headquarters





# Workers in the Value Chain



[www.sennheiser.com](https://www.sennheiser.com) >  
Human Rights Policy

Sennheiser Group sources products and services from over 500 suppliers located in many different countries worldwide. As we procure products and services from potentially high-risk sources, these business relationships could potentially result in negative impact on the workers in the value chain at these sites, in particular with regard to labor standards and working time. We view transparency throughout global, complex supply chains as a crucial factor in our ability to promote socially conscious supply chains.

The foundation for our commitment to social responsibility, transparency, and the way we intend to conduct our business is laid by the combination of international frameworks and corresponding binding internal standards for both employees and business partners. We expect all parties who do business on behalf of and with Sennheiser Group to comply with these expectations.

Our goal moving forward is to apply sustainability criteria to systemic changes in the value chain and to optimize cooperation by 2030. Sennheiser has implemented a supply chain management system to reinforce our commitment to eliminating human rights risks within our supply chain. In this context, we are

expanding our electronics manufacturing network and forming strategic alliances.

## Sennheiser Values and Policies

The Declaration of Principles on the Human Rights Strategy of the Sennheiser Group lays out our pledge to adhere to ethical, social, and environmental standards within our company and towards our business partners and customers. Published on our [website](#), it communicates our recognition of the importance of responsible action throughout the supply chain and our commitment to implementing the principles of the German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz, LkSG) in all our business activities.

We additionally adhere to the principles and guidelines of internationally recognized human rights and environmental frameworks and standards such as the Universal Declaration of Human Rights of the United Nations, the conventions and protocols of the International Labour Organization (ILO), the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, and the principles of the UN Global Compact.

The Sennheiser Code of Conduct for Partners and Licensees aims to ensure

the principles and values expressed by these wide-ranging bodies and frameworks are uniformly embedded in our Group's standards. It defines binding standards in respect of human rights, labor standards, business ethics, and workers' safety for all partners of Sennheiser Group. As the Code is a mandatory component of contracts with suppliers, it is a key instrument for transferring Sennheiser's standards of human rights down the chain and improving working conditions as well as promoting fair trade.

Business partners are furthermore obliged to communicate these requirements to their employees as well as to their own suppliers and to ensure compliance. In particular, upstream business partners are required to commit to upholding the principles of human rights, free choice of employment, ostracism of child labor, protection of equal opportunities and ban of discrimination, the freedom of association and right to collective bargaining, fairness in pay, working hours, and social benefits, and health and safety at the workplace.

## Supplier Selection

As a family-run company in its third generation, we at Sennheiser set great store by maintaining long-term relationships with our business partners. The basis for

building such trusting and committed relationships begins with careful vetting and selection paired with ongoing development as partners. The social and environmental standards of our suppliers are an essential part of our supplier selection. Before initiating a business relationship, a detailed approval process takes place of the prospective supplier/partner. This process includes, among other things, a system audit, a Code of Conduct compliance check, a review of supplier compliance with EU anti-terror regulations via an AEB compliance screening, and a confirmation of no involvement with conflict minerals. We strive to diversify our procurement activities in order to minimize our procurement risks.







Supplier Audits

Audit procedures are a key instrument for Sennheiser Group in ensuring compliance with our standards and for achieving improvements in business practice. Sennheiser conducts regular own audits of its suppliers or audits via a certified independent auditing agency. It also conducts unannounced ad hoc inspections of suppliers’ manufacturing facilities. The audit program covers processes from the following areas of ISO 9001 quality management system, management responsibility, resource management, product realization, and measurement, analysis, and improvement. In addition to audits performed by corporate, plants can carry out supplementary internal audits independently as well – e.g. of internal systems or processes. Unannounced audits are performed at plant level if and when circumstances require.

The results of audits performed by both the corporate program as well as individual plants are reported in summarized form to the Executive Management Board. Insights gained from audits are consistently translated into actionable measures that are implemented as part of a continuous improvement process. The effectiveness of the measures derived from audits and supplier visits is documented and evaluated as part of Sennheiser’s quality

management process, which is certified according to ISO 9001.

In the event violations are found, the supplier in question is required to take corrective action. Sennheiser supports its business partners in learning from the audit process and improving practices. Should there be a justified suspicion or specific indication of possible human rights or environmental violations at a supplier, we make use of response options appropriate to the severity of the risk/violation, including legal action and/or termination of the business relationship where necessary.

For more on the grievance mechanism and the handling of reports received, see the “Business Conduct” chapter.

Prevention, Training, and Remediation in Partnership with Suppliers

We take all incidents and allegations seriously, whether raised by our employees, external auditors, business partners, the media, or other stakeholders. Measures to prevent, mitigate, and remedy adverse human rights and environment-related impacts and risks are identified early on and implemented according to clear prioritization.

As we at Sennheiser aim to treat all sourcing companies in our value chain as partners, respect and ongoing mutual development is at the heart of building strong relationships. We strive to meet our partners on equal terms and actively collaborate with our suppliers to strengthen their capabilities with respect to social and environmental responsibility. Thus, where deficits are identified we support them in implementing measures to improve their practices. For instance, Sennheiser provides internal training to its supply chain management associates on issues regarding human trafficking and slavery to enable them to appropriately monitor compliance with the Group’s Supplier Code of Conduct.

Due to our operations with companies located in Asia, Sennheiser reinforces its physical presence there by operating an own Quality & Purchase Management Office in Guangzhou, China. This office is tasked among other things with ensuring the compliance with quality standards, our Code of Conduct, and other relevant standards.

Risk Assessment and Management

Robust risk assessment and risk management processes are an additional core component of our efforts to create and protect a transparent supply chain that

operates with social responsibility. We therefore conduct annual and ad hoc risk analyses to identify potential hazards to human rights and the environment and to prevent risks or address any violations. Using a continuously updated risk analysis process, we identify and evaluate relevant human rights and environmental issues and potentially affected parties in both our own business activities as well as those of our immediate business partners.

The first step of our risk assessment process is to identify at an abstract level all industry-specific, product-group-specific, and country-specific risks that could potentially be relevant in our business area and supply chains. The identified risks are then weighted, prioritized, and examined for their probability of occurrence.

In the second step, all business partners are evaluated with respect to this catalogue of potential risks. Those identified as having higher overall risk exposure are subjected to a specific risk analysis, with priority weighting given to human rights and environment-related risks. The results of the risk analyses serve as the basis for decision-making processes regarding supplier selection and supplier management as well as product selection.

Risk management at Sennheiser is considered a business-critical area and is the responsibility of the executive management. The Executive Management Board correspondingly delegates specific tasks to the relevant business areas and functions. The Sennheiser Compliance Officer, who is a member of the EMB, carries overall responsibility for ensuring compliance with due diligence obligations.

We review the effectiveness of our risk management process annually and conduct ad hoc effectiveness checks as needed. Priority risks are scrutinized in particular. Based on these assessments, we develop appropriate measures to mitigate risks and adjust our strategies accordingly.



# Consumers and End-Users

At Sennheiser, we prioritize delivering the highest-quality products and services to customers and end-users. To do so, we put the customer at the center of everything we do. Throughout our 80-year history, we have always pushed boundaries, and as our journey continues, we have a clear vision: to build the future of audio and create unforgettable moments in sound through reliable, innovative, and remarkable audio technologies and products.

Besides transforming innovation into meaningful and inspiring products for our customers, for Sennheiser, creating audio experiences you can rely on is key. We aim to be a brand you can count on. Wherever you are, whatever you do: We are there with you. We want artists, audio engineers, integrators, and music lovers the world over to trust in Sennheiser’s audio expertise.

A comprehensive framework of quality and safety assurance testing, conformity assessments, regulatory compliance audits, and development of targeted product specifications is a key instrument we use to help us achieve this vision.

### Sennheiser Values and Policies

Sennheiser has embedded its commitment to quality and safety throughout its development and production processes. By adhering to product safety standards,

accidents and injuries of customers through Sennheiser products can be prevented. First and foremost, the Group has installed a dedicated department for dealing with regulatory requirements and product safety. This unit ensures strict compliance with relevant regulations and safety standards across all product lines.

Primary guidance from the product development stage on is provided by the Sennheiser Product Compliance Process. This process contains a product-specific list of regulatory requirements related to technical (e.g. product safety, electromagnetic compatibility, radio frequency) and environmental (e.g. material conformity, disposal) issues. It contains clear information on all applicable laws, directives, standards, markings, etc.

Stringent materials conformity processes ensure safety-relevant regulations are taken into account. Sennheiser complies with all regulations regarding substances which may be hazardous to human safety and/or to the environment, and we verify our compliance according to processes specially developed for this purpose. In particular, the RoHS Directive (Restriction of Hazardous Substances) and the European Regulation for the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) apply to Sennheiser’s

business. These restrict the use of certain harmful substances in electrical and electronic equipment. For more details regarding critical substances and environmental protection, see the “Pollution” chapter.

Sennheiser works hard to make sure its products meet the high standards and safety requirements expected by both our customers and regulators. All changes to products as well as technical documents, certificates, and certifications are documented thoroughly.

### Product Development, Testing, and Declaration

Product development at Sennheiser is governed by a clearly defined process and framework. The three pillars of the product development process comprise product compliance planning, compliance testing, and a market access and conformity assessment. The mandatory product compliance process covers – in addition to an overview of relevant regulatory requirements – a feasibility analysis, marking requirements, and cost estimates.

During compliance testing, tests are conducted to ensure that the product is in compliance with country-specific technical and regulatory requirements. Testing is conducted by an external lab as well as by Sennheiser’s own modern, well-

equipped laboratory. The Sennheiser lab is tasked with carrying out a wide range of tests and quality controls to ensure the continuous fulfillment and verification of the high standards we set for our products.

In the final market access and conformity assessment, the validations and certifications required for market access are secured and the results of the conformity assessment are documented. This also includes the final materials conformity check before series production is initiated.

To ensure our processes continue to be in line with ever-changing global standards, all process steps are subjected to continual review and revision. The last review date – currently January 9, 2024 – is stated in the guidance document itself.

### Quality and Safety Audits

Sennheiser has implemented extensive processes to ensure the high quality and safety of its products. At the heart of these procedures is our quality management system according to the international standard ISO 9001, which focuses on compliance with product standards, product safety, and regulatory compliance.

On top of pre-launch compliance tests and final materials conformity checks, internal and external audits support high product safety. All aspects of Sennheiser’s quality and safety assurance framework are audited at regular intervals on a sample basis as required by the ISO 9001 standard. The results of such audits are retained for a ten-year period and comprise all relevant test reports, certificates, and technical documents.





# Governance



# Business Conduct

As a family-run business of now three generations and 80 years of history, thinking for the future has long been central to the Sennheiser Group. The Sennheiser corporate culture comprises how we treat one another, how we treat our business partners, and the principles by which we conduct our business. We recognize the importance of maintaining responsible and ethical business practices, and we are committed to ensuring that our operations align with these values and principles.

Moving forward, we will be using the results of the double materiality analysis as our guide to strategically target our efforts to address (potential) impacts and further improve our performance in these areas.

### Sennheiser Values and Policies

Responsible and lawful conduct is an integral part of our corporate values. It is a fundamental requirement for the business activities of the Sennheiser Group and encompasses compliance with all legal requirements, including competition and anti-cartel law, corruption and money laundering prevention, export control law, and data privacy law.

We have clearly defined our expectations of employees and of business partners

via a number of binding guidelines. All Sennheiser employees are required to sign and uphold the Sennheiser HR Framework and act according to our Code of Conduct. These provide guidance on a wide range of topics and behaviors in our day-to-day business. All employees receive mandatory compliance training annually on these topics.

At Sennheiser, we formally recognize the fact that we come from a diverse set of backgrounds, countries, and traditions and have made a formal commitment to protecting everyone’s equal rights. The Declaration of Principles on the Human Rights Strategy of the Sennheiser Group defines our commitment to adhering to ethical, social, and environmental standards within our company and towards our business partners and customers.

Above all, however, we celebrate the things we share. Our passion for audio unites us. It brings our customer-centric culture to life. And it fuels an open spirit of collaboration among our colleagues, partners, and customers.

### Managing Supplier Relationships

We likewise convey these principles to business partners in our value chain. Sennheiser Group expects all suppliers throughout the entire supply chain to

conduct their business with integrity and responsibility and adhere to all applicable laws regarding human rights and environmental concerns. The Sennheiser Code of Conduct for Partners and Licensees defines mandatory requirements for all partners of the Sennheiser Group regarding business conduct and business ethics, in particular with respect to human rights, labor standards, environmental protection, and safety; these requirements must also be passed on by suppliers to their own upstream partners.

By integrating social and ecological criteria into procurement practice and continuously evaluating and selecting suppliers according to these criteria, Sennheiser creates an incentive for suppliers to eliminate potential grievances and contributes to achieving ecological and social improvements in the countries and at the suppliers’ locations. Additional information on this can be found in our “Workers in the Value Chain” chapter.

### The Sennheiser Whistleblower System

Our ethical principles are binding for us and our partners. Should – despite all efforts to mitigate risks and prevent violations – deficits occur, information about such (potential) violations is crucial to helping us recognize and correct misconduct at an early stage and thus prevent

(further) damage to those affected, the company, and our partners. We thus encourage both our own employees and employees of affiliated companies to contact us if they have a concrete suspicion of violations and to report grievances openly without fear of negative consequences.

To facilitate access and ability to communicate grievances, Sennheiser Group has made a whistleblower system (grievance mechanism) available to all internal and external stakeholders. It can be accessed via a variety of channels (post, telephone, email), is available in several languages, and includes the possibility for anonymous reporting. Reports regarding such topics as human rights risks or violations or environment-related risks or violations in our own business area or in our supply chain can be submitted via email to [compliance@sennheiser.com](mailto:compliance@sennheiser.com) or by postal mail.

All reports submitted through the grievance mechanism are treated confidentially, and the system has been explicitly designed to prevent any negative consequences or disadvantages for those submitting reports. As a matter of principle, the identity of a whistleblower will only be disclosed internally if the whistleblower has given their consent. Discrimination

against whistleblowers is a violation of our ethical principles and will result in consequences under labor law.

All reports received are taken seriously and processed transparently, fairly, and comprehensibly for all parties involved. After initial assessment for credibility, all well-founded suspicions of possible human rights or environment-related violations are given a thorough investigation and remedial measures are enacted where necessary. The individuals tasked with processing and investigating grievance reports are obliged to act impartially, maintain confidentiality, and carry out their tasks independently and without being bound by instructions. We have established formal procedural rules for the grievance process and published them on our website.

Through the Sennheiser grievance mechanism, we have established a cross-cutting reporting system for underpinning commitment to the rules and standards that form the basis for fair and peaceful cooperation.

  
Workers in the Value Chain

  
[www.sennheiser.com](http://www.sennheiser.com) >  
Whistleblower system



# Your Questions Drive Change

**Contact**

Every question can make a difference – whether it’s about sustainable strategies, innovative approaches, or responsible decisions. Our ESG team is here to support you.

If you have any questions, feel free to contact [csr-team@sennheiser.com](mailto:csr-team@sennheiser.com)

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