Audiotonix

SUSTAINABILITY REPORT 2023

TECHNOLOGY THAT INSPIRES PERFORMANCE

Contents
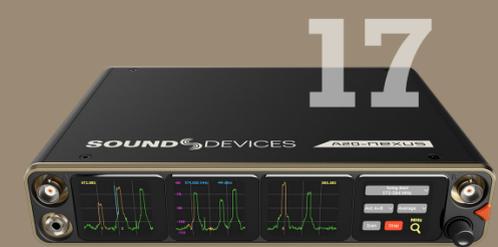
We are Audiotonix

Technology that inspires your performance

Audiotonix is a diverse group of technology-focused companies with one aim; to manufacturer and deliver innovative audio mixing, processing and creation products for both professionals and enthusiasts of all ages and skills. With a combined talent resource that fuses heritage leaders and disruptive technology start-ups, we help focus our brands to utilise the latest technologies that make user experiences evolutionary, creative and innovative.

All our businesses are brand leaders with celebrated products found at the heart of live touring and arena events, theatres, churches and worship centres, film and TV production, retail and educational facilities, music creation and production, and news and sports broadcasting.
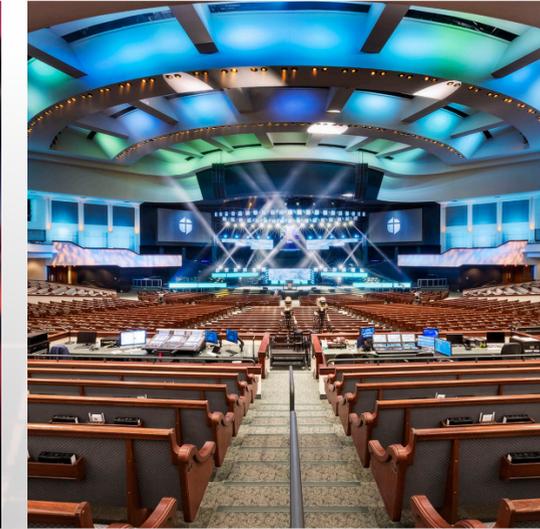
In the past year, Audiotonix has significantly broadened its brand portfolio by acquiring three notable companies: Harrison Audio, a renowned US heritage mixing console brand based in Nashville; sonible, leaders in AI assisted technology software based in Graz; and and Fourier Audio, a startup focused on live sound processing engines, located in London.. Alongside these acqusitions, Audiotonix has reinforced its Environmental, Social, and Governance initiatives. Building on the initial goals set in 2022, the company has enhanced its programs for eco-friendly product development and greener energy sourcing. This commitment is further strengthened by the appointment of our first Sustainability Specialist, who will drive these efforts across all Audiotonix companies.

Our brands

Leaders in Audio Innovation

Delivering the best in audio solutions and service is at the heart of the Audiotonix DNA. We provide a framework that allows each of our unique brands to evolve at pace whilst protecting their individual culture, combined with a safe platform to share ideas and technologies within a broader community of like-minded companies.

Our reputation for continued innovation is based on this ability to adapt and integrate key technologies. With new brands bringing new skills such as modern AI-assisted processing techniques, we can continue to create an exceptional wealth of knowledge and experience that permeates throughout each of the Audiotonix brands.

ALLEN&HEATH
Mixing For Live, Install Sound & DJ
www.allenandheath.com

CALREC
Putting Sound In The Picture
www.calrec.com

DiGiGrid
Audio Processing and Networking Solutions
www.digigrid.net

DiGiCo
Premium Mixing Consoles for Live Sound
www.digico.biz

fourieraudio
Changing The Way Live Audio Is Processed
www.fourieraudio.com

GROUP ONE LIMITED
US Pro Audio & Lighting Distribution
www.g1limited.com

Harrison
Music Consoles & Software from Music City, USA
www.harrisonaudio.com

KLANG TECHNOLOGIES
Immersive & Personal In-Ear Monitoring
www.klang.com

SLATE DIGITAL
Creative Software Tools & Mic Modelling
www.slatedigital.com

Solid State Logic OXFORD · ENGLAND
Iconic Consoles for Studio, Live & Broadcast
www.solidstatelogic.com

sonible
A.I. Assisted Tools For Audio Production
www.sonible.com
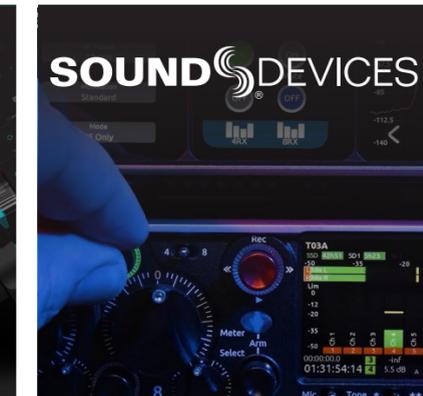
SOUND DEVICES
Capturing your creative vision in superior audio
www.sounddevices.com

Our operations

Audiotonix

Audiotonix
No.5 The Distillery
Silverglade Business Park
Leatherhead Road
Chessington
Surrey KT9 2QL
United Kingdom

Audiotonix Production
Facility
Glenrothes KY7 4PA

ALLEN&HEATH

Allen & Heath
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Penryn
Cornwall TR10 9LU
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CALREC

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Victoria Road
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DiGiCo

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DiGiGrid

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KLANG TECHNOLOGIES

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James Gordon

Chief Executive Officer

Thank you for taking the time to engage with our Audiotonix 2023 Sustainability report. It is very gratifying to be able to look back over the last year and see not only our commercial growth, but the ever-growing expansion of companies who chose to join the Audiotonix Group. Through the diligence process we take a very active interest in how their management interact with their teams. We pride ourselves on working with businesses that think alike, that value their employees above all else and, wholeheartedly, want to come on the journey of creating better environments through the products we design and the buildings we work in. We always start our integration work with a clear roadmap of how we want this to look and our goal to achieve it. Not all of our sites are the same or do the same things, and this represents its own challenges. But, the fundamental goals are the same. We will do better.

We continue to make further improvements in new product design in terms of the materials used, their weight, their packaging and energy usage and these elements remain at the forefront of our eco design philosophy. Further improvements continue to be made to our buildings and facilities for the teams in the most environmental way we can, and we know that this is important to everyone and that we must continue to lead by example. To strengthen our ESG goals in 2024 we are expanding our leadership team as we start to capture data on the carbon footprint of every product we make. Given the number of products across the group; this is a task that has full board support to implement through 2024.

We are also developing a project that I am, personally, very proud of called the STEAM mixer that we will get into as many schools globally as we can to address the diminishing science subjects in education. This will be a team exercise aimed at showing students and their parents how creative and technically challenging what we do is, and what they need to achieve to have a career in our very diverse industry sector. There is more detail on this later in the report. There is always a lot to achieve and we will do it in spite of all the global challenges everyone continues to face. Ultimately our products bring joy to those that love audio and we look forward to continuing with our mission to give the industry the tools to achieve this.

What drives us...

We started our ESG journey in 2009 with three main pillars; our employee's welfare and desire to include them as stakeholders, our products; we wanted to design products that included recycled materials, lighter materials and would have a long life-cycle, and then governance; of our suppliers and our business ethics and who we sell to. Since then we are further aligned with UN SDG's and these will be further developed as we expand and increase our sustainability standards 2024 onwards.

Creativity
We never stop striving to develop or find solutions. Our creativeness is there when we go to a concert, theatre, church or any venue where all of our teams can touch what they collectively delivered.

Our Passionate People
So many of our teams are volunteers within their local communities whether it's at schools and venues, supporting their local hospice, to providing food for the needy at Thanksgiving. They care. Their community is their focus. As it should be.

Our Wider Community
During covid so many self employed engineers, venue support staff and providers fell through the cracks of Government support. Audiotonix were committed to working to support them through the #WeMakeEvents foundation and continue to participate in that community that now works with and lobbies Government to recognise the professionalism and contribution to the economy from Live Audio, in all of it's forms.

Wellbeing
Times change, and so must the workplace which is why we adjusted holidays, working hours, and introduced hybrid working where applicable. We promote cycle to work schemes, EAP programs, weekly fruit deliveries and social activities that we have all missed.

Commitment
We have many employee shareholders for a reason. Their commitment to all of our futures drives the ongoing support we deliver through good times and bad.

Aligned with the United Nations Sustainable Development Goals (SDGs)

At Audiotonix, we recognise our responsibility as a global corporate citizen to contribute to a sustainable future. The 17 Sustainable Development Goals (SDGs), adopted in 2015, address critical global challenges such as poverty, inequality, climate change and environmental degradation. We are committed to aligning our business operations with these goals, ensuring that our actions positively impact society and the environment.

By focusing on five key sustainability values, we are best positioned to support and advance the SDGs through our business practices:

1. Governance and Ethical Leadership
We uphold the highest standards of governance, ensuring transparency, accountability, and ethical decision-making across all levels of our business. This commitment helps us foster trust with our stakeholders and aligns with global efforts to promote peace, justice and strong institutions.
(SDG 16: Peace, Justice and Strong Institutions)

2. Drive Innovation and Nurture Internal Capabilities
We invest in nurturing our internal capabilities, driving innovation in Audio Technology that enhances our products' performance while minimising environmental impact. By prioritising education and continuous improvement, we contribute to quality education and sustainable industrial innovation.
(SDG 4: Quality Education and SDG 9: Industry, Innovation and Infrastructure)

3. Environmental Stewardship
We are committed to reducing our environmental footprint through energy efficiency, waste management and sustainable practices. Our efforts include transitioning to renewable energy sources, optimising resource use and minimising waste, directly supporting clean energy and responsible consumption.
(SDG 7: Affordable and Clean Energy and SDG 12: Responsible Consumption and Production)

4. Eco-conscious Design
As leaders in Audio Technology, we integrate clean technology into our products and operations. By adopting and promoting environmentally friendly solutions, we aim to contribute to climate action and sustainable industry practices.
(SDG 9: Industry, Innovation and Infrastructure and SDG 13: Climate Action)

5. Community Engagement and Social Responsibility
We actively engage with and support the communities where we operate, fostering positive social impact through local initiatives and partnerships. This reflects our commitment to reducing inequalities and promoting sustainable community development.
(SDG 10: Reduced Inequalities and SDG 11: Sustainable Cities and Communities)

Sustainable product design

Sustainable Product Design is integral to Audiotonix's research and development processes. Since 2018, Audiotonix has implemented a comprehensive Eco-Design Strategy across R&D, ensuring a strong focus on minimising the environmental impact of our products throughout their lifecycle.

Our Eco-Design Strategy prioritises five key aspects of product design:

1 Product weight Reduction
Reducing overall weight to minimise material use and energy consumption in production and transport

2 Energy efficient design
Integrating features that reduce energy consumption throughout the product's use

3 Sustainable Material Selection
Choosing materials with lower environmental impact, prioritising recycled and responsibly sourced components

4 Design for recyclability
Designing products with end-of-life in mind to enable easier recycling and waste

5 Lifecycle assessment (LCA)
Scoping lifecycle assessments to measure and optimise the environmental impact across each stage of the product's life

Group eco design forum

The Eco Design Forum was set up in 2018 to accelerate further our progress on eco design and also provide an opportunity for engineers from all our businesses, who are passionate about eco design, to contribute to the Group's future eco developments. Since the inception of the forum, we have been able to accelerate the use of recyclable plastic and aluminium material in our products, replaced plastic packing tape with paper equivalents and started using higher recycled content in the plastic bags we use through the research work that they have done. These last two elements alone saved 2.7 tonnes of virgin PE plastic in Allen & Heath products in 2023.

The group team are not resting on their laurels, and are currently working on low CO_2e PCB technology, bio plastics, non-plastic "plastic bags", increased recycled material in our packaging and the use of pulp cardboard to replace foam in the packaging of our larger products.

Andy Bell
Group Technical Director

'A saving of 2.7 tonnes of virgin PE plastic in Allen & Heath products in 2023'

Carbon reduction initiatives

As a key player in the entertainment and production sector, the group recognises the importance of minimising carbon emissions and embracing eco-friendly practices. Audiotonix has established clear parameters for measuring emissions using the Greenhouse Gas (GHG) Protocol. Initially, the focus was on UK-based operations, with a comprehensive analysis of Scope 1, Scope 2 emissions and with an intent to cover Scope 3 emissions. This effort has now been expanded to our global operations. Through a combination of innovative measures and strategic initiatives, we aim to harmonise sustainability within our business operations, aligning with the United Nations Sustainable Development Goals (SDGs), aimed at contributing towards limiting global warming to 1.5 degrees in line with the Paris Agreement.

• **SDG 7: Affordable and Clean Energy**

Switching to biogas
We are transitioning from conventional energy sources to biogas in our facilities, reducing our reliance on fossil fuels and cutting down on carbon emissions. This shift supports our commitment to renewable energy and helps us lead the way toward a more sustainable energy future.

Onsite solar panel installation
By installing solar panels at our facilities we harness clean, renewable energy directly from the sun, reducing our carbon footprint and enhancing energy self-sufficiency. This initiative significantly lowers our Scope 2 emissions by decreasing dependency on grid electricity.

• **SDG 11: Sustainable Cities and Communities**

Exploring building management system/energy management system (UK-based operations)
We are exploring the implementation of advanced building management and energy management systems across our UK-based operations. These systems will optimise energy use and contribute to the overall sustainability of our facilities, supporting the creation of greener and more resilient urban environments.

• **SDG 12: Responsible Consumption and Production**

Waste monitoring
We intend to implement comprehensive waste monitoring programs to track, manage and reduce waste generation across our operations. This approach ensures that we minimise our environmental impact by encouraging recycling and responsible disposal practices.

Sustainable Procurement and Supplier Engagement
We have begun engaging with our suppliers to promote sustainable practices throughout our supply chain, emphasising the reduction of our carbon footprint as a key focus. Through these interactions, we reinforce our commitment to sustainability and aim to foster responsible consumption and production at every stage of our product lifecycle.

Developing Product Life Cycle Assessment (LCA)
We are in the process of developing a comprehensive Life Cycle Assessment (LCA) for our products to evaluate their environmental impact from raw material extraction to end-of-life disposal. This assessment will guide us in making informed decisions to reduce the carbon footprint of our products and promote eco-friendly design and manufacturing practices.

Carbon footprint (performance)

This chart shows progress on Audiotonix's carbon footprint for the past 5 calendar years. The 2020 and 2021 figures are not a full representation of usual output as the Covid-19 pandemic impacted on the energy usage in our properties. In 2022, our colleagues started to return to the office full time and the factories capacities returned to normal as the restrictions on mass gatherings were lifted.

In 2022, we expanded our reporting boundaries to include our non-UK operations, resulting in a reported carbon footprint of 485.2 tCO$_2$e. Over the following 12 months, we achieved an 11% reduction in this footprint.

The focus is to reduce this further in 2024 with a change in our energy suppliers.

Audiotonix Carbon Footprint (Calendar Year)
In our carbon footprint reporting, we follow the Greenhouse Gas (GHG) Protocol, which categorises emissions into three distinct scopes: Scope 1 (direct emissions from owned or controlled sources), Scope 2 (indirect emissions from the generation of purchased electricity consumed by the company) and Scope 3 (all other indirect emissions, including those from the supply chain and product use).

For the purposes of this report, we have defined our reporting boundaries to include Scope 1, Scope 2 (location-based) and Scope 3.6 (only grey fleet) emissions from
our global operations. We have not yet included full Scope 3 emissions, as these are more complex to measure and extend beyond our direct influence. However, we are actively working to gather data on these emissions and plan to include them in future reports to provide a more comprehensive view of our total carbon impact.

Audiotonix Carbon Footprint (Calendar Year)

Element	tCO$_2$e
2019 (tCO$_2$e)	347.4
2020 (tCO$_2$e)	321.2
2021 (tCO$_2$e)	380.5
*2022 (tCO$_2$e)	485.2
*2023 (tCO$_2$e)	430.7

Net Total Emissions

*Included non-UK operations (Group One and Sound Devices)

CO$_2$ CH$_4$ N$_2$O HFCs PFCs SF$_6$

SCOPE 2 INDIRECT
SCOPE 3 INDIRECT
SCOPE 1 DIRECT
SCOPE 3 DIRECT

PURCHASED ELECTRICITY, STEAM, HEATING AND COOLING FOR OWN USE

LEASED ASSETS
EMPLOYEE COMMUTING
BUSINESS TRAVEL
WASTE GENERATED IN OPERATIONS

COMPANY FACILITES
COMPANY VEHICLES

INVESTMENTS
FRANCHISES
LEASED ASSETS
END-OF-LIFE TREARMENT OF SOLD PRODUCTS

PURCHASED GOODS AND SERVICES
CAPITAL GOODS
FUEL AND ENERGY RELATED ACTIVITIES
TRANSPORTATION AND DISTRIBUTION
TRANSPORTATION AND DISTRIBUTION
PROCESSING OF SOILID PRODUCTS
USE OF SOILID PRODUCTS

UPSTREAM ACTIVITIES REPORTING COMPANY DOWNSTREAM ACTIVITIES

Self generation of electricity

Audiotonix has been focused for over 5 years on using renewable energy sources across its properties. This has included most UK sites continuing with their renewable electricity contracts throughout 2023, as well as zero carbon natural gas supply.

From 2024 natural gas contracts will transition from zero carbon to biogas which is a more sustainable source of energy.

In 2022 our first self-generating scheme for electricity proved to be very successful and was quickly followed in 2023 with investments in new Solar PV installations commissioned in January, July and November.

We will continue to seek opportunities to self-generate electricity at our other properties.
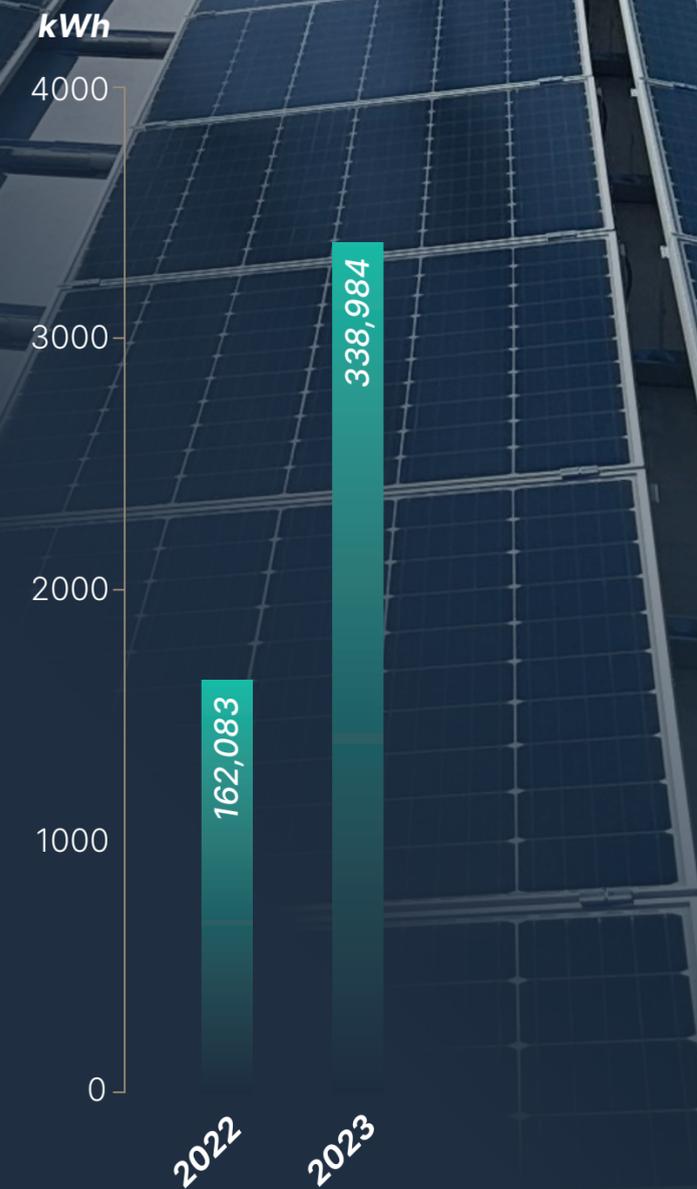
In addition, energy management will be reviewed in the coming year as we wish discover how we can reduce the consumption of energy through data and analysis.

Solar Production by Company 2023

kWh

- Allen & Heath: 123,148
- DiGiCo: 76,167
- SSL: 144,221
- *Sound Devices: 4,410

* Not a full year

Total Solar Production by Year

kWh

- 2022: 162,083
- 2023: 338,984

Product comparison

We have introduced 3 important KPIs for tracking R&D's progress towards more sustainable, eco conscious product design. These KPIs establish a baseline by determining a products capability; we count features such as channel count, screen size and sample rate to allow a direct comparison between next generation products and their predecessors. By comparing a products capability to its weight, power consumption and size, we can quantitatively assess how well our eco design policy is working and see the direct impact on products under development in R&D. For 2023, we have started indexing new products using these KPIs and 3 examples from Allen & Heath, covering install and live sound are presented here. Next year we will expand coverage to include more product categories to broaden our product tracking progress.

Avantis Solo

When comparing Allen & Heath's Avantis Solo (launched 2023), against GLD80 (launch 2012) we can see a 250% increase in overall product capability. When comparing this capability to the products weight and power consumption, we see an improvement of 236% and 150% respectively between the 2 launched generations of product.

AHM

AHM-16 (launched 2022) is part of Allen & Heath's Install range of mixers, replacing the highly successful iDR8 (launched 2002) which was in manufacture for 15 years. With improved power supply efficiency (67% iDR8 / 88% AHM-16), lighter weight (7kg iDR8 / 3.8kg AHM-16) and an increase in overall feature capability of 446%, the AHM-16 delivers significant environment improvements in all areas when compared to its predecessor.

AHM KPIs	Predecessor IDR8	Successor AHM-16	Ratio	
Capability per Kg	0.7	6.1	Ratio	822%
Capability per Watt	0.07	0.36	Ratio	549%
Capability Density (C/m3)	371	4,470	Ratio	1203%

Avantis Solo KPIs	GLD-80	Avantis Solo	Ratio	
Capability per Kg	0.38	0.89	Ratio	236%
Capability per Watt	0.08	0.12	Ratio	150%
Capability Density (C/m3)	205	458	Ratio	223%

CQ KPIs	Zed 22FX	CQ208	Ratio	
Capability per Kg	0.2	2.4	Ratio	1200%
Capability per Watt	0.10	0.18	Ratio	177%
Capability Density (C/m3)	18.25	1504	Ratio	8243%

CQ

Allen & Heath CQ occupies a new price point for digital mixing. Previous generations of product at this level were analogue and had a far larger physical footprint and weight. The miniaturisation of 'going digital' has had a dramatic effect in capability density, allowing more features in a smaller space envelope. When comparing CQ to 3rd party offerings, our products are lighter, more capable and have a lower physical volume.

Product material choices

The monthly Eco Design forums research and evaluate new materials with suitable attributes that have a lower carbon embodiment.

A focus in 2023 was to reduce the business reliance on virgin plastics and virgin aluminium. Post Consumer Recycled (PCR) plastics will feature in 4 new products currently in development, that will ship in 2024.

In addition, Post Consumer Recycled Aluminium will be used in the chassis of 6 new products due to be launched in 2024. We are also designing in a product made from recycled paper that will be used to replace the plastics in new Group products.

Virgin vs Consumble Recycled Materials

Chart showing CO_2e/kg values:

Material	Virgin	PCR (80%)
Aluminium	16.1	3.6
ABS	3.7	1.1

Y-axis: CO2e/kg (0, 2, 4, 6, 8, 10, 12, 14, 16, 18)

Legend:
■ Virgin
■ PCR (80%)
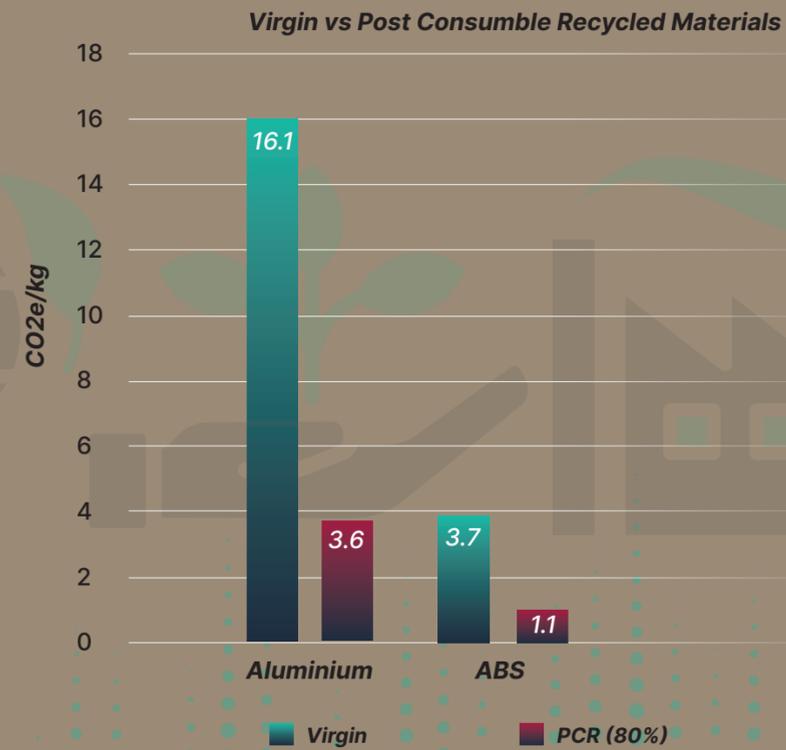
Reduced power consumption

Reducing power reduces the heat within a product, which also allows the designs to use passive cooling, rather than fans, or a smaller fan. Reducing the heat produced by our equipment also reduces the need for air conditioning in equipment rooms, further saving on energy. Many of our larger products such as Q852, Q338 and Q225 (DiGiCo), Solo (Allen & Heath) and Argo (Calrec) use temperature-controlled fans that are only used when required and therefore balance the needs of cooling and power consumption. We also use passive heatsink cooling wherever possible.

Q852 is a good example where we have focused on power efficiency. Despite having 60% more processing power and more and larger displays than the Quantum 7 console, it consumes a similar amount of power. Q852 also uses 92% efficient power supplies which require no fans, unlike the power supplies in Quantum 7.
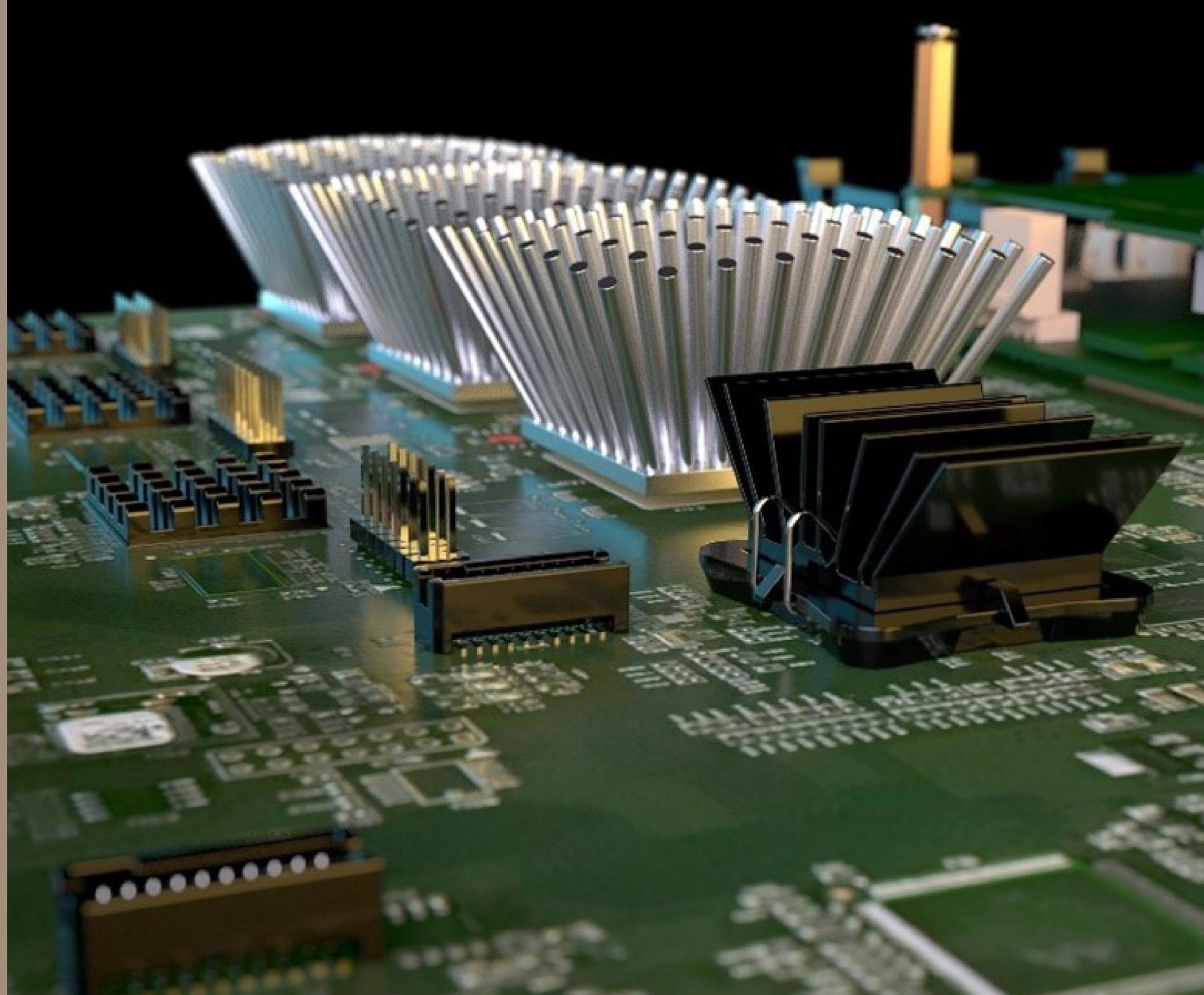
Product longevity and transport reduction

Examples here are the design of our products for 10+ year lifespan and providing software upgradeable hardware such that customers can keep their products competitive and current for longer. Updates for Calrec's Impulse and Apollo+ products, Solid State Logics Live and Broadcast products and Sound Devices A20-Nexus, Mix Pre and 8 series products during the year are good examples of this.

Finally, we are embracing the move towards more remote ways of working where equipment doesn't need to travel and can be connected externally. Taken to the extreme, the audio processing can be moved online, allowing the process to be controlled from anywhere. Calrec's True Control and Audiotonix's New Heights cloud processing platform are examples of this eco focused design in action.
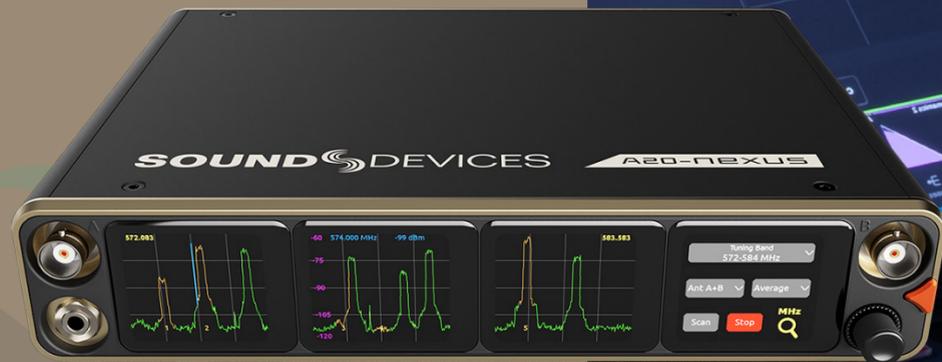
Life cycle assessment

In our ongoing commitment to sustainability, we have taken the first steps towards conducting Life Cycle Assessments (LCAs) for our products to better understand their environmental impact. This involves scrutinizing every stage of a product's lifecycle, from raw material extraction to disposal, to pinpoint areas where we can reduce our footprint and promote positive change. Currently, we are exploring different software options to facilitate this process effectively. Our aim is to choose software that fits our unique needs, enabling us to carry out precise and insightful LCAs.

Through these efforts, we are demonstrating our dedication to transparency, accountability, and continually improving our sustainability practices.

Cradle to Cradle

*Cradle to Grave

Cradle to Gate

Raw material production

Manufacturing

Product Lifecycle

Transportation

Retail & Usage

Waste
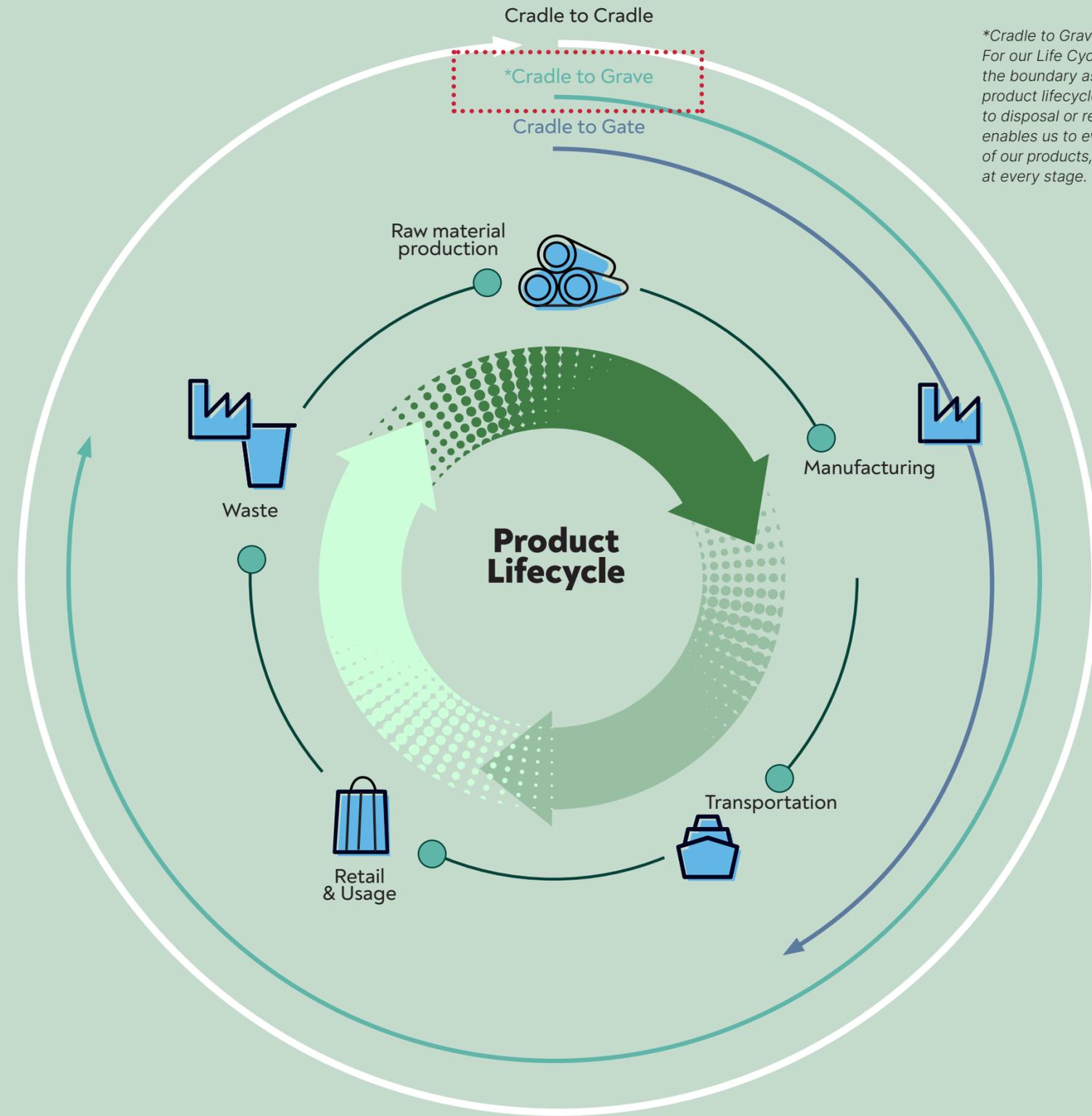
*Cradle to Grave
For our Life Cycle Assessment (LCA), we have defined the boundary as cradle to grave, covering the entire product lifecycle from raw material extraction through to disposal or recycling. This comprehensive approach enables us to evaluate the full environmental impact of our products, ensuring that we address sustainability at every stage.

Wellbeing and work recognition

With three new company acquisitions Audiotonix now has over 790 employees in 8 countries, further increasing our responsibility for tailored employee-focused programs that works for each business and its location.

Mental health
Equally important to each company is providing mental health resources within the work environment. We have over 10 mental health leaders who holds regular check-in sessions for individuals or groups. Our aim is to provide a safe space where staff can discuss work or personal concerns and receive feedback or help as required.

Physical health
Sport and general fitness programs are essential to many of our staff, and we encourage all to take the time to participate, from organised walking and running groups at lunchtimes, paragliding or rock climbing with our Slate Digital Grenoble team, to workouts in the onsite staff-managed gymnasium at Solid State Logic Oxford HQ. Our employees take the lead.

In the UK our companies provide annual health days where staff are provided onsite access to medical professionals performing key health indicator checks and sharing advice and good health practice. They also provide Flu jabs to employees who may be vulnerable or want to protect themselves and their families from seasonal sickness.

Shared creativity and events
Across the board we recognise that social interaction and having fun with colleagues not only provides a platform for stronger team integration but also has a wealth of health benefits. Our companies provide numerous social events and celebrations including summer and winter season get-togethers. Being involved in the live event and music industries means that many of our staff are musically creative. Once a year, teams come together at such events as the Solid State Logic 'Battle of the Bands' or at Calrec where like-minded musicians regularly jam and practice together

Our aim is to provide a safe space where staff can discuss work or personal concerns and receive feedback or help as required.

Employee engagement

Across Audiotonix our staff and companies commit time and finances to support community charities and organisations that have a connection locally, and globally.

Billion Oyster Project – A group of employees at US based Group One went to help restore oyster reefs in collaboration with the Billion Oyster Project. The group were tasked with moving crates of oyster shells, weighing them, and dumping them into containers to be transferred to their reef sites.

Sobell House – Solid State Logic team have raised funds for local Oxford charity Sobell House, organising and attending a variety of fundraising events throughout the year including the Oxford half marathon, and taking part in the local OxTrail charity project.

STEM Challenge Day – Solid State Logic also welcomed 22 local Brownies and Guides from Oxfordshire to their local office to take part in a STEM* Challenge Day. The students learnt how audio consoles are manufactured and were hands on with building circuit boards, and then used one of the music studios to record a traditional campfire song.

Backup – DiGiCo continue to support the live and entertainment charity 'Backup' at their annual Kartfest event. The organisation provides resources and funding to help those that have suffered from physical or mental health issues during work.

Mentor Carey Davies – In Cornwall, UK, Allen & Heath's community liaison projects expanded to engage with local college and university students. Carey Davies, their regional advisor, provided mentoring to students to bridge the gap between structured learning and the practicalities of the live sound industry.

*Science, Technology, Engineering and Mathematics

Many students express interest in shadowing me on gigs, providing them with valuable first-hand experience. Recently, I have been mentoring a third-year music student who is focusing on live sound, who joined me for the setup and sound check of German electronic music band, Tangerine Dream at The Princess Pavilion in Falmouth, Cornwall

Carey Davies
Allen & Heath

Industry development and education

In 2020 we engaged with the STEM and STEAM organisations to become ambassadors of science, technology, engineering and maths to highlight the many careers available in the audio sector using these skills. Through 2023 we will introduce engineering projects designed in collaboration with a local college in Penryn, Cornwall, and then further across our global businesses as appropriate. Both independently and through local community contacts and our talented teams Alumni contacts, we have plans to escalate the activities of our community ambassadors in 2024.

We are also committed to encouraging development and support gender diversity within professional audio, working with established organisations globally. Within the professional live sound sector our DiGiCo team have worked with SoundGirls, an organisation established to provide women working in professional audio a community to come to for support and advice, and has grown into an international organization with over 6,000 members and chapters worldwide. In the UK broadcast and media technology sector, the Calrec team have been part of the RISE mentoring development programme, providing our employees access to external career advice and support specific to that sector.
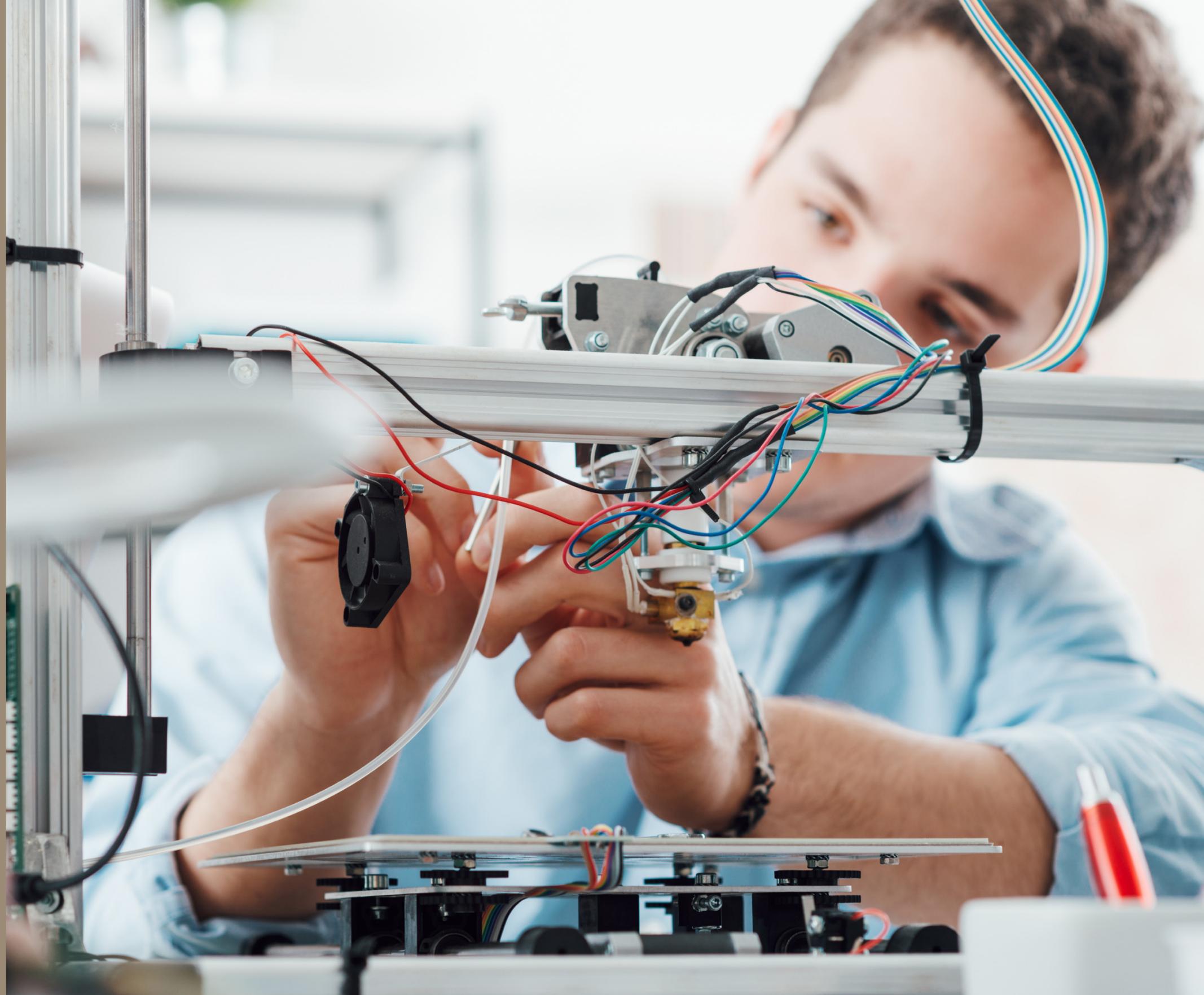
Career management and development

Every employee within Audiotonix is an asset that we want to develop and recognize their achievements throughout their career with us. By providing such programs we also aim to align individual goals with those of the companies and the broader Audiotonix group.

Honoring long-term employees
With many heritage brands within the group, in 2023 we were able to recognize many of our staff who have been with their companies for 10 years or more. At least 3 celebrated between 25 year and 45 years' service at just two of our UK businesses.

Staff retention
In the past year we have increased our learning programs and maintained attrition rates within our R&D teams at under 3%. We provided management and role development courses as well as continuing to support employees who wish to study whilst working. Through internal promotions and via our Audiotonix newsletter, open positions across all our companies are shared encouraging staff to apply for new opportunities that match personal and lifestyle changes.

Staff survey
In 2023 we audited our first all UK Audiotonix staff satisfaction survey highlighting key factors within each company. With an uptake of just under 60%, our results showed that nearly 100% of those are proud of their company and the role they perform. The survey will go to all Group companies in 2024 and will build on the suggestions made and initiated from the 2023 survey.

Talent attraction
We continue to attract new talent via apprenticeships and sponsored visa placements across the Audiotonix group, and further expanded our reach to include more UK universities, STEM/STEAM outreach to local schools, and year in industry placements from within the UK and overseas.

In 2023 Sound Devices USA hired eight summer interns – their largest group to date. Working in the Service, Engineering, Quality Assurance, and Support departments, they worked alongside and were trained by the Sound Devices professionals who develop, test, and service award-winning products. The program is so successful that interns often return year after year to continue to build up their skills and see projects evolve.

To help applicants understand more about our companies and their local area, we introduced EVP's piloted by Solid State Logic. The format contains content regarding the company culture, social programs and key benefits, alongside information on the local area.

This is my second summer interning at Sound Devices. I am grateful to spend another year with the Service Department—a solid group of dedicated technicians worth more than their salt in experience and expertise. This is also a learning opportunity for me, as I am considering Sound Devices in my job hunt.

Next generation of audio engineers – STEAM

To ensure our industry remains a world leader in audio engineering and at the heart of technical innovation, Audiotonix has embraced STEM/STEAM programs to engage interest and nurture new talent. This work starts with developing skills and passion whilst at school or in further education.

In 2023 Audiotonix started the STEAM initiative. Inspired by a local UK education project with Allen & Heath, our plan with STEAM is simple. We want to inspire young students by developing their skills and knowledge in science, technology, arts, and engineering using our kit-based USB powered DJ audio mixer that they must build and assemble themselves or as a team. These kits will be provided at heavily discounted prices or, in locations where access to funding and program opportunities are limited, they will be supplied free of charge. The pilot scheme is now running in the UK with plans to build this out internationally in the coming year.

https://www.audiotonix.com/steam/
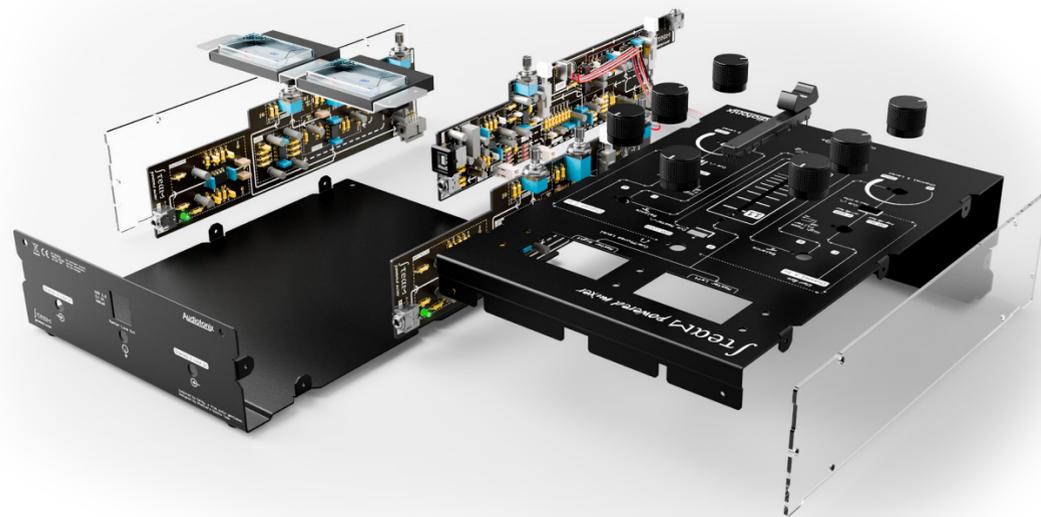
Industry support & development

Coming out of the covid pandemic, across Audiotonix it was important we continue to support the live event and entertainment industries and their communities which had been affected so badly. Connecting with our partners, customers, and their customers face to face was essential in the rebuilding phase as well as leading the drive to replace the technical and creative talent lost during this time, and to attract the next generation of audio engineers.

Industry associations
Across Audiotonix we engaged with international trade events and associations, with key staff on industry steering groups for the Internation Broadcasting Convention (IBC) and Integrated Systems Europe (ISE). Helen Culleton, Audiotonix COO was a Board member of the National Association of Music Merchants (NAMM), North America's largest music instrument and technology association.

We also began our ongoing sponsorship of the Audio Developers Conference (ADC), an annual event celebrating all audio development technologies, aimed at showcasing academic research and facilitating collaborations between research and industry.

Our workplaces

During 2023, many of our UK-based brands undertook renovation work or office moves. We have an ongoing continuous improvement mandate for our buildings, and it is important for us to continue to build and develop working conditions that demonstrate our commitment to the welfare of our employees, contractors, and visitors. Where we work is a valued part of our overall approach to our employee value proposition, and this is demonstrated in our annual surveys and how we act on their recommendations to enhance our working environments.

At the beginning of 2023, DiGiCo and Audiotonix, together, relocated into a brand-new, state-of-the-art EPC A rated facility in Chessington. This gave us double the space of the previous facility and allowed us to build in a variety of breakout areas, numerous spacious meeting rooms, shower facilities for those that cycle to work or exercise in the day, as well as welcoming facilities for visiting industry and Audiotonix colleagues.

Built in the late 1700s, Nutclough Mill, home to Calrec in Hebden Bridge, spent the majority of 2023 receiving sympathetic care and attention, whilst improving working conditions overall. Having been awarded a blue plaque, marking its historical significance to manufacturing, work on the building has been meticulously managed to preserve its heritage whilst enhancing the unique buildings overall comfort for everyone working at Calrec. Further works are planned for 2024 as part of the long-term enhancement program for the teams there.

To continue progressing on our zero-carbon energy program; Solid State Logic also had its roof refurbished, ensuring that it was fully prepared for the installation of solar panels as part of our commitment to green energy sources wherever we can.

Further works are planned for 2024 across the group as we continue on our path to reduce our carbon footprint through continuous improvements in technology use, alongside best practice energy management processes.

Audiotonix head office

Governance

COMPLIANCE

Our ESG leadership team

ESG is reported on at every ops and main board meeting. Helen, Tony and Neil may lead the ESG strategy but the design, manufacturing and HR teams equally drive the projects through their own passion to deliver the holistic, inclusive approach to targets we set ourselves each year.

Everyone has a voice and are encouraged to contribute to new initiatives. These are shared in quarterly newsletters, and team calls and inspire us all to be better at what we do and to each other.

Helen Culleton
Chief Operating Officer

Chief Operating Officer Helen has more than 35 years experience having joined Soundtracs (predecessor to DiGiCo) during the 1990s. In 2007 she became Operations Director of DiGiCo, and in her current role as Chief Operating Officer delivers group wide support on company issues across HR, compliance and operations.

Tony Williams
Group Operations Director

Group Operations Director Tony has been in his current role with Audiotonix since 2015, having formerly served as Operations Director at Allen & Heath for ten years. He has over 30 years experience in UK and off-shore manufacturing.

Neil Hooper
Group Technology Officer

Group Technology Officer Neil has been at Audiotonix since July 2015 having formerly been Head of R&D at Vertu and as R&D Officer at Nokia for seven years. He has an MBA from Henley Management College and a First Class Degree in Engineering.

Andy Bell
Group Technical Director

Andy has been in his current role as Group Technical Director since 2023. Previously he spent 20 years at Allen & Heath in a variety of senior technical roles and he been central in the development of their portfolio of products covering install, live sound and touring.

Garima Singh
Sustainability Specialist

Garima Singh stepped into the role of Audiotonix's first Sustainability Specialist in December 2023 this year, demonstrating the company's strong commitment to sustainability.

Chris Lowder
General Operations Manager

Chris Lowder joined the team at Audiotonix as General Operations Manager and is responsible for manufacturing and supply chain activities across the group reporting to Tony Williams. Chris has spent 23 years working at several professional video broadcast and military/aerospace equipment manufacturers.

Responsible procurement

Audiotonix suppliers are an extension of our business, and we endeavour to ensure all our vendors have the same exacting standards and ethics that we apply in our daily business lives.

All manufacturers' need to demonstrate good working conditions for all employees with no child labour, no discrimination, reasonable working hours and fair pay.

Since 2018 the UK procurement teams have been working with suppliers and manufacturers to ensure they meet all of our Supplier code of conduct criteria. In 2022 and 2023 this was extended to our USA businesses Group One and Sound Devices, with 50 suppliers signing up to the code of conduct.

The agreement ensures the businesses take health and safety, environmental responsibility and business ethics seriously.

A pillar of our responsible supply chain is an on-site audit of the manufacturer. The audit is driven by an extensive questionnaire to ensure the vendor satisfies all our labour, health and safety, and environmental criteria.

The audits were affected throughout the covid years 2020 to 2023 where government and manufacturers policy ceased visitors to the country and/or factory.

Supplier Audits - Calendar Years

Calendar Years

Year	Audits Completed
2018	4
2019	14
2020	0
2021	13
2022	2
2023	12

Audits Completed

Supplier Audits - Commodity - Resposible Procurement

Commodity

Commodity	Value
Metalwork	14
Bare PCB	6
Mouldings	6
Contract Manufacturer	5
Cables	3
Inter Company	3
Displays	2
Packaging	2
Switches, Pots & Fader	2
Key Mats	1
Polycarbs	1

Supplier Audits

Supplier Code of Conduct signed by Country

Country

Country	Signed Supplier Code of Conduct
Australia	1
Austria	1
Canada	1
China	21
France	1
Germany	11
Israel	1
Japan	1
Malaysia	2
Netherlands	2
Sweden	1
Tiawan R.O.C	11
UK	142
Various	16
USA	30

Signed Supplier Code of Conduct

Health & safety

All our businesses take Health & Safety extremely seriously, where we use risk assessments and training to minimise the opportunity for an employee to injure themselves.

Each site has a person responsible for Health and Safety as well as individual trained and assessed in First Aid. This enables us to provide a safe working environment and if an accident does occur then it can be dealt with immediately be fully trained personnel.

Each business collects data on accidents and reviews how the accident could have been prevented, this ensures constant learning and management of improvements in all our working spaces.

In the last year, the Lost Time Injury Frequency Rate (LTIFR) has increased. We have learnt from these incidents and strive to reduce this back to 0.0 LTIFR.

Summary of Accidents (Calendar Year)

Calendar Years	Reportable RIDDIOR	Accidents (MINOR)	Near Misses	RIDDOR Days absence	Number of employees	Working days	Working hours	Lost Time Injury Frequency Rate
2016	0	30	13	0	341	90.365	677,738	0.0
2017	0	36	12	0	344	91,160	683,700	0.0
2018	1	35	5	0	537	142,305	1,067,288	0.0
2019	0	32	2	0	538	142,570	1,069,275	0.0
2020	0	19	5	0	507	134,355	1,007,663	0.0
2021	0	15	4	0	511	135,415	1,015,613	0.0
2022	1	35	4	35	604	160,060	1,200,450	0.0
2023	2	50	8	43	689	182,585	1,369,388	4.0

Corporate governance

Corporate responsibility

We do not trade with sanctioned countries and screen every supplier and customer for compliance, whether their country is on any sanctions lists or not. Our key front line employees receive training on AEB, Sanctions and CCO as well as structured GDPR training for our marketing teams and anyone handling personal data. In February 2022 we immediately ceased all trading with Russia and Belarus and continue to monitor worldwide political situations as they arise.

Cyber security

Our Governance involves the integration of ESG principles into our organization's IT framework, whilst ensuring that technology decisions and operations align with broader commercial and sustainability goals.

These include:
• Sustainable IT Infrastructure: we adopt energy-efficient data centres, cloud computing solutions and hardware that requires less energy to perform as part of our carbon reduction footprint goals.
• Green Software Development: Encourage practices like code optimization and reducing resource-intensive processes to decrease energy consumption.
• IT Risk Management: Develop comprehensive IT risk management frameworks that include sustainability standards to ensure that technology risks are mitigated and aligned with corporate governance policies.
• Ensure IT security operations comply with industry standards, ethical guidelines and relevant regulations, including those specific to sustainability.
• Transparency & Reporting: Implement systems for transparent Cyber Security/SOC reporting and IT investment, enabling stakeholders to monitor the fuller organization's IT performance.

Integrating ESG into IT governance is a strategic move towards sustainable growth. By embedding ESG principles in IT practices, Audiotonix will enhance our long-term resilience, attract ethical investments, and contribute positively to society and the environment.

Board structure

Our main board, which meets monthly, is a combination of Audiotonix Executives, investors and an independent Chairman who also sits on the Groups audit and remuneration committee's.

Our Group operations board is made up of the leadership teams of each of the brands as well as the executives of the Audiotonix board.

Both the main and operations boards meet in person every month to review both trading performance and documented key indicators on employee wellbeing, training, H&S, corporate responsibility and sustainability initiatives. These are disclosed in the internal reports distributed to the boards.

We take our responsibilities as ethical boards seriously and follow our own Sanctions Policy rigorously.

Enterprise Resource Planning

A companywide project has been underway since 2020 to transition business transactions from legacy systems to a single integrated business software.

An Enterprise Resource Planning (ERP) system from Epicor is being deployed across the group, the software system that helps our businesses manage their core processes in real time. The 'Kinetic' platform provided by Epicor is a Software as a Service (SaaS) solution delivered via a Microsoft Azure platform in the public cloud, Epicor manage the cloud platform and underlying infrastructure.

As we transition each business into the cloud platform network, we are replacing each legacy ERP platform and therefore the need to maintain, manage or control 'on premise' infrastructure to support these applications.

By moving our businesses into the Epicor Cloud, we are starting to realise the benefits of centralised data conforming to a blueprinted structure. During each implementation we shape legacy data to so that it is structured and categorised for group level analysis. The products of every business are assigned group mandated attributes, and this allows for effective order book and inventory analysis. Each business also transitions to a group chart of accounts, giving us enhanced visibility and control of Financial Reporting and budgeting.

We are just at the start of our journey but realised benefits so far...

Streamline operations
Epicor integrates data from various business processes, such as CRM, supply chain, manufacturing, finance and after sales into one database deployed in the cloud. This eliminates data duplication and provides a single source of truth.

Inventory management
Warehouse operations and material management have been transformed using barcodes and handheld devices to do all stock transactions. Several key inventory processes are now completely paperless.

Production and manufacturing
With tablets running Epicor stationed throughout our manufacturing process, all production and manufacturing activities can be viewed in real time with the data collected to optimise product flow and record the history of each product.

Customer management
The Customer Relationship Management (CRM) module integrates lead generation, customer relationship management, order management, pricing, invoicing, and delivery into the single Epicor platform, again eliminating duplication of work and data inaccuracies.

Decision making
Reporting software is integrated to the Epicor database allowing information to be presented in real time enabling decisions to be made quickly with precise information.

The transition from a legacy system to Epicor is a journey for all the colleagues in a business, discovering their current workflows, data and reporting is a considerable task.

The engagement of the individuals in each business in the change process has been paramount to successful implementation – every business has given focus to the process.

Through implementation we identify and educate a core team of Subject Matter Experts (SME) in each business, these individuals then participate in intensive workshops where they become stakeholders in the solution, adopting ownership of a suite of Standard Operating Procedure documents (SOP). With the support of our ERP team, each core team becomes responsible for educating their respective teams. This process increases the self sufficiency of each business once they are live.
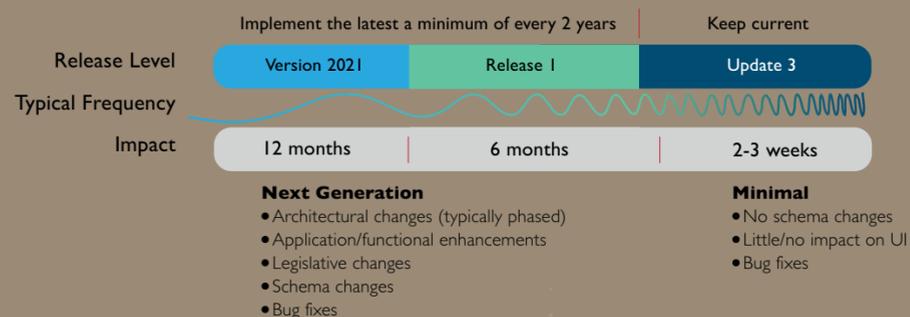
Our internal ERP team have now transitioned the following companies to the Epicor:

Allen & Heath ▷ **DiGiCo** ▷ **Group One** ▷ **Klang** ▷ **Solid State Logic**

In each business we have replaced and retired legacy 'on premise' ERP and financial solutions.

The Epicor platform is continually advancing, the cadence of software updates, new modules, partnering with software providers promotes continual improvement.

Kinetic Version Numbering and Timing

	Implement the latest a minimum of every 2 years		Keep current
Release Level	Version 2021	Release 1	Update 3
Typical Frequency			
Impact	12 months	6 months	2-3 weeks

Next Generation
• Architectural changes (typically phased)
• Application/functional enhancements
• Legislative changes
• Schema changes
• Bug fixes

Minimal
• No schema changes
• Little/no impact on UI
• Bug fixes

Over the course of our engagement with Epicor, the platform itself has become browser based. This has removed the need to install client software to access Epicor, simplifying management of client infrastructure required to access the solution. It also reduces the processing power required to access the application meaning we can consider utilising 'lighter' specification client devices.

Allen & Heath was the first business to be fully implemented using only the browser-based access platform. Each new implementation will follow suit. Our ERP team are undertaking a scheduled roll out of the browser-based solution to all existing businesses.

With each release of Epicor features are introduced and improved. Recent releases have seen improved mechanisms to meet evolving challenges head on, such as the introduction of metrics which will allow our businesses to measure and analyse waste and carbon.

As part of our on-going continuous improvement process our ERP team re-visit each business to ensure optimal use of the platform as it evolves.

Audiotonix

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