



The
SUSTAINABILITY
Code

Declaration of conformity 2017

for use as non-financial declaration in accordance with
the CSR Directive Implementation Act

Gigaset AG

Indicator set

GRI 4

Contact

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prepared according to
CSR Directive
Implementation Act

This declaration of conformity has been reviewed
by the Sustainability Code Office and verified as
complete in accordance with the CSR Directive
Implementation Act.

Indicator set

The declaration was drawn up in accordance with the following reporting standards:

GRI 4

Reporting obligation:



prepared according to
CSR Directive
Implementation Act

This declaration of conformity has been reviewed by the Sustainability Code Office and verified as complete in accordance with the CSR Directive Implementation Act.

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Date: 2017, source: company data.
The reporting company is responsible
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General

General Information

Describe your business model (including type of company, products / services)

Gigaset AG, Munich, is an internationally active company in the field of communications technology. The company is Europe's market leader for DECT telephones. The main production facility for DECT telephones is located in Bocholt in Germany. The operating business is mainly conducted by Gigaset Communications GmbH, a wholly-owned subsidiary of Gigaset AG, in Bocholt. The premium vendor with more than 800 employees and sales activities in about 70 countries of the world also holds a leading worldwide position. The company continues to develop and market innovative business telephony solutions for small and medium-sized enterprises under the Gigaset pro brand name. The company is also active in the segment of smart home products and solutions. It develops and markets forward-looking, cloud-based products and solutions for smart living under the 'Gigaset elements' brand name. The company also sells smart phones.

Gigaset AG is listed in the Prime Standard segment of the German Stock Exchange and is therefore required to observe the highest transparency requirements. The company's shares are traded on the Frankfurt Stock Exchange under the symbol GGS (ISIN: DE0005156004).

In accordance with Section 315b para. 1 in conjunction with para. 3 HGB (German Commercial Code), Gigaset AG is exempt from the requirement to include a non-financial declaration in its Group management report because the company prepared a separate non-financial Group report for the 2017 reporting year outside of the management report. In accordance with Section 315b para. 3 HGB in conjunction with Section 289d HGB, Gigaset AG hereby declares that it applies the German Sustainability Code as a recognized framework for the preparation of the non-financial Group report.

Additional remarks:

Sustainable activity is especially important for Gigaset AG and its subsidiaries, especially Gigaset Communications GmbH (referred to hereinafter as "Gigaset"). Gigaset wants to permanently assume responsibility for all its activities and pay due consideration to social concerns, employee concerns, environmental concerns, respect for human rights and combating corruption and bribery in its business activities.

To make it possible to compare itself also directly with other companies in this

regard, Gigaset has been evaluated every year since 2014 by the external institution EcoVadis, most recently in the 2017 reporting year. In particular, EcoVadis evaluates environmental protection, work conditions, human rights, fair business practices and sustainable procurement, as well as ethics, particularly including combating corruption and bribery. In all these areas, EcoVadis evaluates the company's policies, measures implemented and results achieved. Prestigious customers of Gigaset, including large telecommunications providers in Europe that attach importance to working with especially responsible suppliers with sustainable business practices place their confidence in the evaluation results of EcoVadis. Gigaset achieved the "Silver" status again in 2017, meaning that it achieves well above-average scores in the evaluated categories, also compared to other manufacturers of communications devices.

CRITERIA 1–10: SUSTAINABILITY POLICY

Criteria 1–4 concerning STRATEGY

1. Strategic Analysis and Action

The company declares whether or not it pursues a sustainability strategy. It explains what concrete measures it is undertaking to operate in compliance with key recognised sector-specific, national and international standards.

As an internationally active manufacturer of high-quality communications equipment, Gigaset is committed to responsible and lawful activity. Gigaset's sustainability strategy and the resulting operational principles are codified in the Gigaset Business Conduct Guidelines, which are binding on all Gigaset employees, as follows:

We respect the personal dignity, privacy and personal rights of each and every individual. We work together with employees and external business partners of different nationalities, ethnic backgrounds, skin colors, cultures, religions and world views. We tolerate no discrimination of any kind, either with respect to the aforementioned aspects or with respect to sex, sexual identity, age or disability.

Environmental protection and conservation of natural resources are high-priority business objectives for Gigaset, as documented by the company's environmental protection policy. A worldwide environmental management system sets high standards and ensures compliance with laws and regulations. Environmentally friendly design, technical safety and health protection are firm criteria observed already in the development of our products.

Accident prevention and protection against work-related health hazards are integral aspects of the company's duty of care. Moreover, it is the duty of all employees to contribute to the achievement of occupational safety goals under their own responsibility and to the best of their ability. This applies to the technical planning of work stations, facilities and processes, as well as safety management and personal conduct in everyday work.

Gigaset also expects its suppliers to apply the following principles regarding their responsibility for people and the environment:

- Compliance with all applicable laws,
- The renunciation of corruption,
- Respect for the human rights of their employees
- Compliance with laws against child labor,
- Assumption of responsibility for the health and safety of their employees,
- Compliance with relevant national laws and international standards for environmental protection, and
- The requirement that the same principles are implemented and observed in their own supply chains.

Employees who enter into contracts with suppliers must ensure the proper application of these principles by means of appropriate contractual clauses.

With respect to dealings with business partners and third parties, the Gigaset Business Conduct Guidelines particularly include rules and standards related to compliance with

competition laws, anti-trust laws and anti-corruption laws. The Gigaset Business Conduct Guidelines were last revised in 2017, when a donations guideline was added.

2. Materiality

The company discloses the aspects of its business operations that have a significant impact on sustainability issues and what material impact sustainability issues have on its operations. It analyses the positive and negative effects and provides information as to how these insights are integrated into the company's processes.

With its products, Gigaset is active in all areas of society and is not limited to a certain social environment. The company strives to have a positive effect on sustainability with its products. This refers in particular to ecological aspects.

Gigaset's products have always been characterized by first-class quality and workmanship. Nearly the entire portfolio of cordless telephones (the company's biggest business segment) is externally certified by the HTV-Life test seal. This confirms that there are no planned obsolescences in the company's products. Thus, Gigaset's products are especially long-lived. Any necessary repairs can be performed within Germany, at the company's own factory in Bocholt. Therefore, Gigaset strives not only to manufacture and distribute long-lived products as a means of actively countering the "throw-away society," but also to keep CO₂ emissions as low as possible through short logistical paths – both in distribution and for necessary repairs.

Gigaset attaches great importance to avoiding emissions and using tested and certified materials in the production of its various products. Concrete implementation examples can be found in nearly all production steps. For example, the company recently redesigned and considerably reduced the pack size of its product overpacks. This will save materials and reduce emissions.

By means of these measures, Gigaset strives to make a positive contribution with its products to ecological sustainability and to the responsible and resource-conserving handling of our environment.

Gigaset is firmly committed to the main production facility in Bocholt, thereby protecting jobs and fair working conditions in Germany in the manner negotiated with its collective bargaining partners.

3. Objectives

The company discloses what qualitative and/or quantitative as well as temporally defined sustainability goals have been set and operationalised and how their level of achievement is monitored.

It is an especially important goal of Gigaset to be considerably better in all areas of corporate social responsibility than the average of companies that manufacture communications devices.

To make it possible to compare itself also directly with other companies in this regard, Gigaset has been evaluated every year since 2014 by the external institution EcoVadis, most recently in the 2017 reporting year. In particular, EcoVadis evaluates environmental protection, work conditions, human rights, fair business practices and sustainable procurement, as well as ethics, particularly including combating corruption and bribery. In all these areas, EcoVadis evaluates the company's policies, measures implemented and results achieved. Prestigious customers of Gigaset, including large telecommunications providers in Europe that attach importance to working with especially responsible suppliers with sustainable business practices place their confidence in the evaluation results of EcoVadis.

Gigaset achieved the "Silver" status again in 2017, meaning that it achieves well above-average scores in the evaluated categories, also compared to other manufacturers of communications devices.

Gigaset will also remain committed to this goal and will therefore continue to be evaluated by EcoVadis in the future.

In its worldwide activities involving a large number of products, services and processes, Gigaset gives particular consideration to the lasting preservation of the environment and the natural resources required for human life.

With respect to environmental protection, Gigaset accepts global responsibility for all mankind. Gigaset is convinced that the sensible and careful handling of the world's natural resources will have a lasting positive effect on Gigaset's reputation and image, as well as its economic efficiency and therefore its results.

Environmental protection and economic activity are not mutually exclusive. On the contrary, they are closely related to each other. Gigaset considers three essential factors – economic efficiency, environmental protection and social responsibility – as deserving of equal status in the system of liberal world trade. Therefore, Gigaset strives to identify and assess all environmental aspects at the earliest possible stage and optimize them in such a way as to minimize any effects on the environment. In this respect, the absolutely highest priority is given to compliance with applicable laws.

Gigaset is committed to continuously improving its environmental management system with the goal of improving its environmental performance. We focus on operational and product-related environmental protection in all phases, from the origination to the proper, environmentally friendly disposal of all its products.

Gigaset places a special emphasis on product-related environmental protection with the goal of minimizing environmental burdens across the entire life cycle of our products. After all, the products we define, develop, produce and market throughout the world also have a direct impact on operational environmental protection. For us, permanently sustainable development in terms of environmental protection entails the obligation of conserving natural resources. Therefore, we consider possible environmental effects already in the product and process development stage and seek to avoid or permanently reduce them.

Related goals include resource conservation, minimal energy consumption, the avoidance of hazardous substances and pollutants and optimal product recycling after use. The best and only way to achieve the greatest economic and ecological benefit is to consider the entire product life cycle, both in our own area of responsibility and in that of our suppliers, and including the use and disposal of products by our customers.

Environmental protection and technical safety are fundamentally the responsibility of every employee. Consequently, it is the task and duty of every Gigaset manager to create the right conditions to ensure that we respect and uphold the overriding principles of human safety, environmental protection and the improvement of our environmental performance in all phases of all our activities.

Specifically, we have set the following goals in the following areas for the current year:

In the area of ecology, operational application fields:

- Reduction of the number of hazardous substances by means of sublimation (to be achieved by 12/2018),
- Energy management at the business location, analysis and optimization of energy consumption (ongoing),
- Reduction of fuel consumption and CO₂ emissions through the use of electric forklifts (to be achieved by 09/2018; still in the test phase, not yet finally evaluated), and
- Minimization of waste quantities for each device delivered (ongoing).

In the area of ecology, product-related application fields:

- Implementation of the ECO Mode plus technology (switch off radiation) in newly developed products (ongoing process for new device generations),
- Reduction of the number of products in the value-added cycle by means of conformity with the HTV Life certificates (no planned obsolescence) (ongoing),
- Reduction of transport costs by reducing the pack sizes of various devices (ongoing), and

- Reduction of the number of pages of the documentation included with products by adjusting the contents (ongoing).

In the area of economic efficiency:

- Compliance with environmental protection (ISO 14001) and social responsibility standards (Code of Conduct) in the value chain, including the appropriate selection of suppliers based on the requirements profile (ongoing), and
- Corruption prevention by training and informing employees (ongoing).

In the area of social responsibility:

- Training and continuing education of employees, internal and external training courses (ongoing).

These goals are evaluated annually and the level of achievement is measured and documented.

4. Depth of the Value Chain

The company states what significance aspects of sustainability have for added value and how deep in the value chain the sustainability criteria are verified.

Aspects of sustainability are relevant in every stage of the life cycle of our products, i.e. beginning with product development, procurement of materials including the selection of components and raw materials from a broad base of suppliers, production in the factory in Bocholt, transport to the customer, and ending with the disposal and recycling of our products.

- In selecting its suppliers, Gigaset contractually obligates them to observe a Code of Conduct that defines Gigaset's principles and requirements for its suppliers of goods and services relative to their responsibility for people and the environment. The main points are the following:
 - Compliance with laws and regulations
 - Prohibition of corruption and bribery
 - Respect for the fundamental rights of employees
 - Prohibition of child labor
 - Health and safety of employees
 - Assurance of environmental protection on the basis of legal norms and standards
 - Fulfillment of the aforementioned requirements also by sub-contractors (supply chain protection)

Detailed requirements for employees are set out in the Procurement

Handbook.

- With regard to product development, the consideration of potential environmental issues is a standing requirement in the product development process. Product requirements include legal requirements and additional environmental requirements stipulated in the product specifications.
- There is a deep level of vertical integration in production, including circuit board assembly and testing, the injection-molding and printing of cases, device assembly and testing, packing and shipping. In this regard, extensive consideration is given to occupational safety, the handling of pollutants, waste disposal, noise and odor emissions and other legal requirements.
- An external partner handles delivery and shipping.
- Gigaset supports recycling after use through the appropriate selection of materials.

Criteria 5–10 concerning PROCESS MANAGEMENT

5. Responsibility

Accountability within the company's management with regard to sustainability is disclosed.

System and Process Management is a separate organizational unit within Quality & Service, Assurance. Gigaset's management appoints an Environmental Protection Officer in writing to provide specialist supervision and bear responsibility for the implementation and monitoring of environmental protection and technical safety topics. The Environmental Protection Officer represents the corresponding department internally and externally and reports directly to the management. The Environmental Protection Officer is assigned to the System and Process Management organizational unit.

The Environmental Protection Officer supports Gigaset's Management in the performance of its environmental protection tasks and responsibilities and is the central coordinator of all environmental protection matters at Gigaset. He is required to coordinate all environmental protection activities required by law and voluntarily resolved by Gigaset, in the name of the responsible manager.

The activity of Gigaset's Environmental Protection Officer encompasses environmental protection, fire protection, radiation protection, hazardous materials and the coordination of hazardous goods transport in all functions and areas of Gigaset, including (for example) research and development, design, production, sales, assembly, service and end-of-life disposal.

The Environmental Protection Officer exercises guideline authority for environmental protection in all functions and areas of Gigaset.

In addition, the Management has established the following functions to support its monitoring, control and steering function:

- Internal Audit as a process-independent monitoring and supervisory unit
- Risk Management
- Compliance Committee

6. Rules and Processes

The company discloses how the sustainability strategy is implemented in the operational business by way of rules and processes.

Gigaset's sustainability strategy is implemented by an integrated management system in which the quality standard ISO 9001 and the environmental protection standard ISO 14001 play a central role. Gigaset's quality and environmental protection policies describe the essential points of the management system.

Gigaset's process landscape designed on this basis models the necessary sustainability activities in the areas of project management, quality, environmental protection, waste management, occupational health and safety, supply chain and social standards.

In essential areas, these processes are backed by process instructions and handbooks in which the corresponding responsibilities and procedures are described in detail. Other topics are defined and published in organizational circulars and guidelines.

This also includes Gigaset's Business Conduct Guidelines, which set out binding rules for the responsible activity of all employees in the company and in dealings with outside parties, particularly including customers and business partners.

It also describes the process by which questions about compliance topics and tips regarding possible compliance violations can be submitted to the Gigaset Compliance Committee.

A central risk management system serves the purposes of detecting risks in a timely manner and managing them by means of suitable countermeasures. The internal audit process supports the Management in the monitoring of compliance with organizational and supervisory obligations and internal regulations.

7. Control

The company states how and what performance indicators related to sustainability are used in its regular internal planning and control processes. It discloses how suitable processes ensure reliability, comparability and consistency of the data used for internal management and external communication.

The Management adopts an annual audit program as a monitoring measure

and delegates responsibility for conducting the audits to a suitable employee. The selection of audit topics is based on a risk-oriented audit approach and encompasses the entire organization in Germany and abroad. The audit program is focused on monitoring compliance with organizational and supervisory duties (compliance) and the observance of internal regulations (regularity). It also regularly covers the aspect of combating corruption and bribery. Identified deficiencies and risks and the corresponding action recommendations are documented in audit reports and carefully reported to the Management. The implementation of resolved action recommendations is monitored and reported to the Management in follow-up audit reports. This monitoring measure and the corresponding reports help ensure that the Management can fulfill its supervisory and monitoring obligation and duty of care.

The implementation and efficacy of the environmental management system is to be regularly monitored by audits and inspections. The competent Gigaset manager, in cooperation with Gigaset's Environmental Protection Officer, is required to review and evaluate the efficacy of the environmental management system in a Management Review at least once a year. As part of this process, the attainment of the environmental goals defined in the annual environmental program is reviewed, among other things.

Key Performance Indicators to criteria 5 to 7

Key Performance Indicator G4-56

The organisation's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics.

We respect the personal dignity, privacy and personal rights of each and every individual. We work together with employees and external business partners of different nationalities, ethnic backgrounds, skin colors, cultures, religions and world views. We tolerate no discrimination of any kind, either with respect to the aforementioned aspects or with respect to sex, sexual identity, age or disability.

Environmental protection and conservation of natural resources are high-priority business objectives for us, as documented by the company's environmental protection policy. A worldwide environmental management system sets high standards and ensures compliance with laws and regulations. Environmentally friendly design, technical safety and health protection are fixed criteria observed already in the development of our products.

Accident prevention and protection against work-related health hazards are integral aspects of the company's duty of care. Moreover, it is the duty of all

employees to contribute to the achievement of occupational safety goals under their own responsibility and to the best of their ability. This applies to the technical planning of work stations, facilities and processes, as well as safety management and personal conduct in everyday work.

Gigaset also expects its suppliers to apply the following principles regarding their responsibility for people and the environment:

- Compliance with all applicable laws,
- The renunciation of corruption,
- Respect for the human rights of their employees,
- Compliance with laws against child labor,
- Assumption of responsibility for the health and safety of their employees,
- Compliance with relevant national laws and international standards for environmental protection, and
- The requirement that the same principles are implemented and observed in their own supply chains.

Employees who enter into contracts with suppliers must ensure the proper application of these principles by means of appropriate contractual clauses. With respect to dealings with business partners and third parties, the Gigaset Business Conduct Guidelines particularly include rules and standards related to compliance with competition laws, anti-trust laws and anti-corruption laws. The Gigaset Business Conduct Guidelines were last revised in 2017, when a donations guideline was added.

The Compliance Committee is responsible for employee training and development. Training courses (web-based) with examinations are held for the purpose of preventing corruption.

In addition, Gigaset operates an environmental management system, which is governed by a specific process instruction.

8. Incentive Systems

The company discloses how target agreements and remuneration schemes for executives and employees are also geared towards the achievement of sustainability goals and how they are aligned with long-term value creation. It discloses the extent to which the achievement of these goals forms part of the evaluation of the top managerial level (board/managing directors) conducted by the monitoring body (supervisory board/advisory board).

The target agreements and compensation systems for executives and employees are not oriented to the achievement of sustainability goals or aligned with long-term value creation. Therefore, the achievement of these

goals is also not part of the highest management level represented by the Supervisory Board.

The payment of variable compensation for target attainment in each given year serves the interests of Gigaset. Variable compensation is tied to the degree of attainment of the targets set for Gigaset's business success. Setting targets at the beginning of each year enables Gigaset to respond flexibly to changed economic conditions.

Although individual target agreements are not concluded for the area of sustainability, Gigaset remains committed to the goal of being considerably better in all areas of corporate and social responsibility than the average of companies that manufacture communications devices. The evaluation is performed externally by EcoVadis.

Sustainability is firmly anchored as a binding requirement for all employees in the Business Conduct Guidelines and is therefore an integral part of Gigaset's business philosophy and everyday work.

Key Performance Indicators to criteria 8

Key Performance Indicator G4-51a

Remuneration policies for the highest governance body and senior executives.

The range of duties and requirements for the professionalism of the Supervisory Board and senior executives has increased considerably in the last years. The heightened complexity of business models in international competition and the additional regulatory requirements have led to increased duties, work time and responsibility.

In addition to the reimbursement of their expenses, Supervisory Board members receive a fixed basic pay, attendance fees and additional pay for adopting resolutions outside of meetings. The amount of this compensation is resolved by the shareholders in the annual general meeting. Management Board members receive fixed and variable compensation, which is not tied to the achievement of CRS goals in most cases.

Key Performance Indicator G4-54

Ratio of the annual total compensation for the organisation's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.

Gigaset does not survey this indicator. Naturally, there is a wide gap between

the simplest, semi-skilled activities in production and the top earners in the senior management. Gigaset's main production facility is located in Bocholt, Germany. Gigaset's employees in Germany are covered by a collective bargaining agreement concluded between the metalworkers' union IG Metall and the metalworkers' employer association.

9. Stakeholder Engagement

The company discloses how the socially and economically relevant stakeholders are identified and integrated into the sustainability process. It states whether and how an ongoing dialogue takes place with them and how the results are integrated into the sustainability process.

Gigaset's products, including the use and production thereof, influence people and the environment in different ways. Moreover, the company's business success and reputation are strongly influenced by the needs and expectations of its stakeholders. The relevant external and internal stakeholders of Gigaset were last reviewed and their influence on the company and its aspirations was last analyzed in connection with the ISO 9001/14001:2015 certifications. Maintaining an ongoing dialog with its stakeholders is an important instrument for Gigaset by which it receives new suggestions for innovations and feedback and indications of necessary changes.

The relevant stakeholder groups are the following:

- Gigaset's employees at all locations
- Customers, divided into end customers who use the products and dealers/ distributors who resell the products.
- Lawmakers and government agencies
- Suppliers of inputs and raw materials and finished products
- Owners
- Local residents and neighbors of Gigaset's locations

The nature and extent of the engagement of relevant stakeholders are determined on the basis of the significance of the influence exerted on the company and quality/ environmental protection issues. Depending on the degree of influence exerted, stakeholder groups are engaged as follows: provision of information or active support.

Key Performance Indicators to criteria 9

Key Performance Indicator G4-27

Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.

Topics, concerns and dialog with stakeholder groups Employees:

Employees expect a safe work place and fair compensation, continuing education and career advancement opportunities and occupational health and safety.

On the subject of these expectations, regular meetings are held with employees and the employees' qualifications are upgraded through continuing education. A training budget is made available for continuing education measures. Thanks to employee initiatives, every employee has the chance to actively participate in the processes and suggest improvements. Collective bargaining agreement categories ensure fair and non-discriminatory compensation.

Customers:

An ongoing dialog is conducted with customers through our hotline and in the customer forum (the customer forum is currently being overhauled and will be brought back online in the near future). Problems and questions are quickly addressed in these channels. In addition, the relevant social media groups and reviews on sales portals are used to receive and evaluate customers' suggestions.

The ongoing dialog with dealers is conducted through our 70 worldwide distribution points; in addition, an online dealers' portal is available for information sharing.

Suppliers:

The Procurement Department cultivates a close relationship with suppliers, including an ongoing dialog on the subject of both Gigaset's and the suppliers' requirements.

Lawmakers:

All employees are obligated to observe applicable laws. Special projects such as the implementation of the General Data Protection Regulation are prepared and implemented by central departments.

Shareholders:

Information is provided to shareholders in accordance with the legal and regulatory requirements. They are given the chance particularly at the annual general meeting to obtain information about Gigaset's affairs within the limits of the law of stock corporations.

10. Innovation and Product Management

The company discloses how innovations in products and services are enhanced through suitable processes which improve sustainability with respect to the company's utilisation of resources and with regard to users. Likewise, a further statement is made with regard to if and how the current and future impact of the key products and services in the value chain and in the product life cycle are assessed.

Gigaset develops long-lasting and resource-efficient products. They are meant to fulfill the needs of customers while minimizing any adverse impacts on the environment. This applies to both the production and the operation of products. Due consideration is given to legal requirements and internal sustainability criteria such as repair possibilities, recyclability, energy and resource efficiency in all phases from product definition to development and production.

Gigaset employs a product development process to keep track of all important aspects in all phases from the product idea to series production. Part of this process is the product development checklist. This checklist guides the project execution team through the project with due regard to all relevant steps and legal requirements. The international environmental management standard ISO 14001 is the guiding set of principles for Gigaset's ecological activities. The annual certification is performed by the German Engineering Control Association (TÜV). The principal topics that give rise to ecological effects are described in the following.

- Gigaset deliberately refrains from planned obsolescence, i.e. planned wear and tear or the intentional incorporation of a deficiency into products in order to shorten the product's useful life. Gigaset engages the outside company HTV to confirm this with audits.
- By placing a greater focus on individual mobile parts instead of systems, Gigaset has been able to adapt many cardboard packages in order to transport 27.5 fewer tons of cardboard. Further energy savings were achieved in the production of the cardboard packages.
- Reducing the operating instructions to installation instructions and posting the complete operating instructions at Gigaset's website led to substantially lower shipping weights (2.4 tons). Further energy savings were achieved in the production of paper and the printing of instructions.
- The conversion of the telephone network to IP means that telephones are no longer connected to telephone jacks, but to Internet routers in the vast majority of cases. The discontinuance of country-specific telephone adapters saved 28.5 tons of metal and plastic and reduced shipping energy in the last three years.

Gigaset conducts an employee initiative for the purpose of continuously improving existing products and processes. Under this initiative, all employees can submit useful ideas to improve the company's results, processes, products or procedures. Useful means generating added value for customers, the company's work (e.g. quality, value creation, environmental protection) or work place (e.g. order, cleanliness, safety, disruptive factors).

Gigaset also maintains a novel innovation process that is closely geared to the needs of customers and allows for the development of innovative product ideas to secure the future of Gigaset. This process is already being actively practiced: In 2017, for example, the company held innovation workshops that generated a large number of innovative ideas that are now being assessed along an effective innovation funnel and the resulting projects are being implemented throughout the organization. The pursuit of a consistent innovation strategy enables Gigaset to exploit its full potential and therefore act more quickly, sustainably and efficiently.

Key Performance Indicators to criteria 10

Key Performance Indicator G4-FS11

(report also in accordance with GRI SRS): Percentage of assets subject to positive and negative environmental or social screening.

This data is not collected. This data is not relevant for Gigaset because Gigaset does not currently intend to purchase financial investments.

Criteria 11–20: Sustainability Aspects

Criteria 11–13 concerning ENVIRONMENTAL MATTERS

11. Usage of Natural Resources

The company discloses the extent to which natural resources are used for the company's business activities. Possible options here are materials, the input and output of water, soil, waste, energy, land and biodiversity as well as emissions for the life cycles of products and services.

Gigaset pursues a strategy of conserving natural resources. The environmentally friendly and cost-efficient handling of resources is an important aspect of both operational processes and product-related processes (production process and product development). To achieve these goals, materials are used only when needed, production processes are designed to be energy-efficient and consumption values are analyzed on the basis of building systems. The insights so gained are applied in the development of measures for new designs. Examples include space concentration at the Bocholt location (office and production space), the use of energy-efficient lighting systems, the adjustment of production schedules, a focus on energy efficiency when acquiring new production equipment (e.g. infrared soldering ovens for the production of flat modules). Gigaset strives to avoid waste as much as possible. To this end, the delivery form (packaging) is standardized and optimized in collaboration with suppliers. Unavoidable waste is sorted and recycled. Only certified companies are used for waste disposal.

The concept for achieving environmental goals is implemented within the scope of the ISO 14001 environmental management system, in which all environmental aspects and the related potential savings are evaluated every year. The goals resulting from this evaluation are presented to the Management every year in the Management Review and are being implemented in projects under an environmental program in the current year. The results and the related reports and project status updates are used directly to formulate statements on environmental relevance and ecological effects on the activities of Gigaset AG. A discussion of the results of this environmental program is also an integral part of the Management Review. This process is described appropriately in process instructions for the purpose of implementing the ISO requirements.

In addition, the risks and opportunities related to the binding obligations

arising from the assessment of environmental aspects and all environmental goals are evaluated annually. The potential risks identified in this process are assessed and appropriate measures are adopted as appropriate. The latest assessments did not reveal any significant risks in operational environmental protection or environment-related product characteristics relative to the product life cycle.

12. Resource Management

The company discloses what qualitative and quantitative goals it has set itself with regard to its resource efficiency, in particular its use of renewables, the increase in raw material productivity and the reduction in the usage of ecosystem services, which measures and strategies it is pursuing to this end, how these are or will be achieved, and where it sees there to be risks.

The company's resource efficiency enhancement goals are:

- To reduce electricity consumption
- To reduce the electricity consumption per assembly unit
- To reduce waste quantities
- To reduce diesel fuel consumption (internal logistics)

You can find the corresponding measures and strategies under Criterion No. 11 (Usage of natural resources).

Key Performance Indicators to criteria 11 to 12

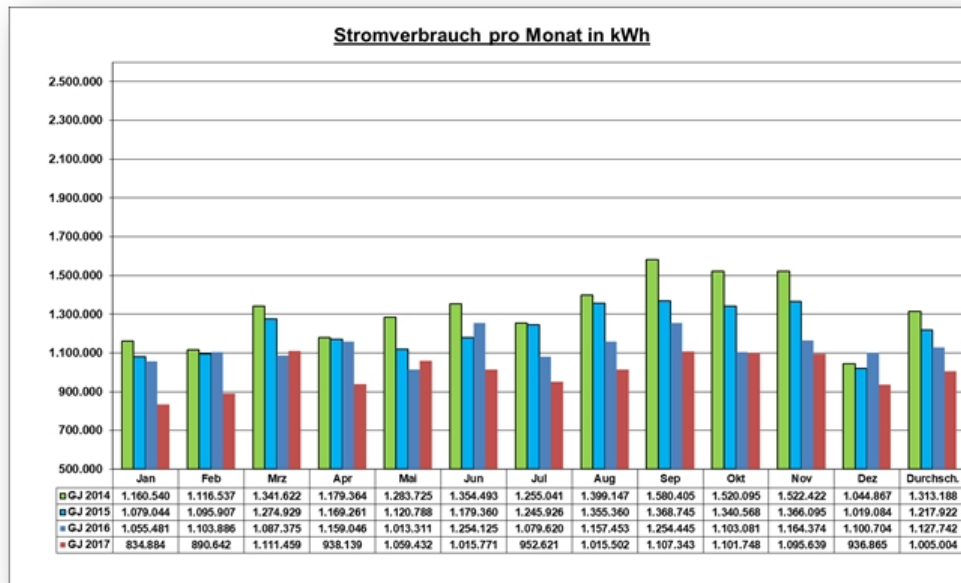
Key Performance Indicator G4-EN1
Materials used by weight or volume.

The company does not use a specific indicator to measure the annual delivery of all materials by weight and volume because it is not considered to be significant. Plastics make up a large part of the materials used by Gigaset in the production of its products. With a view to environmental aspects, the company has for many years recycled a large portion of recyclable plastic waste internally and re-used it in production and also increasingly utilized recycled pellets as the primary input in production, as a general rule. The total volume of plastics consumed in 2017 amounted to approx. 1,200 tons.

Key Performance Indicator G4-EN3
Energy consumption within the organisation.

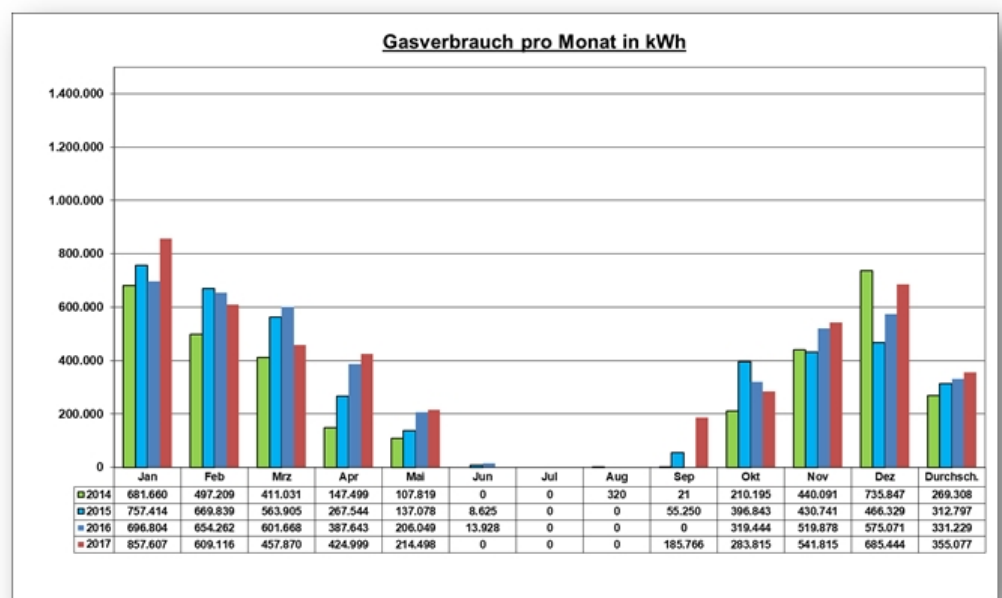
Electricity consumption has been declining for years. Development of

electricity consumption at the Bocholt location (main production facility): 2014
15'758 KWh 2015 14'615 KWh 2016 13'533 KWh 2017 12'060 KWh



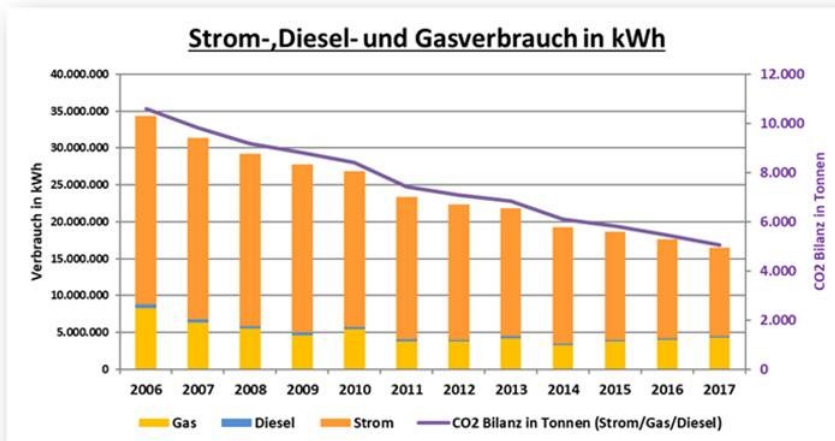
[Graph title: Electricity consumption per month, in kWh]

Natural gas consumption exclusively for heating systems. Consumption varies from year to year, depending on weather conditions. Natural gas consumption in Bocholt (main production facility) in the last few years: 2014 3'232 KWh 2015 3'754 KWh 2016 3'975 KWh 2017 4'261 KWh



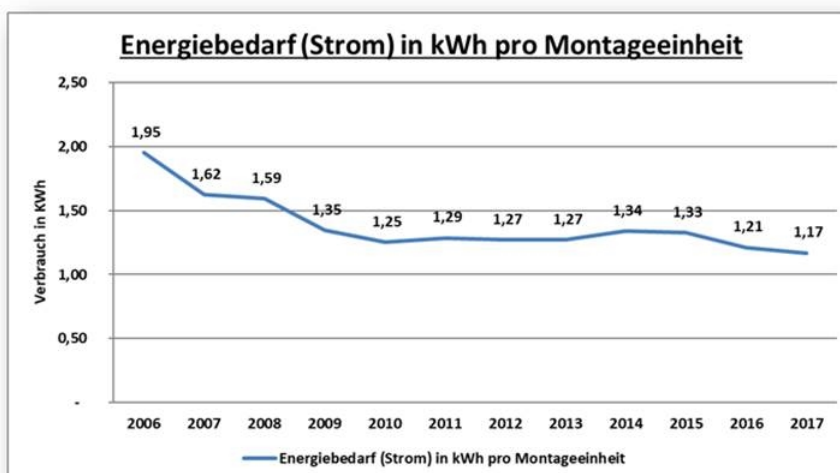
[Graph title: Natural gas consumption per month, in kWh]

Key Performance Indicator G4-EN6
Reduction of energy consumption.



[Graph title:

Consumption of electricity, diesel fuel and natural gas in kWh] [Graph texts: Verbrauch in kWh = Consumption in kWh; Gas= Natural gas; Diesel = Diesel fuel; Strom = Electricity; CO2-Bilanz in Tonnen = CO2 footprint, in tons] The consumption of electricity, diesel fuel and natural gas in Bocholt (main production facility) has been declining for 10 years. In the period from 2006 to 2017, the production of assembly units declined by approx. 22 % (2006: 13'151 assembly units, 2017: 10'316 assembly units), while energy consumption declined by 52% during the same period. (2006: 34'400 kWh, 2017: 16'526 kWh).



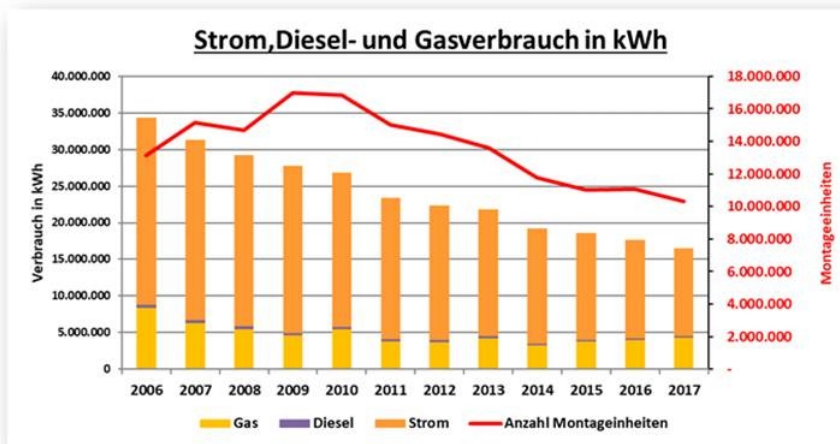
[Graph title:

Energy demand (electricity) in kWh per assembly unit] [Graph texts: Verbrauch in kWh = Consumption in kWh] Thanks to the reduced consumption of electricity, diesel fuel and natural gas, the CO₂ footprint resulting from these

types of energy has been considerably improved.
in tons (electricity/ natural gas/ diesel fuel) in Bocholt

CO₂ footprint

(main production facility) 2006 10'609 2007 9'819 2008 9'196 2009 8'821 2010 8.402
2011 7'432 2012 7'086 2013 6'845 2014 6'097 2015 5'827 2016
5'469 2017 5'066 A considerable reduction of electricity consumption in
KWh per assembly unit in Bocholt (main production facility) has also been
achieved. 2006: 1.95 KWh/assembly unit; 2017: 1.17 KWh/assembly unit.



[Graph title:

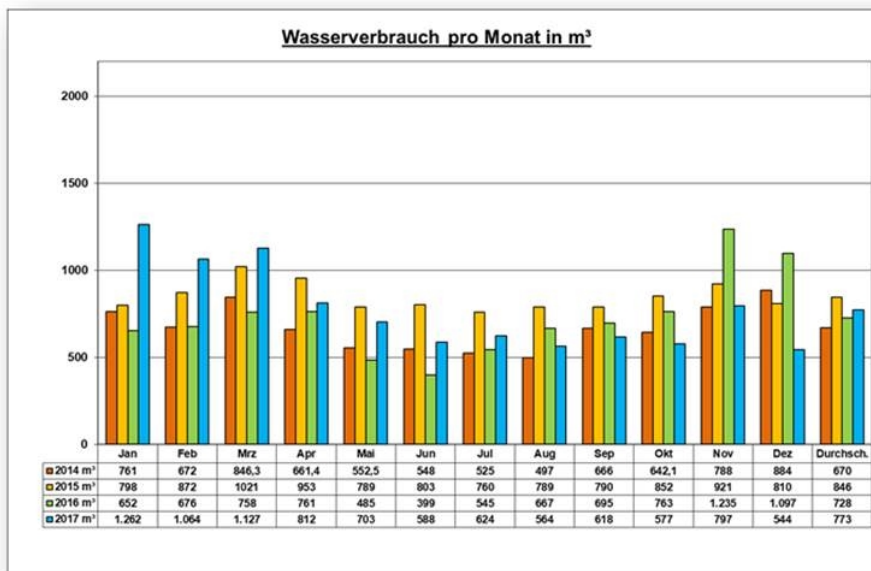
Electricity, diesel fuel and natural gas consumption, in kWh] [Graph texts:
Verbrauch in kWh = Consumption in kWh; Montageeinheiten = Assembly
units; Gas = Natural gas; Diesel = Diesel fuel; Strom = Electricity; Anzahl
Montageeinheiten = Number of assembly units]

Key Performance Indicator G4-EN8

Total water withdrawal by source.

Water supply for sanitation, kitchenettes, employee cafeteria and air conditioning systems in Bocholt (main production facility). The consumption of water for air conditioning systems varies from year to year, depending on the weather (humidification: approx. 15% of total consumption).

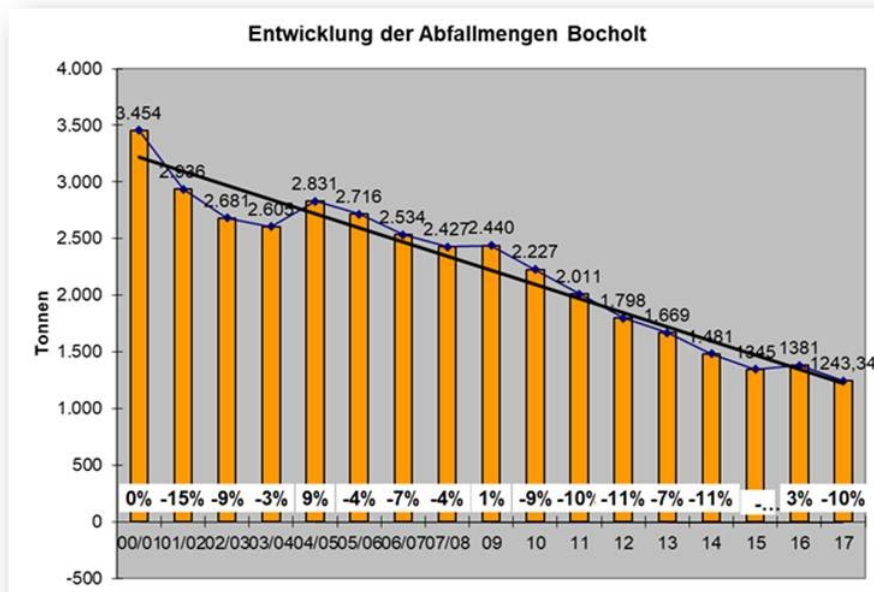
	Total consumption in m ³
2014	8,043
2015	10,155
2016	8,730
2017	9,274
2014	16,797
2015	20,564
2016	25,746
2017	19,626



[Graph

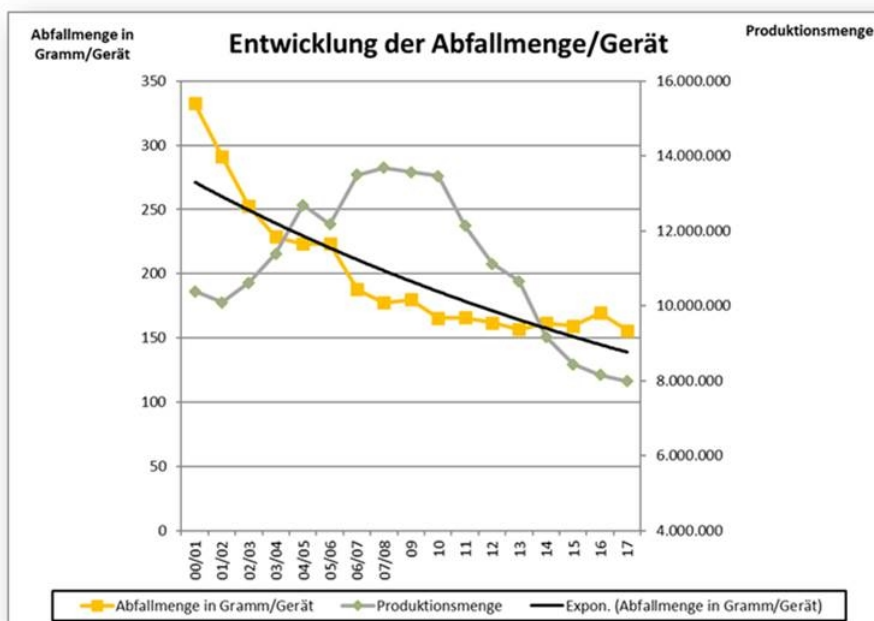
title: Water consumption per month, in m3]

Key Performance Indicator G4-EN23
Total weight of waste by type and disposal method.



[Graph title: Trend of waste quantities in Bocholt]

[Graph texts: Tonnen = Tons]



[Graph title: Trend of waste quantity per device]

[Graph texts: Abfallmenge in Gramm/Gerät = Waste quantity in grams per device; Produktionsmenge = Production quantity; Expon.]

Total weight of waste by type and disposal method (some figures are estimated)

Geschäftsjahr	Art des Abfalls	Wiederverwendung*	Recycling*	Kompostierung*	Rückgewinnung, einschließlich energetischer Rückgewinnung*	Müllverbrennung*	Deponie*	Untertägige Verpressung*	Lagerung am Standort*	Andere*
2014	gefährlich	1	11	0	6	6	0	0	0	0
	ungefährlich	11	1.297	16	132	0	0	0	0	0
2015	gefährlich	1	12	0	6	4	1	0	0	0
	ungefährlich	12	1.152	16	138	3	0	0	0	0
2016	gefährlich	1	11	0	0	6	0	0	0	0
	ungefährlich	8	1.043	14	291	5	0	0	0	0
2017	gefährlich	0	7	0	0	3	0	0	0	0
	ungefährlich	13	901	10	298	10	0	0	0	0

* alle Angaben in Tonnen

[Graph texts: Geschäftsjahr = Business year; Art des Abfalls = Type of waste; Wiederverwendung = Reused; Recycling = Recycled; Kompostierung = Composted; Rückgewinnung, einschließlich energetischer Rückgewinnung = Recovered, including energy; Müllverbrennung = Trash incineration; Deponie = Landfill; Untertägige Verpressung = Compacted during the day; Lagerung am Standort = Stored at the location; Andere = Other; alle Angaben in Tonnen = All figures in tons]

Waste quantities declined from 3,454 tons in 2000 to 1,243 tons in 2017. Related to devices produced, the waste quantity per device was reduced from 340 grams in 2000 to 155 grams in 2017. The reduction of the total waste quantity also resulted from the reduction of device quantities produced. As a supportive measure, the packaging concepts in materials delivery have been repeatedly optimized. Waste quantities are disposed of in accordance with the European Waste Catalog. Besides small quantities of mixed waste, most of the waste is sorted into more than 40 separate categories (e.g. paper/ cardboard, wood, metal, plastics, ABS plastic, electronic waste, etc.) before disposal.

13. Climate-Relevant Emissions

The company discloses the GHG emissions in accordance with the Greenhouse Gas (GHG) Protocol or standards based on it and states the goals it has set itself to reduce emissions, as well as its results thus far.

Gigaset will continue to work on reducing greenhouse gas (GHG) emissions. The greatest CO₂ emissions in 2017 resulted from electricity consumption, which accounted for 4,076 tons, followed by natural gas consumption at 937 tons and diesel fuel consumption at 52 tons.

The key performance indicators of the last few years reveal the positive development in relation to this topic: The total CO₂ footprint from electricity,

natural gas and diesel fuel was reduced from 6,097 tons in 2014 to 5,066 tons in 2017.

The goal for the future is the further reduction of greenhouse gases, although no concrete targets have been set because the company is undergoing a phase of radical change and future production and processes cannot yet be determined due to changing market conditions.

In purchasing electricity, the company has also focused on the power utility's Power Label, among other things. In 2017, renewable energy accounted for 41.6% of purchased electricity (average for Germany: 25.9%).

In 2018, renewable energy will account for 52.1% of purchased electricity (average for Germany: 32%).

Gigaset does not currently use or generate renewable energy from its own generating plants. The company has conducted an analysis for a photovoltaics plant, but it is not planned at the present time.

Nonetheless, Gigaset will continue to focus on energy consumption and the resultant emissions in the future.

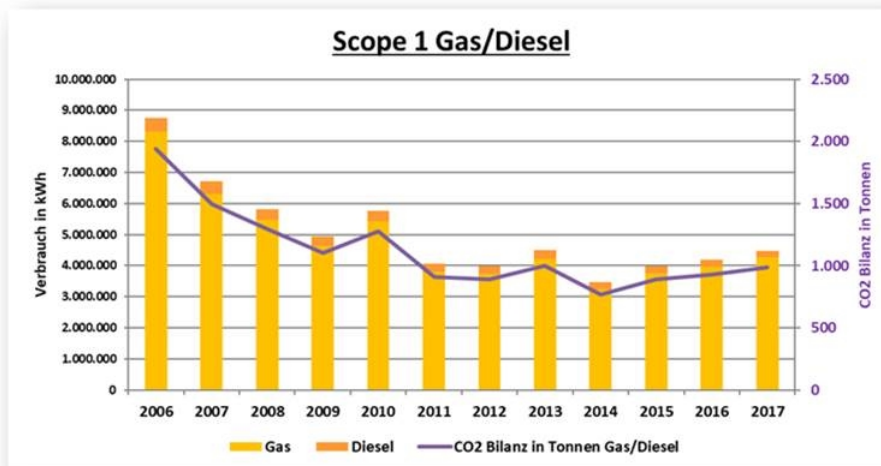
Key Performance Indicators to criteria 13

Key Performance Indicator G4-EN15

Direct greenhouse gas (GHG) emissions (Scope 1).

At Gigaset, Scope 1 includes the consumption values for natural gas (heating systems) and diesel fuel (forklifts used in logistics). CO₂ emissions were reduced from 1,940 tons in 2006 to 990 tons in 2017.

	CO2 footprint from natural gas, in tons	CO2 footprint from diesel fuel, in tons	CO2 footprint from natural gas/diesel, in tons
2006	1,832	108	1,940
2007	1,390	103	1,493
2008	1,205	90	1,294
2009	1,016	84	1,101
2010	1,193	86	1,278
2011	835	72	906
2012	818	70	888
2013	928	71	999
2014	711	60	771
2015	826	62	887
2016	873	57	930
2017	937	52	990

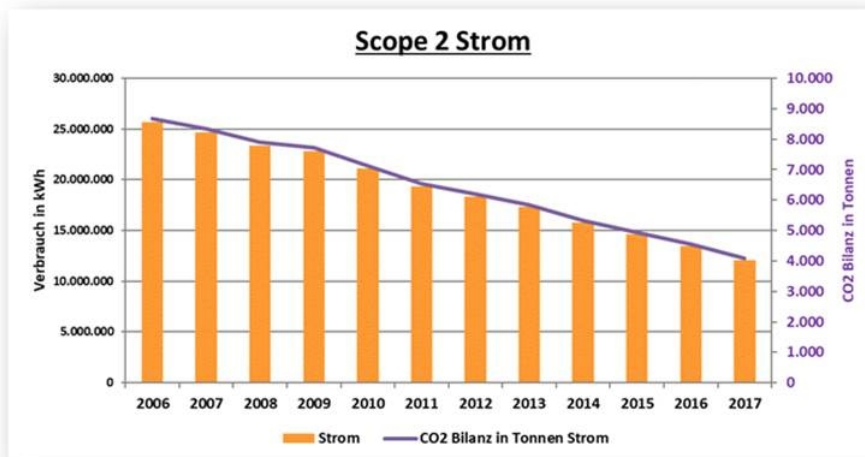


[Graph
texts: Verbrauch in kWh = Consumption in kWh; Gas = Natural gas; Diesel = Diesel fuel; CO2 Bilanz in Tonnen Gas/Diesel = CO2 footprint from natural gas/diesel fuel, in tons; CO2 Bilanz in Tonnen = CO2 footprint in tons]

Key Performance Indicator G4-EN16 Indirect greenhouse gas (GHG) emissions (Scope 2).

At Gigaset, Scope 2 includes the consumption values from electricity. The CO₂ footprint was reduced from 8,669 tons in 2006 to 4,076 tons in 2017.

	CO2 footprint from electricity, in tons
2006	8,669
2007	8,327
2008	7,901
2009	7,720
2010	7,123
2011	6,526
2012	6,198
2013	5,846
2014	5,326
2015	4,940
2016	4,538
2017	4,076



[Graph title:

Scope 2 Electricity]

[Graph texts: Verbrauch in kWh = Consumption in kWh; Strom = Electricity;
CO2 Bilanz in Tonnen Strom = CO2 footprint from electricity, in tons; CO2
Bilanz in Tonnen = CO2 footprint in tons]

Key Performance Indicator G4-EN17

Other indirect greenhouse gas (GHG) emissions (Scope 3).

Other data on GHG emissions (Scope 3) is not collected because such collection would cause disproportionate costs.

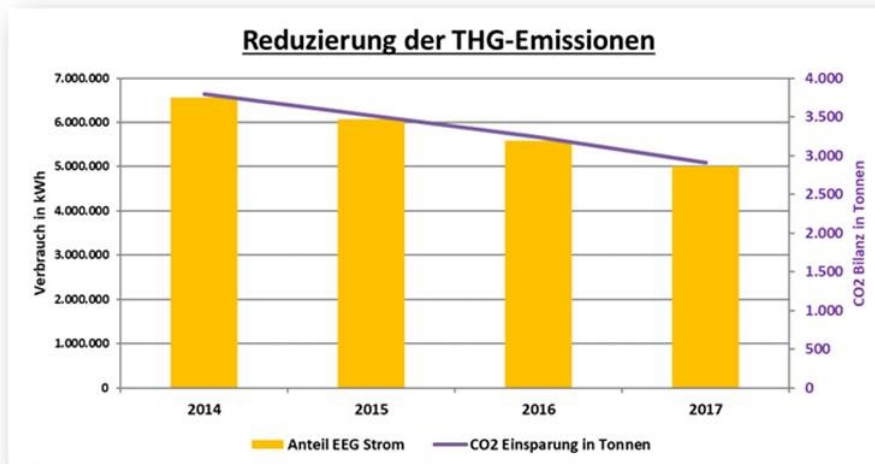
Key Performance Indicator G4-EN19

Reduction of greenhouse gas (GHG) emissions.

Thanks to the energy utility's Power Label, electricity from renewables accounts for 41.6% of all electricity consumption (percentage required by EEG = Renewable Energy Act). This translates to the following annual CO₂ savings (measured at 579 grams/KWh):

	Electricity consumption in KWh	CO2 savings in tons
2014	15,758,256	3,796
2015	14,615,065	3,520
2016	13,427,478	3,234
2017	12,060,043	2,905

The declining values of CO₂ savings from 2014 to 2017 resulted from the reduction of total electricity consumption.



[Graph

title: Reduction of GHG emissions]

[Graph texts: Verbrauch in kWh: Consumption in kWh; Anteil EEG Strom = Percentage of EEG electricity; CO₂ Einsparung in Tonnen = CO₂ savings in tons; CO₂ Bilanz in Tonnen = CO₂ footprint in tons]

Criteria 14–20 concerning SOCIETY

Criteria 14–16 concerning EMPLOYEE-RELATED MATTERS

14. Employment Rights

The company reports on how it complies with nationally and internationally recognised standards relating to employee rights as well as on how it fosters staff involvement in the company and in sustainability management, what goals it has set itself in this regard, what results it has achieved thus far and where it sees risks.

Gigaset pursues the strategy of respecting the rights of employees and granting them all legal codetermination possibilities. To ensure this, the company's Management, the Human Resources Director and the employee representatives maintain an intensive and ongoing dialog. Employees from the Works Council are represented on the Supervisory Board of Gigaset Communications GmbH in accordance with the One Third Participation Act. In addition, three other employees sit on the Supervisory Board of Gigaset Communications GmbH. The Works Councils are involved in all relevant personnel decisions in accordance with the German Works Council Constitution Act.

Gigaset cultivates intensive and trustful contacts with the collective bargaining agreement parties. One result of this trustful cooperation is that Gigaset has continually entered into supplemental and special collective bargaining agreements with the collective bargaining agreement parties since the year 2004. The current special collective bargaining agreement, which is also applicable in 2017, also calls for regular meetings with the collective bargaining agreement parties during the term, at which agreed key indicators of the efficacy of the agreement are presented.

Gigaset is an internationally active company. Equal opportunities are offered to all employees in hiring, their further development and their compensation. Our standard is the German General Equal Treatment Act.

Annual meetings based on a uniform concept are held with

employees. These meetings provide an opportunity for an extensive discussion of the work performed in the past year and for the setting of joint goals for the coming year. These measures were conducted in the past year and will continue in the future. Considering the fact that this strategy will be continued in the future, Gigaset sees no material risks for its business operations.

Target agreements and employee compensation are not tied to the attainment of sustainability goals or to long-term value creation.

The payment of variable compensation for target attainment in each given year serves the interests of Gigaset. Variable compensation is tied to the degree of attainment of the targets set for Gigaset's business success. Setting targets at the beginning of each year enables Gigaset to respond flexibly to changed economic conditions.

Although individual target agreements are not concluded for the area of sustainability, Gigaset remains committed to the goal of being considerably better in all areas of corporate and social responsibility than the average of companies that manufacture communications devices. The evaluation is performed externally by EcoVadis.

Sustainability is firmly anchored as a binding requirement for all employees in the Business Conduct Guidelines and is therefore part of Gigaset's business philosophy and everyday work.

15. Equal Opportunities

The company discloses in what way it has implemented national and international processes and what goals it has for the promotion of equal opportunities and diversity, occupational health and safety, participation rights, the integration of migrants and people with disabilities, fair pay as well as a work-life balance and how it will achieve these.

Gigaset is an internationally active company undergoing a phase of radical change. In the coming years, Gigaset will evolve further from a pure hardware supplier to a provider of communications solutions. Therefore, Gigaset is reliant on employees who contribute different experiences, qualifications and points of view and help us successfully meet the economic and structural challenges with their individual skills. Equal opportunities are offered to all employees in hiring, their further development and their compensation. Our standard is the German General Equal Treatment Act.

Ensuring equal opportunity and diversity is a key objective of Gigaset's human resources policy. Gigaset offers the same opportunities to all employees. No

one is disadvantaged due to their background, sex, sexual orientation, religion or world view, disability or age.

At December 31, 2017, 25% of Gigaset's staff were women. At the end of the reporting period, the percentage of female employees in senior management functions (Levels 1 and 2) beneath the level of the Management Board in the biggest company, Gigaset Communications GmbH, was 10.87%.

Gigaset places a high priority on the compatibility of family and work. We offer different work time models and a Central Works Council Agreement on home office work that goes beyond the legally defined solutions. Details of part-time work are agreed individually between employees and supervisors. Part-time employees are entitled to a proportionate share of company benefits. Part-time employees accounted for 16.8% of the staff at December 31, 2017.

The company's maternal leave and parental leave policies are based on the relevant provisions of law. In addition, numerous individual agreements are in effect.

Our compensation system is oriented to the job requirements, the employee's individual performance and the conditions and competition situation of the local environment. For a good part of our employees, it is additionally based on collective bargaining agreements. We take care to prevent any inequities with respect to compensation, including on the basis of sex or age, for example.

Because we are a manufacturing company, Gigaset places the highest priority on workplace safety. We conduct audits at all levels by internal departments and external institutions in order to continually review and continuously improve our occupational safety measures. In addition, occupational safety training is regularly provided to all employees with the goal of accident prevention.

We ensure health protection and promotion through the company's medical service, which is available not only for acute health problems, but also for preventive measures, including flu vaccinations, for example. The medical service also participates in work place inspections in order to offer an optimal work place to our employees also with respect to occupational medicine concerns.

Gigaset also actively combats all forms of corruption as evidenced by our Business Conduct Guidelines, periodic anti-corruption training and the installation of a Compliance Committee.

16. Qualifications

The company discloses what goals it has set and what measures it has taken to promote the employability of all employees, i.e. the ability of all employees to participate in the working and professional world, and in view of adapting to demographic change, and where risks are seen.

The targeted, needs-based development of employees and managers is an essential investment in the future of Gigaset. Not least of all due to the realignment of our company, highly qualified employees are the basis for our success. Therefore, we offer a large number of internal and external continuing education programs to our employees. We survey the qualifications requirements of our various departments every year. For this purpose, the human resources organization consults with the department managers to determine the qualifications requirements of every department. The qualifications requirements are financially backed by a training budget anchored in the special collective bargaining agreement in effect for Gigaset.

We provide individualized support to high-potential employees and succession candidates at all levels of management. Accordingly, employees were promoted to non-pay scale positions again in 2017. We consider such promotions to be an important way of rewarding performance, expertise and responsibility and permanently retaining these employees.

The restructuring has also changed the requirements for managers. In times of restructuring, they must exercise considerably more management duties than earlier, including in the separation process and in relation to employees remaining with the company. Due to the reduced number of employees, they must also perform many more operational tasks than before. In order to meet these changed requirements for managerial work, the human resources organization has cooperated with an external trainer to introduce a manager's coaching program that all Gigaset managers must complete.

We work closely together with the trade associations, which complement our measures with training courses, presentations and job programs.

Key Performance Indicators to criteria 14 to 16

Key Performance Indicator G4-LA6

Type of injury and rates of injury, occupational diseases, lost days and absenteeism, and total number of work-related fatalities, by region and by gender.

Type of injury: commuting accidents

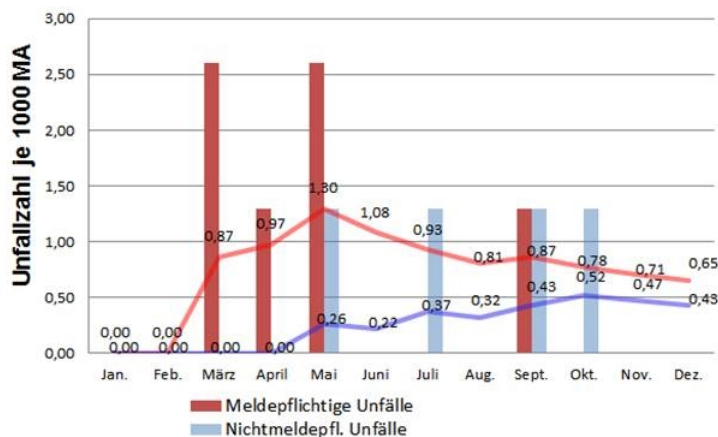
- Bicyclists: Falls leading to bruises, scrapes, rarely a broken bone
- Automobile drivers: rear-end collisions leading to whiplash, sprains and bruises
- Pedestrians: Falls leading to bruises, scrapes and sprains

Type of injury: industrial accidents

- Transport by hand: Cuts, contusions, bruises
- Hand tools: Bruises, cuts

Rate of injury:

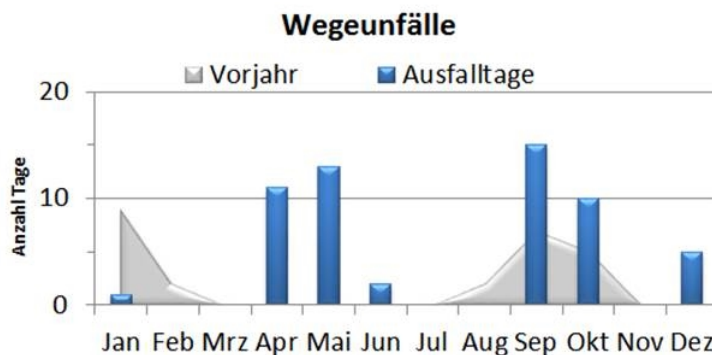
Unfallstatistik je 1000 MA Januar-Dezember 2017



[Graph title: Accident statistics per 1000 employees January-December 2017]

[Graph texts: Unfallzahl je 1000 MA = Accident rate per 1000 employees; Meldepflichtige Unfälle = Reportable accidents; Nichtmeldepfl. Unfälle = Non-reportable accidents; März = March; Mai = May; Juni = June; Okt. = Oct.; Dez. = Dec.]

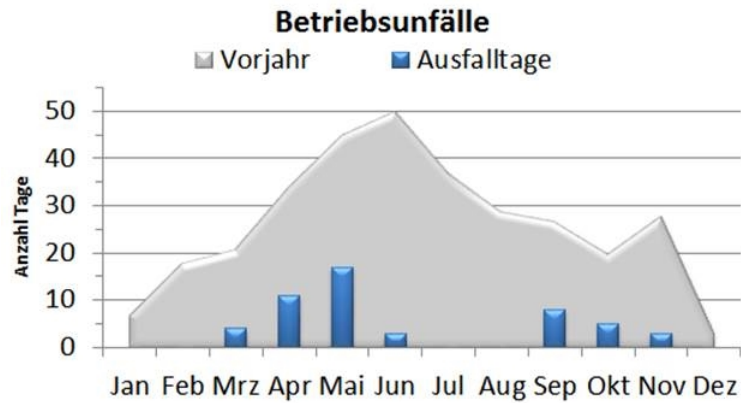
Lost days in 2017 :



[Graph title: Commuting accidents]

[Graph texts: Anzahl Tage = Number of days; Vorjahr = Prior year; Ausfalltage = Lost

days; Mrz = Mar; Mai = May; Okt – Oct; Dez = Dec]



[Graph title: Industrial accidents]

[Graph texts: Anzahl Tage = Number of days; Vorjahr = Prior year; Ausfalltage = Lost days; Mrz = Mar; Mai = May; Okt – Oct; Dez = Dec]

Occupational diseases:

- None.

- None. Work-related fatalities:

Days lost	Description of injury	Type of accident
1	Bruises on the head, knee and hand (right side), commuting accident	Commuting accident
5	Bruise on the chest and left wrist	Industrial accident
10	Cut on the left hand between thumb and index finger	Industrial accident
7	Bruises on the upper body	Commuting accident
11	Abrasion, little finger, right hand	Industrial accident
4	Left knee bruise	Commuting accident
6	Bruise on the left-side ribs	Industrial accident
5	Scrapes, bruises, strains, forehead, ribs, left wrist, finger	Commuting accident
14	Small finger right hand, cut open, stitched	Industrial accident
0	Bruise on left elbow	Industrial accident
10	Thrombosis, right leg	Commuting accident
0	Cut on right index finger	Industrial accident
25	Back bruises	Commuting accident
8	Cut on right thumb	Industrial accident
2	Right arm and side, bruises and scrapes	Commuting accident
0	Cut on right leg	Industrial accident
0	Whiplash	Commuting accident
8	Cut on right index finger	Industrial accident
0	Injury to the left knee	Commuting accident
0	Thigh sprain	Commuting accident
0	Bruise on the right thigh	Commuting accident
5	Bruises on the left and right ankles	Commuting accident

Slide 1 statistics	Prior year	Total	Non-reportable	Reportable
Work machines	4	2	1	1
Transport	4	4	1	3

Falls/tumbles	1	0	0	0
Hand tools	3	2	0	2
Other industrial accidents	4	2	1	1
Company events	0	0	0	0
Commuting accidents	10	12	6	6
Total	26	22	9	13

Slide 2 statistics	Prior year	Total	Non-reportable	Reportable
Pedestrians	1	0	0	0
Bicyclists	8	8	5	3
Motorcycles/scooters	0	0	0	0
Automobile drivers	1	3	1	2
Public mass transit	0	1	0	1
Total	10	12	6	6

All employees													
Accidents per 1000 employees													
Months	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	
Industrial accidents, reportable	0	0	2	1	2	0	0	0	1	0	0	0	
Industrial accidents, non-reportable	0	0	0	0	1	0	1	0	1	1	0	0	
Total employees	770	770	770	770	770	770	770	770	770	770	770	770	
Months	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	
Reportable accidents per 1000 employees	0.00	0.00	2.60	1.30	2.60	0.00	0.00	0.00	1.30	0.00	0.00	0.00	7.79
Non-reportable accidents per 1000 employees	0.00	0.00	0.00	0.00	1.30	0.00	1.30	0.00	1.30	1.30	0.00	0.00	5.19
Average reportable accidents	0.00	0.00	0.87	0.97	1.30	1.08	0.93	0.81	0.87	0.78	0.71	0.65	
Average non-reportable accidents	0.00	0.00	0.00	0.00	0.26	0.22	0.37	0.32	0.43	0.52	0.47	0.43	

Excl. temp workers													
Accidents per 1000 employees													
Months	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	
Industrial accidents, reportable	0	0	2	1	2	0	0	0	1	0	0	0	
Industrial accidents, non-reportable	0	0	0	0	1	0	1	0	0	1	0	0	
Total employees	710	710	710	710	710	710	710	710	710	710	710	710	
Months	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	
Reportable accidents per 1000 employees	0.00	0.00	2.82	1.41	2.82	0.00	0.00	0.00	1.41	0.00	0.00	0.00	8.45
Non-reportable accidents per 1000 employees	0.00	0.00	0.00	0.00	1.41	0.00	1.41	0.00	0.00	1.41	0.00	0.00	4.23
Average reportable accidents	0.00	0.00	0.94	1.06	1.41	1.17	1.01	0.88	0.94	0.85	0.77	0.70	
Average non-reportable accidents	0.00	0.00	0.00	0.00	0.28	0.23	0.40	0.35	0.31	0.42	0.38	0.35	

Key Performance Indicator G4-LA8

Health and safety topics covered in formal agreements with trade unions.

No such topics were addressed or formal agreements made in the 2017 reporting period. There is a company medical service at the main production facility in Bocholt and the relevant legal requirements (Occupational Safety Officer, etc.) are met.

Key Performance Indicator G4-LA9

Average hours of training per year per employee, by gender and by employee category.

Gigaset does not track this number. The human resources organization and Works Council manage the training budget and maintain an overview of the training measures conducted.

Key Performance Indicator G4-LA12

Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.

Age structure in the German companies:

Age	No.
19-30	26
31-40	41
41-50	209
51-60	381
>60	21

Employee structure in the German companies

Employee category	No.
Management Board	2
Level 1 below Management Board	16
Non-union employees	102
Collective wage employees	553
Vocational trainees	5
Total	678

Percentage of women in the German companies: 25%

Key Performance Indicator G4-HR3

Total number of incidents of discrimination and corrective actions taken.

No incidents of discrimination were reported to the responsible officer at Gigaset according to Section 13 General Equal Treatment Act in the 2017 reporting year.

Criterion 17 concerning RESPECT FOR HUMAN RIGHTS

17. Human Rights

The company discloses what measures it takes, strategies it pursues and targets it sets for itself and for the supply chain for ensuring that human rights are respected globally and that forced and child labour as well as all forms of exploitation are prevented. Information should also be provided on the results of the measures and on any relevant risks.

As an internationally active company with a procurement volume of approx. EUR 180 million in 2017, Gigaset also bears responsibility for the environment and social welfare in its supply chain. Gigaset's Business Conduct Guidelines require its suppliers to accept the rules set forth therein and comply with all applicable laws and regulations. As part of its supplier strategy, therefore, Gigaset's suppliers must meet these requirements for corporate and social responsibility. Accordingly, this supplier strategy is an integral part of the procurement strategy for all procurement departments. The procurement strategy is updated every year, including in 2017, and adopted with the cross-functional involvement of the Management.

In particular, Gigaset expects its suppliers to apply the following principles regarding their responsibility for people and the environment:

- Compliance with all applicable laws,
- The renunciation of corruption,
- Respect for the human rights of their employees,
- Compliance with laws against child labor,
- Assumption of responsibility for the health and safety of their employees,
- Compliance with relevant national laws and international standards for environmental protection, and
- The requirement that the same principles are implemented and observed in their own supply chains.

Employees who enter into contracts with suppliers must ensure the proper application of these principles by means of appropriate contractual clauses.

In addition, preference is given to suppliers with a globally certified quality and environmental management-system that also demonstrably meets our requirements for corporate and social responsibility.

Gigaset conducts periodic, random audits of suppliers on regular visits to determine whether these requirements are known and followed. When these audits uncover improvement potentials, the supplier in question is required to promptly implement them.

When violations of the contractually stipulated social or ecological requirements are discovered, Gigaset reserves the right to impose appropriate penalties up to and including contract termination. To date, however, such measures have not been necessary. Thus, it has been shown that the supplier strategy in effect for many years has produced the successful result that no significant violations have been discovered.

Because there are no direct contractual relationships between Gigaset and the sub-contractors of our suppliers, it is not legally possible to take action against sub-contractors. However, Gigaset exercises an indirect influence in that its direct suppliers are contractually obligated as a rule to raise the awareness of its sub-contractors for these matters and hold them to account for any violations.

Key Performance Indicators to criteria 17

Key Performance Indicator G4-HR1

Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.

Gigaset has not measured the total number and percentage and also does not consider it necessary to do so because the application of human rights clauses is a generally binding internal requirement at Gigaset, ensuring that the great majority of supplier contracts contain such human rights clauses, particularly in the case of production materials purchased from a foreign country. Human rights clauses are included in Gigaset's Code of Conduct for Suppliers and the corresponding clause on corporate and social responsibility. The corresponding clause is left out only in exceptional cases, e.g. engagement of law firms.

Key Performance Indicator G4-HR9

Total number and percentage of operations that have been subject to human rights reviews or impact assessments.

Gigaset has not measured the total number and percentage and also considers

it unnecessary to do so because Gigaset generates its revenues mainly from sales of products that Gigaset itself produces in its location in Germany.

Key Performance Indicator G4-HR10

Percentage of new suppliers that were screened using human rights criteria.

Gigaset has not measured the total number and percentage and also considers it unnecessary to do so. Gigaset conducts periodic, random audits of suppliers on regular visits to determine whether these requirements are known and followed. In addition, new suppliers are fundamentally obligated to comply with Gigaset's Code of Conduct for Suppliers.

Key Performance Indicator G4-HR11

Significant actual and potential negative human rights impacts in the supply chain and actions taken.

No significant actual and potential negative human rights impacts have been uncovered or identified in the supply chain to date and therefore no actions of this kind have been required.

Criterion 18 concerning SOCIAL MATTERS

18. Corporate Citizenship

The company discloses how it contributes to corporate citizenship in the regions in which it conducts its core business activities.

Gigaset does not conduct any notable activities aimed at making a separate contribution to the communities in the various business regions in which the company is active. Thus, the company does not involve itself specifically on behalf of cultural projects and is also not active in the form of supporting corporate volunteering activities by its employees. Occasional and selective (in-kind) donations are made in the region.

The reason for this is the company's economic situation, which has presented great challenges to the company since 2012. During the last year, it was necessary to conduct a far-reaching reorganization in the form of several restructuring waves, which also entailed personnel consequences.

Therefore, Gigaset currently believes that its greatest responsibility is to its employees and the protection of their jobs.

Key Performance Indicators to criteria 18

Key Performance Indicator G4-EC1

Direct economic value generated and distributed.

This data should not be disclosed separately here because Gigaset is listed in the Prime Standard segment of the stock exchange and is therefore already required to meet the highest transparency requirements and publishes its financial results in accordance with legal requirements; in particular, the company's annual and quarterly reports are available on Gigaset's website:

http://www.gigaset.com/de_de/cms/gigaset-ag/investor-relations/publikationen.html (on German);

http://www.gigaset.com/hq_en/cms/gigaset-ag/investor-relations/publications.html

(on English)

Criteria 19–20 concerning ANTI-CORRUPTION AND BRIBERY MATTERS

19. Political Influence

All significant input relating to legislative procedures, all entries in lobby lists, all significant payments of membership fees, all contributions to governments as well as all donations to political parties and politicians should be disclosed by country in a differentiated way.

Donations are governed by the Gigaset Business Conduct Guidelines and an internal process instruction. Donation-like payments, meaning contributions that are seemingly given as consideration for goods or services, but considerably exceed the value of the goods or services provided, violate the transparency directive and are prohibited. Gigaset is a member of Bitkom and did not make any contributions to governments, parties or politicians in the reporting year.

Gigaset's Corporate Legal Department continuously observes all relevant

legislative processes. General corporate-law and civil-law legislation, as well as environmental-law and product-specific legislation are particularly relevant for the company.

Gigaset currently does not intend to exert any significant political influence and therefore does not pursue a particular plan because it does not perceive any need to do so at the present time.

Key Performance Indicators to criteria 19

Key Performance Indicator G4-SO6

Total value of political contributions by country and recipient/beneficiary.

Gigaset is independent of political parties and therefore did not make any political contributions in the 2017 reporting year.

20. Conduct that Complies with the Law and Policy

The company discloses which measures, standards, systems and processes are in place to prevent unlawful conduct and, in particular, corruption, how they are verified, which results have been achieved to date and where it sees there to be risks. The company depicts how corruption and other contraventions in the company are prevented and exposed and what sanctions are imposed.

The management and organizational obligation of the Management Board (Sections 76 AktG (German Stock Corporations Act), 130 OwiG (German Administrative Offenses Act)) constitutes an obligation of lawful conduct. This obligation not only requires the Management Board members themselves to obey applicable laws and regulations, but also requires them to manage and organize the company in such a way that contraventions are avoided as much as possible. They bear the highest responsibility for this.

Compliance with laws and regulations forms the basis for all of Gigaset's business activities.

As the central code of conduct, the Gigaset Business Conduct Guidelines form the core of our compliance system. They set out globally binding rules for the

responsible activity of employees within the company and in their dealings with outside parties, particularly including customers and business partners. In relation to dealings with business partners and third parties, the Gigaset Business Conduct Guidelines particularly include rules and standards related to compliance with competition laws, anti-trust laws and anti-corruption laws. The Gigaset Business Conduct Guidelines were last revised in 2017, when a donations guideline was added.

Executives and supervisory employees are required to regularly monitor compliance with applicable laws and regulations, the Business Conduct Guidelines and the company's internal guidelines. In addition, compliance in the relevant corporate units in Germany and abroad is regularly reviewed by the Internal Audit Department, particularly for the purpose of corruption prevention. As another instrument for detecting potential compliance violations, Gigaset has installed an information and reporting function to which anonymous tips of potential compliance violations can be submitted.

In exercising the duty of lawfulness derived from its management and organizational duty, the Management Board of Gigaset AG has since 2012 relied on the support of a Compliance Committee, which is responsible for investigating suspicious cases and formulating action recommendations for the Management Board, among other functions.

Managers and relevant employee groups in Germany and abroad are trained on the subject of corruption prevention by means of a web-based learning program, which has been held repeatedly already.

Key Performance Indicators to criteria 20

Key Performance Indicator G4-SO3

Total number and percentage of operations assessed for risks related to corruption and the significant risks identified.

Gigaset is not aware of any significant corruption risks at its business locations. One business location out of the total 14 business locations, thus representing 7% of business locations, was audited for corruption risks in the 2017 reporting period.

Key Performance Indicator G4-SO5

Confirmed incidents of corruption and actions taken.

No corruption cases were reported to the Compliance Committee in the 2017 reporting year and therefore no actions needed to be taken.

Key Performance Indicator G4-SO8

Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.

[Link](#)

No significant fines and also no non-monetary sanctions were imposed on Gigaset for non-compliance with laws and regulations in the 2017 reporting year.