

 **Dolby**

2021 Sustainability
Report

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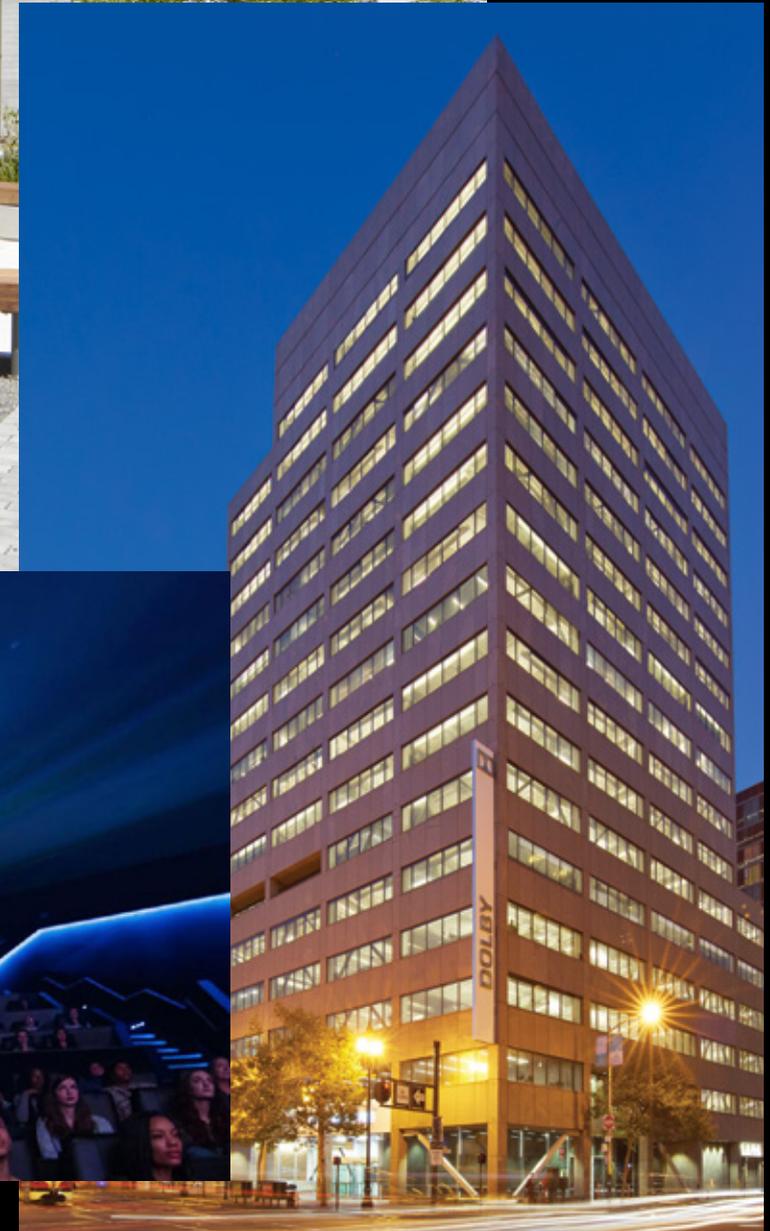
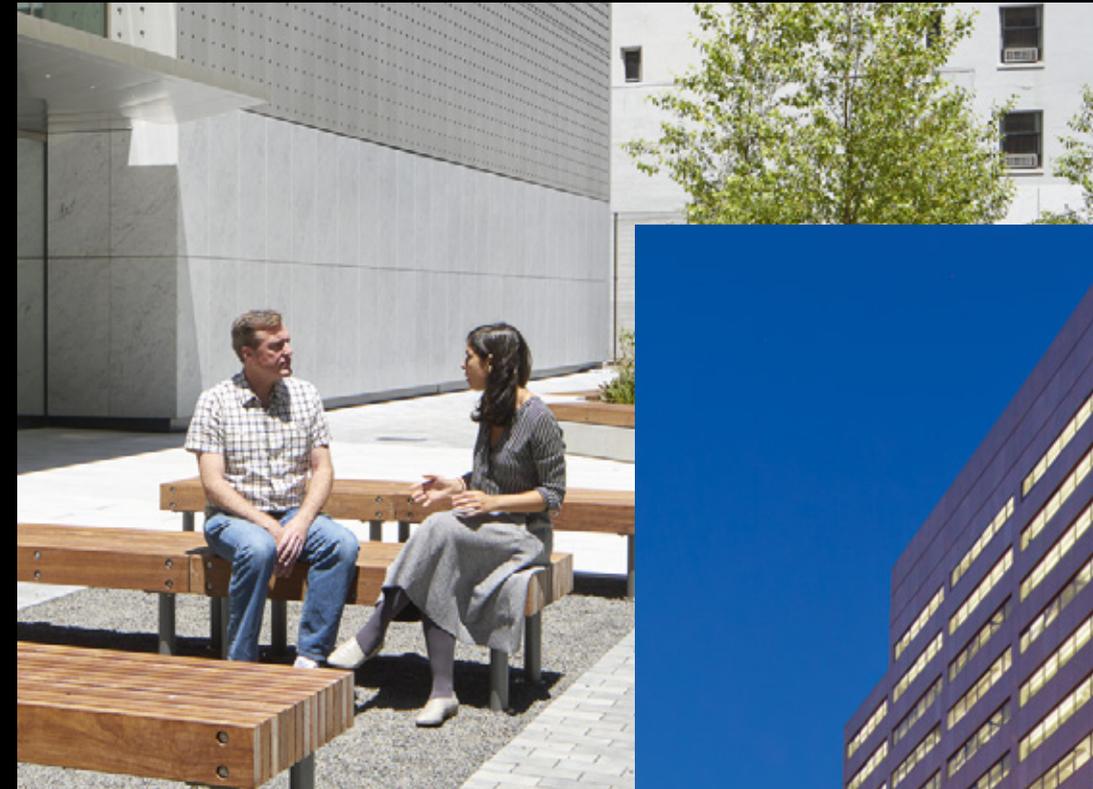
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Introduction

Since 1965, Dolby Laboratories has been committed to developing and delivering innovations that create spectacular experiences and has grown into a leading developer of audio, imaging and voice technologies. Headquartered in San Francisco, California, Dolby has more than 2,000 employees around the globe who share their talents and energy to enable the most immersive experiences that audiovisual technology can deliver, and create a meaningful impact within our communities.

We partner with artists, storytellers, developers and businesses to revolutionize entertainment with [Dolby Atmos](#), [Dolby Vision](#), [Dolby Cinema](#) and [Dolby.io](#). From movies and TV, music, sports, gaming, interactive communications, user-generated content and beyond, we transform the science of sight and sound into spectacular experiences for billions of people worldwide.

This is the Dolby difference.



CEO Letter

At Dolby, we are driven by our belief that people want compelling and immersive experiences.

Through the science and engineering of sight and sound, we empower creators and developers to elevate their stories and enable people around the world to enjoy unforgettable experiences. We believe how we do this matters.

Reflecting on 2021, the ongoing pandemic and the dynamic nature of the world has reinforced the need to focus, embrace change, navigate ambiguity and make commitments to create a different future.

We've evolved how we're focusing on issues that will have the biggest impact on our communities. Our fiscal year 2021 Sustainability Report showcases our environmental, social and governance (ESG) efforts including where we've made progress and where we see opportunity to create change.

Environment

We are committed to reducing our environmental impact with the goal of reaching Carbon Neutrality by 2030. We are achieving this by measuring our emissions, employing sustainable practices to make efficient use of our resources and reducing our environmental impact.

Social

We are committed to creating a more equitable future. We will make progress by engaging in equity and racial justice issues impacting our employees and communities and by continuing to develop and invest in programs that contribute to long-term systemic change. By evolving how we connect and collaborate, we're creating new levels of flexibility and fostering a workplace that prioritizes wellbeing and inclusivity.

Governance

We are committed to growing our business and enhancing value through strong corporate governance. Our efforts include implementing legal and regulatory compliance, risk management, security practices and board committee oversight of ESG.

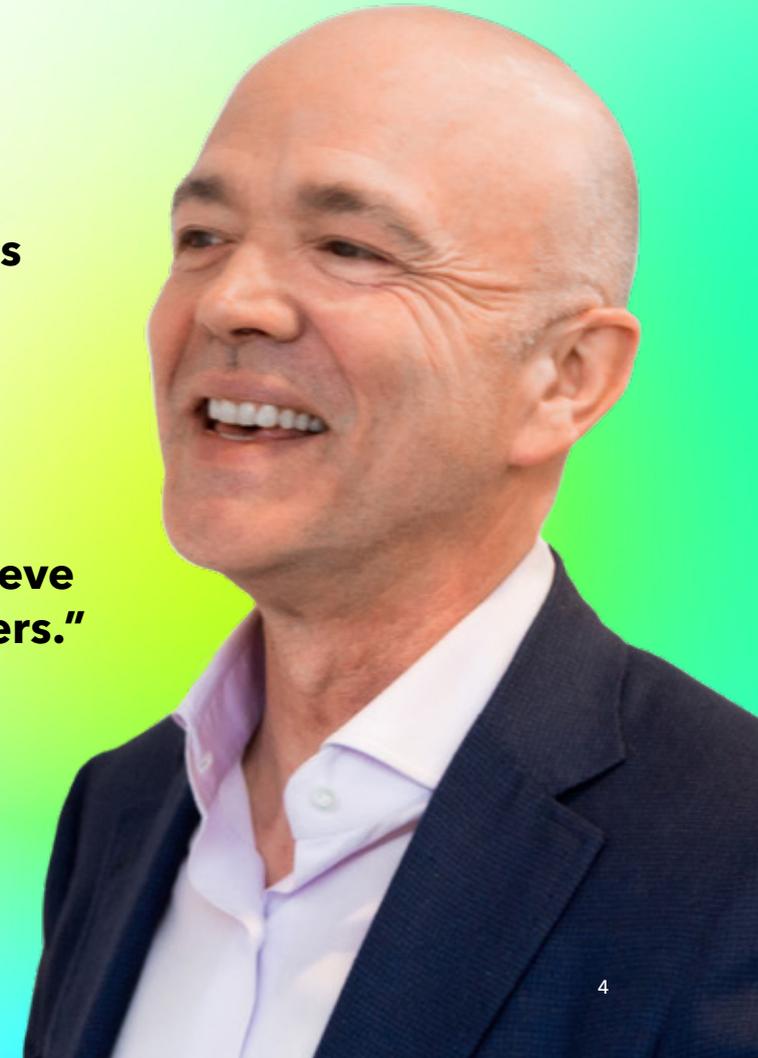
I look forward to updating you on our continued efforts.



Kevin Yeaman

President and Chief Executive Officer

"We empower creators and developers to elevate their stories and enable people around the world to enjoy unforgettable experiences. We believe how we do this matters."





Our Sustainability Strategy

We recognize the importance of our sustainability progress to our business, our stakeholders and the communities in which we live and work.

Our success as a company is connected to the wellbeing of our people, our communities and the environment and strengthened by good corporate governance practices. We are taking significant steps to accelerate and track progress in our sustainability focus areas and are continuing to increase our transparency and accountability.

Material Topics

In 2021, Dolby's Sustainability Team leaders participated in the company's Enterprise Risk Assessment process to validate existing ESG material topics and to consider emerging issues. In addition to interviewing internal leaders, we worked with an external consultant to confirm the priorities of our stakeholders including customers, suppliers, business peers, investors and ESG ratings firms. Through this process, we updated and validated the relevance of our existing material topics, which are addressed in this report.¹

1. The use of "material" or "materiality" in this report is not intended to convey matters or facts that could be deemed "material" to a reasonable investor as referred to under U.S. securities laws or similar requirements of other jurisdictions.

2021 Material Topics

- Data Privacy & Cybersecurity
- Diversity, Inclusion & Belonging
- Employee Wellbeing
- Energy & Emissions
- Social Impact



Environment

Environmental sustainability is a top priority for Dolby, and we continue to strengthen our initiatives to combat climate change and its impacts on our planet, people and communities. In 2021, we prioritized measuring and disclosing our greenhouse gas (GHG) emissions across our value chain, identifying options to mitigate emissions where we can and exploring opportunities to offset where we cannot.

As part of our effort to mitigate our environmental impact, we are continuously challenging ourselves to identify opportunities to reduce waste, conserve water in our operations and improve the efficiency of the buildings in which we work.



Energy & Emissions

GOAL 1

Carbon Neutral Business Travel by 2020

In addition to reducing global business travel emissions, as of 2020, Dolby is procuring high-quality carbon offsets to compensate for our annual travel-related emissions, achieving CarbonNeutral® business travel certification in accordance with The CarbonNeutral Protocol.

GOAL STATUS



GOAL 2

100% Renewable Electricity by 2025

To drive down emissions, we are striving to achieve 100% renewable electricity throughout our operations by 2025.

GOAL STATUS



GOAL 3

Carbon Neutral across our value chain by 2030

Dolby is working to become carbon neutral across our value chain by 2030. In the interim, we will be setting goals to reduce our Scope 1, 2 and 3 GHG emissions from a 2019 base year.

GOAL STATUS



GOAL 4

Certified CarbonNeutral® Company by 2030

We anticipate purchasing high-quality carbon offsets to compensate for any residual GHG emissions across our entire value chain, becoming a certified CarbonNeutral® Company via The CarbonNeutral Protocol.

GOAL STATUS





Carbon Footprint

In 2021, we broadened and enhanced our understanding of our carbon footprint in alignment with the World Resources Institute (WRI), World Business Council for Sustainable Development (WBCSD) GHG Protocol Corporate Accounting and Reporting Standard and the WRI/WBCSD Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

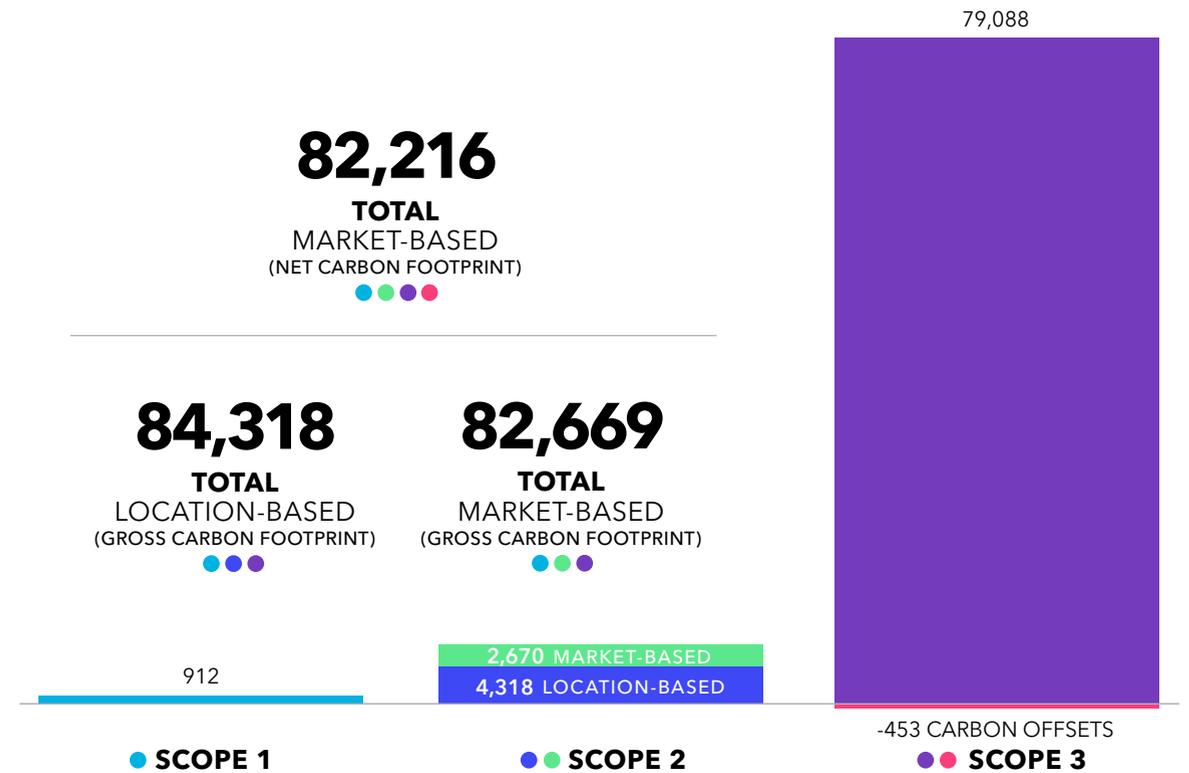
We established 2019 as our base year from which we track and measure emissions performance on a consistent basis moving forward.

We also completed a Scope 3 screening exercise in accordance with the GHG Protocol Scope 3 Standard to identify which, of its 15 categories, are relevant to Dolby. Then we measured GHG emissions from all relevant upstream and downstream Scope 3 activities within our value chain dating back to 2019.

In measuring our carbon footprint across our entire value chain, we learned that our operations account for 4% of our total emissions, with the remaining 96% of emissions coming from our upstream and downstream activities.

This understanding has led us to begin exploring solutions to drive down our Scope 3 emissions in addition to reducing our Scope 1 and 2 emissions from our operations.

2021 TOTAL CO₂ EMISSIONS (METRIC TONS CO₂e)²



2. Scope 1, 2, and 3 as defined by the GHG Protocol Corporate Accounting and Reporting Standard. Scope 1: Direct GHG emissions that occur from sources that are owned and controlled by the company. Scope 2: Indirect GHG emissions; emissions from the generation of purchased electricity consumed by the company. Scope 3: Other Indirect GHG emissions; emissions that are a consequence of the activities of the company, but occur from sources not owned or controlled by the company (e.g. supply chain).

Location-based reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data).

Market-based reflects emissions from electricity that companies have purposefully chosen (or their lack of choice).” [GHG Protocol Scope 2 Guidance Executive Summary](#)

Total net carbon footprint represents our total gross carbon footprint minus carbon offsets. Dolby is procuring high-quality carbon offsets to compensate for our annual travel-related emissions. Emissions of 453 metric tons CO₂e in fiscal year 2021 are offset through this practice.

Operational Emissions

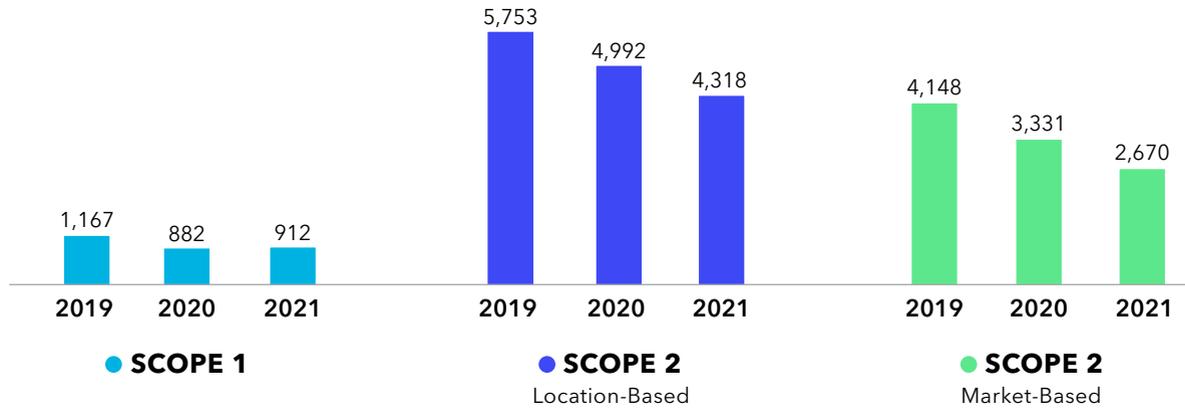
Since 2019, Dolby's Scope 1 and 2 emissions have decreased by 33%. Electricity use remains the largest source of operational GHG emissions (69% of Scope 1 and 2 emissions).

We continue to leverage energy efficiency improvements (including LED lighting and building management systems) and purchase renewable energy where available in order to reduce these emissions.

In 2021, Dolby's Sunnyvale, California office upgraded its service to GreenPrime, Silicon Valley Clean Energy's premium, 100% renewable, carbon-free electric generation service and in 2020, Dolby's San Francisco headquarters enrolled in the San Francisco CleanPowerSF SuperGreen service.

With these actions, our two locations with the largest electricity consumption now have their electricity use matched with 100% renewable electricity via local green tariffs.

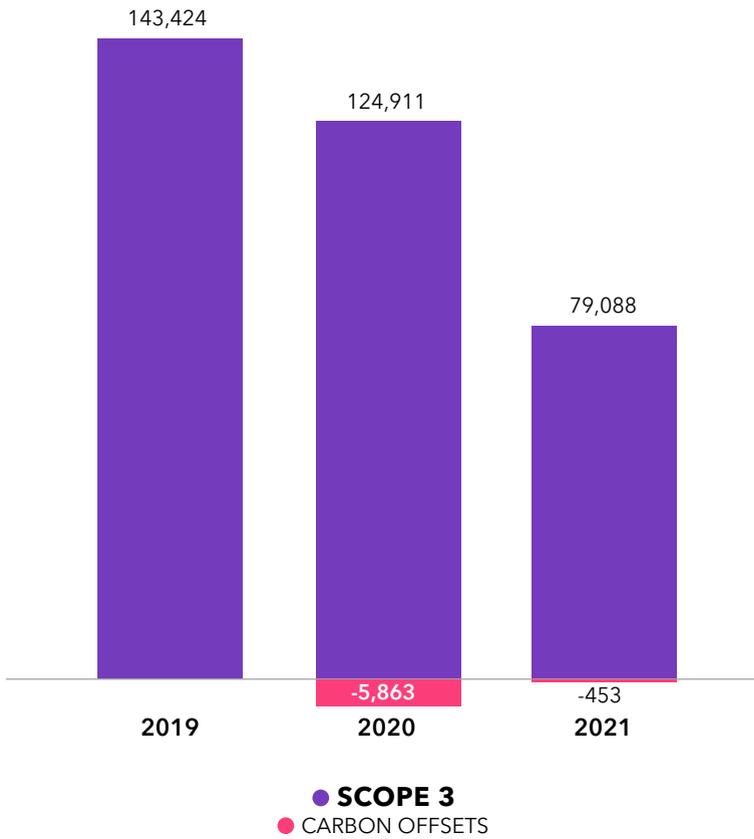
2019 - 2021 TOTAL CO₂ EMISSIONS (METRIC TONS CO₂e)



Environmental Metrics

METRIC	FY19	FY20	FY21
● Scope 1 (Direct) CO ₂ Emissions (Metric Tons CO ₂ e)	1,167	882	912
● Scope 2 (Indirect) Location-Based Emissions (Metric Tons CO ₂ e)	5,753	4,992	4,318
● Scope 2 (Indirect) Market-Based Emissions (Metric Tons CO ₂ e)	4,148	3,331	2,670
●● Location-Based Carbon Intensity (Scope 1 and Scope 2) (Metric Tons CO ₂ e/FTE)	3.16	2.57	2.21
●● Market-Based Carbon Intensity (Scope 1 and Scope 2) (Metric Tons CO ₂ e/FTE)	2.42	1.84	1.51

2019 - 2021 SCOPE 3 CO₂ EMISSIONS (METRIC TONS CO₂e)³



3. As of 2020, Dolby is procuring high-quality carbon offsets to compensate for our annual travel-related emissions. Emissions of 5,863 metric tons CO₂e in fiscal year 2020 and 453 metric tons CO₂e in fiscal year 2021 are offset through this practice.

Scope 3 Emissions

Having measured all of our relevant Scope 3 emissions for the first time, we discovered that our largest sources of emissions in our 2019 base year were Purchased Goods and Services (including Capital Goods) (38%), Use of Sold Products (35%) and Business Travel (10%).

As with many companies, we saw our Scope 3 emissions decline in 2021 by 45% from our 2019 base year. This is partly due to the impacts of the COVID-19 pandemic, including a reduction in cinema product sales and minimal business travel.

To prevent emissions from rebounding post-pandemic, work commenced in 2021 to identify and evaluate Scope 3 emission reduction opportunities.



As we create the Future of Work @Dolby, we are integrating remote work tools into how our teams interact and collaborate. We are working to provide a blend of in-person and remote work activities which will mitigate the impacts of travel on the environment.

In the interim, we also purchased high-quality carbon offsets to compensate for emissions from business travel. In addition to their environmental benefits, the selected projects also address our social impact priorities including education, gender equity, poverty, economic growth and health. These projects include afforestation in China, Gyapa efficient cookstoves in Ghana and household solar energy in India (photo on the right).





Goal Setting Process

Dolby is committed to setting ambitious and achievable goals for reducing our carbon footprint. In 2021, we launched a goal setting process to develop near-term GHG reduction goals in alignment with the most recent climate science.

We are using the Science Based Targets initiative (SBTi) criteria version 5.0 to inform our goal setting process. This consists of forecasting business-as-usual growth against SBT requirements and modeling emission reduction opportunities to assess feasibility.

For Scopes 1 and 2, we identified achieving 100% renewable electricity across our operations and pursuing facility electrification at our major natural gas-consuming sites as the primary and secondary opportunities to further our goal of driving these emissions down to near zero by 2025.

For Scope 3, emissions reduction assessments are currently concentrating on Purchased Goods and Services (including Capital Goods), the Use of Sold Products and Business Travel, our largest sources of Scope 3 emissions in our 2019 baseline year.

To further understand our Scope 3 emissions, a supplier emissions assessment was initiated to evaluate which suppliers to include in engagement and goal setting strategies. We are also looking into opportunities to increase the energy efficiency of our products and work with our customers on renewable energy procurement. Additionally, we are educating employees and implementing tools to encourage and facilitate sustainable business travel.

A number of evaluations are underway, and we aim to finalize our goals by the end of calendar year 2022.

Energy

We employ sustainable building practices at many of our office locations by taking an environment-first approach and occupying, whenever possible, buildings with green building certifications (e.g., LEED). Our Wroclaw office in Poland is LEED Platinum certified and our headquarters in San Francisco is LEED Gold certified. As part of the LEED Gold certification at our headquarters, we have lighting controls and motion sensors to reduce energy usage and LED lighting throughout the workspace to significantly decrease power consumption. Dolby also has offices in LEED-certified buildings in Munich, Beijing and Shenzhen.

Since 2019, Dolby has reduced overall energy consumption from our operations by 14% and has increased our proportion of renewable energy from 5% in 2019 to 42% in 2021 through the procurement of renewable electricity.

We utilize green utility programs in our San Francisco and Sunnyvale locations and house IT hardware in two colocation data centers which both utilize 100% renewable electricity via renewable energy certificates (RECs).

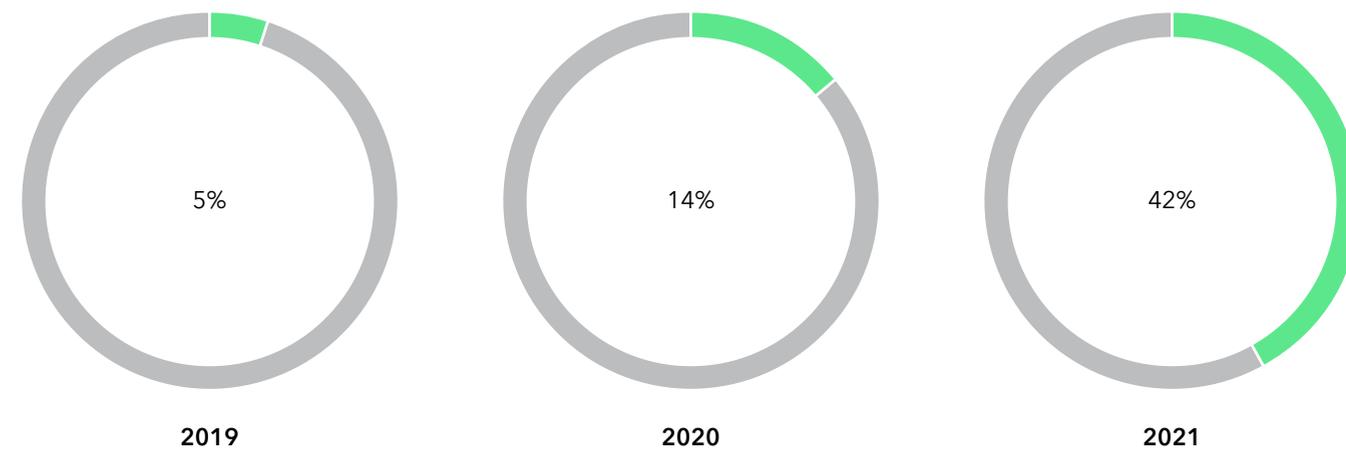
By 2025, we intend to reach 100% renewable electricity by purchasing and generating enough renewable energy to match our total electricity consumption globally.

In 2022, we are developing onsite solar capacity at our Sunnyvale location. In our other locations, we will identify green utility program offerings and locally generated renewable energy attribute certificates to match our global operational electricity use with renewables.

Furthermore, we will continue to conduct energy audits to identify new energy efficiency solutions and implement them where possible. Such preliminary measures include connected LED lighting upgrades, mechanical system adjustments and employee education on energy reduction practices. We will also be exploring the feasibility of facility electrification, prioritizing our biggest natural gas consuming sites—our Sunnyvale office and San Francisco headquarters.



PERCENT OF ENERGY USED THAT IS DERIVED FROM RENEWABLE SOURCES

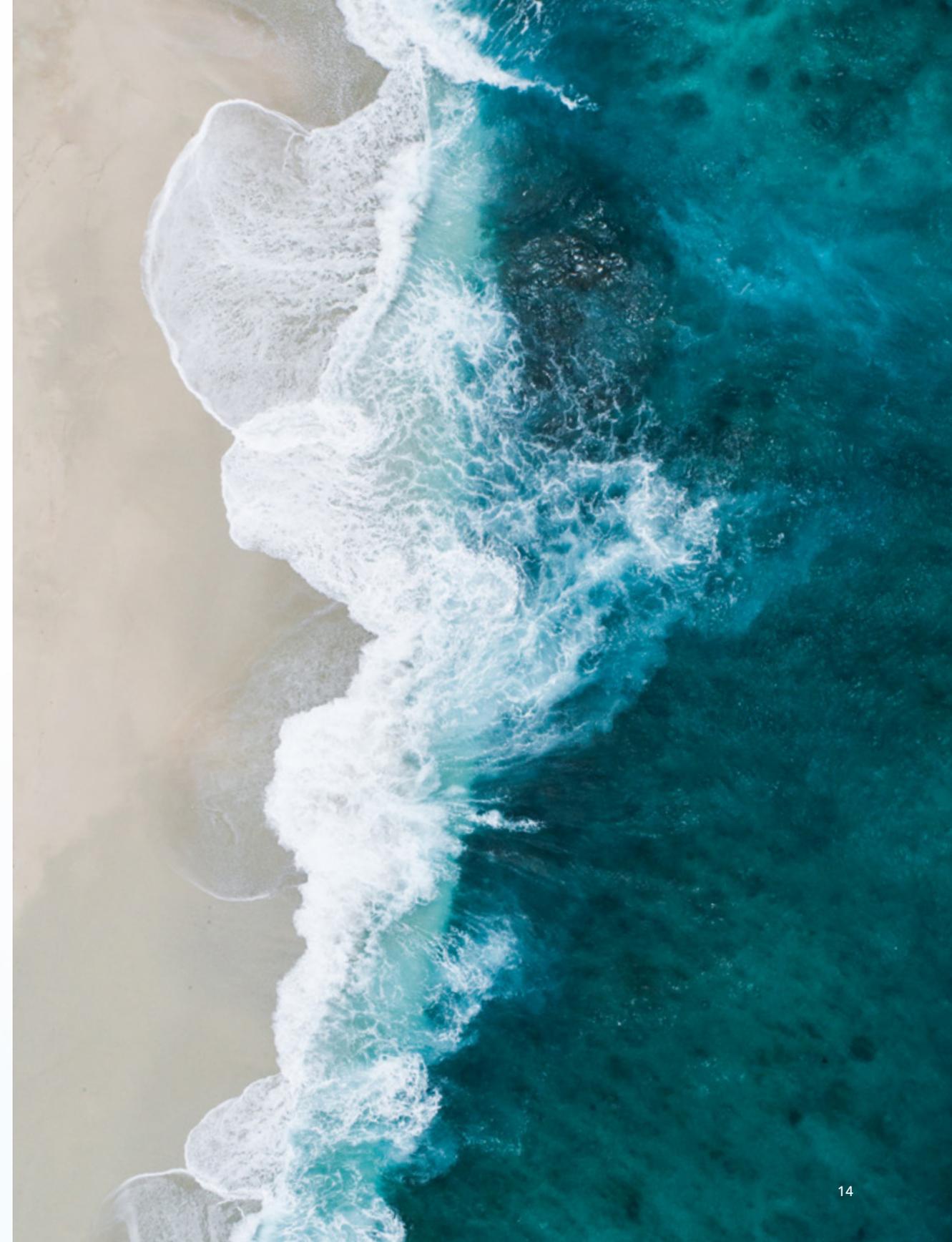


Waste & Water

We recognize that the waste we produce in our daily operations has an impact on people and our planet.

We are committed to minimizing waste by keeping materials out of landfills and reusing and recycling. One way we do this is by ensuring that our sites utilize products made from recycled, energy-efficient materials whenever possible.

Water-related topics are not currently material for Dolby's business operations. However, given the interplay between water security and climate change, our plan is to expand our focus in this area. We will explore our water consumption and usage, particularly in high-risk areas, using the WRI Aqueduct Tool and other resources to better understand and assess the full impact of water-related risks on our business and report these findings in future ESG reporting.

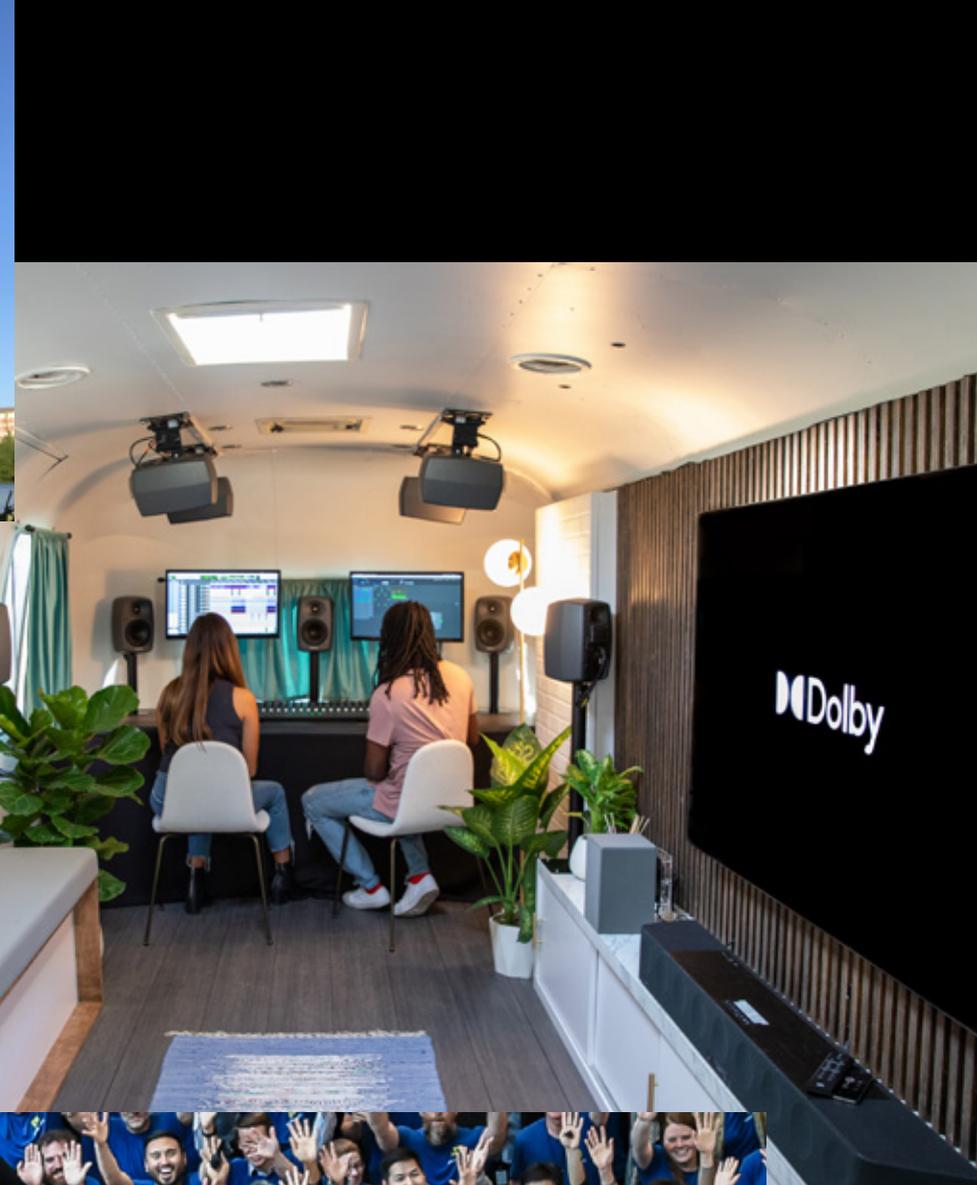


Social

The dynamic nature of COVID-19 and persistent global equity issues have brought to the forefront the need to learn more about individual experiences, honor differing perspectives and play an active role in creating communities where everyone can feel that they belong.

As a corporate citizen and global company, we are working to create a different future. We seek to bring out the best in ourselves, impact change in our communities and invest in the future. The focus areas critical to our future are:

- Diversity, Inclusion & Belonging
- Wellbeing
- Learning & Development
- Social Impact





Diversity, Inclusion & Belonging

We have an unwavering belief in the power of a more equitable world, and we're committed to doing our part to make this a reality. Building a diverse, inclusive and belonging-driven work culture is the right thing to do, is part of our responsibility as a corporate citizen and brings business value to Dolby.

To invest in and engage with the diverse talent of the future, we provide financial contributions, employee engagement and in-kind support of science, technology, engineering, arts and mathematics (STEAM) education and workforce initiatives at the primary, secondary, university and early-career levels. In 2021, we increased our funding to organizations focused on Black and Latinx communities, including investments and partnerships with Historically Black Colleges & Universities (HBCUs), Hispanic-serving Institutions and non-profit organizations to help develop the next generation of diverse talent at Dolby.

To build a more diverse pipeline, we have increased recruiting through organizations representing women, Black, Latinx and Indigenous technology professionals including Women of Color Unite, Girls Who Code, Valence, HBCU 20x20, Women's Audio Mission, Techbridge Girls, Black Virtual Career Fair and Career Trackers (focused on Aboriginal and Torres Strait Islander university students in Australia).

We launched the Dolby Hiring Framework, a guide for global hiring managers and recruiters to co-create a consistent hiring process. For all our open roles, we cast a wide net to source a diverse representation of talent.

In our efforts to foster an environment where individual perspectives are welcome and everyone feels a sense of inclusion and belonging, we continue to experiment with and implement programs and practices designed to equip our leaders, colleagues and peers with tools to have open and authentic conversations with the goal of becoming more aware and more empathetic to others' experiences.

Diversity, Inclusion & Belonging cont.

We empower everyone at Dolby to be co-creators of change by offering employees opportunities to learn and grow through educational workshops, a DIB-focused newsletter, mentoring programs, coaching, employee-led Employee Network (EN) events and platforms to create belonging in a virtual environment.

Our EN community encompasses 13 networks, convening around many different dimensions of diversity including gender, race/ethnicity and more with a shared goal of building community and driving awareness of issues impacting employees identifying with these dimensions of diversity and their allies.

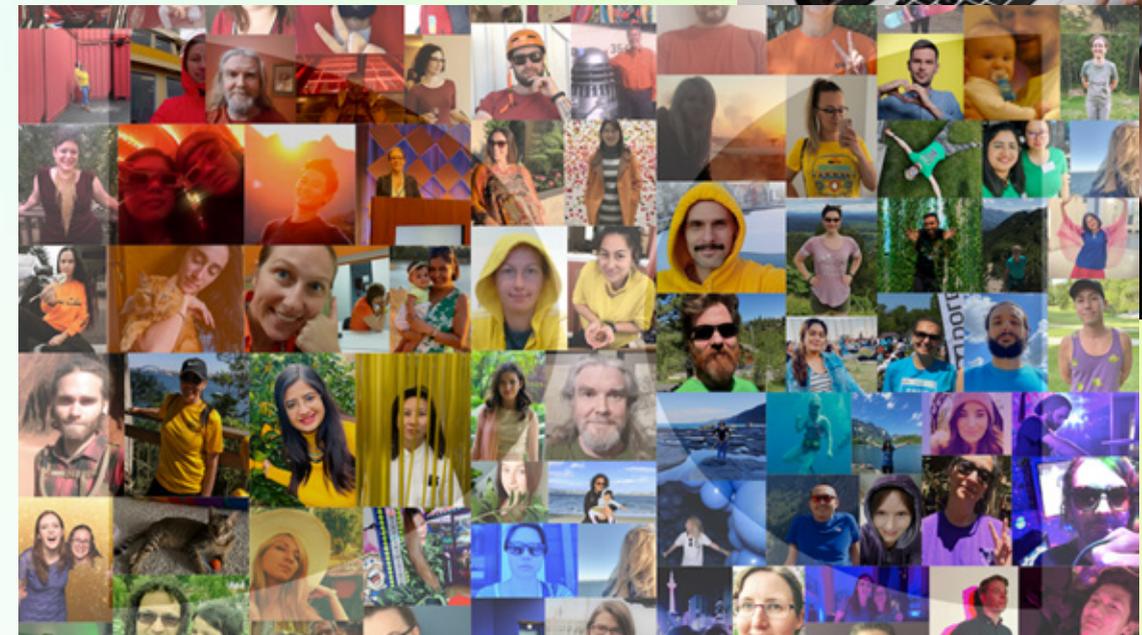
In 2021, we launched a new Employee Network in China with chapters in Beijing and Shenzhen, and our Poland-based EN expanded in scope by providing educational resources and engagement opportunities focused on various aspects of diversity, inclusion and belonging to employees throughout Europe.

We are accountable for our progress and publish our global gender demographics and U.S. race and ethnic diversity workforce data annually.

In 2021, as a part of our journey to build a more equitable work environment, we increased the representation of women in leadership and technology roles at Dolby, including at the executive level.

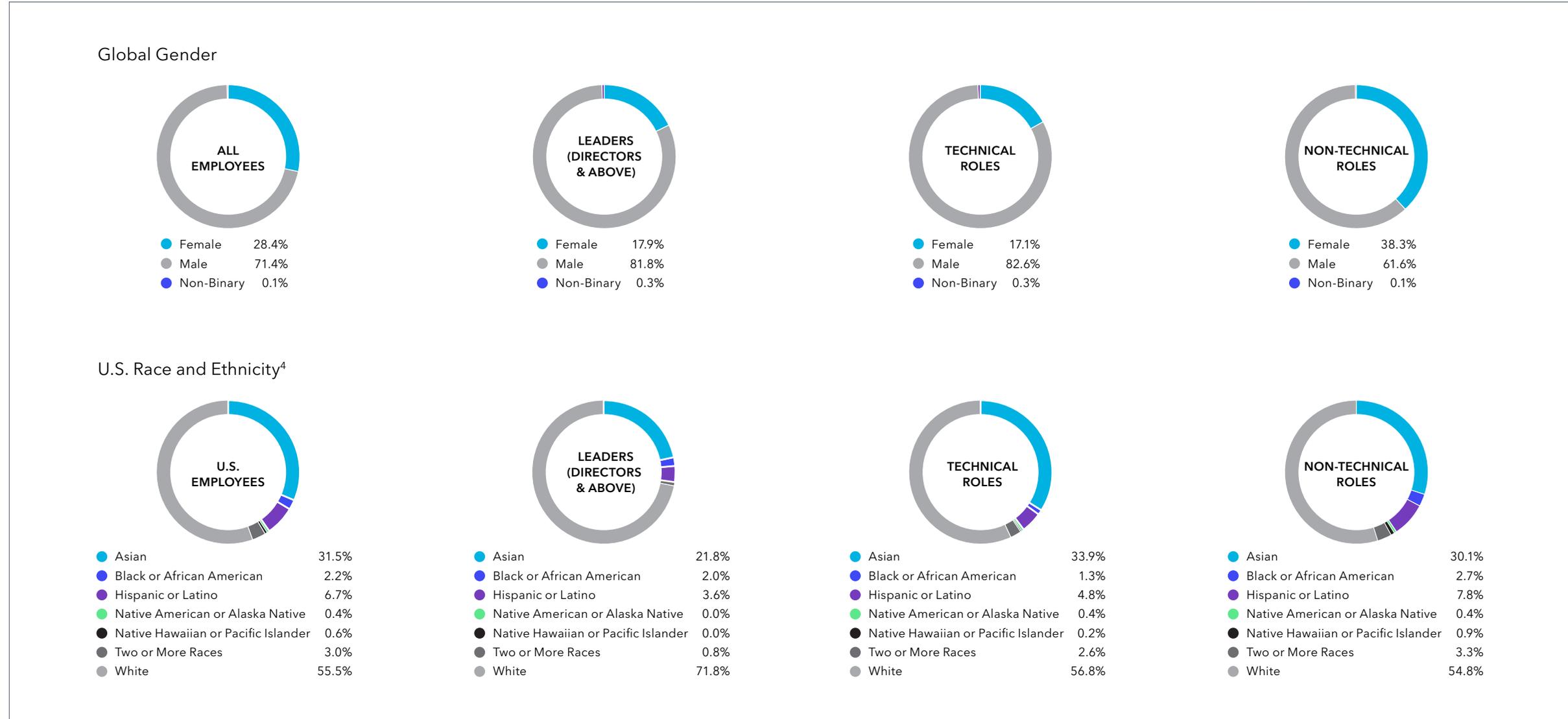
While we have built a foundation for our Diversity, Inclusion & Belonging journey, we recognize that there is still much to do. We are actively reinforcing and expanding our efforts, drawing on our successes and rethinking where we can continue to improve and make further progress.

To learn more, visit our [Diversity, Inclusion & Belonging page on Dolby.com](#).



People at Dolby

Data as of September 2021



4. Race and ethnicity statistics represent U.S. employees only. Categories align with Equal Opportunities Commission options provided to employees who choose to share ethnicity information.



Highlight Story: Obsidian Partnership with Oakland Museum of California

Dolby's Employee Networks are a critical component of our journey to foster a more welcoming, inclusive and culturally aware professional community. They play a key role as advocates for our technology by connecting artists and content creators of every medium with the tools to share their stories as they're meant to be told.

Nearly a year in the making, Mothership: Voyage into Afrofuturism launched as a new collaborative exhibit at the Oakland Museum of California and was conceived and sponsored in part by Obsidian, the Black Employee Network at Dolby, in partnership with the Dolby Institute and our Diversity, Inclusion & Belonging team.

Celebrating the power of Black imagination and honoring the past, present and future through a Black cultural lens, this exhibit brought together visionary artists and futurists across a variety of mediums. The exhibit included works by more than 50 artists, contemplating science, technology and forward-thinking ideas about race and gender in a wide variety of media. One section, "Dawn," was devoted to famed science fiction author Octavia Butler and her ideas on race, politics, morality and feminism.

As visitors entered through a planetarium-like mural by San Francisco artist Sydney Cain, they were immersed in a soundscape created by award-winning jazz flutist Nicole Mitchell. With a helping hand from Dolby's Ellis Reid, John Scanlon and Drew Walcott, Dolby Atmos was employed in the installation to surround the listener in the resonances of African, African American and Black culture. As Mitchell puts it, she wanted to make a sonic experience "that explores gentle aspects of Black life and joy as a way to bring people into the space."

Learn more about this unique collaboration and go behind-the-scenes at the Oakland Museum of California's Mothership: Voyage into Afrofuturism [here](#).



"Properly executed, technology is like magic."

- Ellis Reid, Leader of Obsidian, the Black Employee Network at Dolby



"The thing about sound is, even though we can't touch it, it touches us."

- Nicole Mitchell, Creative Flutist, Composer

Wellbeing

COVID-19 is an ongoing, pervasive and dynamic presence in our lives that continues to bring to the forefront the critical need to engage and invest in wellbeing.

Wellbeing is a core component to the Future of Work @Dolby and we believe that prioritizing and creating the space to focus on wellbeing will have a positive impact on our employees, our business and our communities.

The capacity and scope of our Wellbeing effort also grew with the addition of dedicated global wellbeing resources that focus on driving employee engagement, creating opportunities for intentional connection in our new flex work environment and further integrating the fitness program into our Wellbeing strategy.

In 2021, we continued to prioritize employee wellbeing and take an integrated approach to mental, physical, social and financial wellbeing for our employees. We expanded our mental wellbeing programs resulting in faster and more convenient access to therapy and to new benefits such as on-demand digital programs, professional wellness coaching, mindfulness training and live community sessions. We enhanced caregiver benefits and support for US employees providing free premium care.com memberships, subsidized backup and concierge senior and childcare services.

Partnering with our Employee Networks, we provided wellbeing programming and resources to support the needs of diverse Dolby communities, including speaker events and therapist-led community listening sessions exploring the intersection of mental health and diversity.

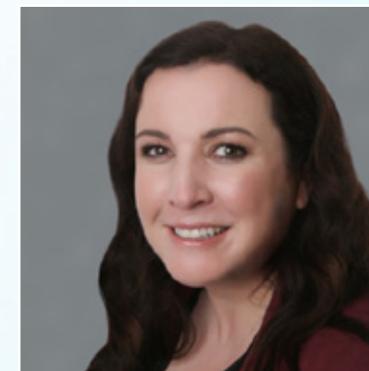
As a part of co-creating the future while living with the pandemic, we continue to explore and enact business strategies and practices to support the health, safety and wellbeing of our employees while enabling connection and effective work delivery in a remote environment.

In our annual employee engagement survey in 2021, Motivation & Commitment scores showed an 86% favorability, indicating that employees remain highly engaged and connected to our work and each other.

Dolby employees are our greatest asset and are the magic behind our innovation. Total Rewards, comprising of our compensation and benefits programs, focuses on more than financial compensation and includes comprehensive physical and mental health benefits,



generous time-off policies, access to the employee stock purchase program, free or subsidized fitness plan, commuter benefits, wellness credits, tuition reimbursement opportunities, flexible work options and personal development courses, among other benefits depending on their location.



“With all the challenges we confront, having empathy creates the opportunity for authentic conversations, meaningful connections and collective actions that lead to creating the future we want.”

- Linda Rogers, Chief People Officer

Health & Safety

We take responsibility for maintaining a productive workplace throughout our operations by minimizing the risk of accidents, injury and exposure to health hazards for all of our employees.

Throughout COVID-19, we have prioritized the health and safety of our employees, partners and communities, making decisions based on a multitude of inputs, including information from local public health organizations and governments, global data and trends, our readiness to adopt practices to protect one another and overall employee sentiment.

We strongly encourage everyone to get vaccinated and receive a booster shot when appropriate. With that, we require that all employees comply with all local public health guidance in their area as it pertains to masking, social distancing requirements and more.



For those working remotely, we implemented a virtual ergonomic program, where employees received web-based training and guided self-assessments of their home workstation, virtual one-on-one assessments with ergonomists (as needed) and ongoing education, awareness, and recommendations to reduce risk factors and create a productive and efficient work environment.

We conduct ongoing assessments on the impacts of our operations on employee health and safety and aim to improve the effectiveness of our environmental health and safety procedures where possible.



Learning & Development

Our commitment to supporting our employees' personal and professional growth is customized by level, team and role. We focus on enhancing employee connection and performance by providing employees and managers with tools to work efficiently, effectively and collaboratively.

Our learning and development programs are designed to meet employees where they are. We provide on-demand and personalized resources—from one-on-one coaching to professional development sessions—that enable leaders to better guide their employees and teams through times of uncertainty and help facilitate their growth and development.

In 2021, we implemented new training opportunities for managers to build skills to support employee mental health and wellbeing in remote work environments.

Instructor-led and online learning courses focused on developing interpersonal skills, communication, collaboration, productivity and innovation are available to employees on a regular basis. Employees also have unlimited access to the LinkedIn Learning library of online courses and instructional videos to improve software, creative and business skills.

In addition to traditional learning resources, Dolby's Talent Marketplace connects employees with short-term, internal work opportunities that align with their passions and skills, supporting employee growth and development while addressing the needs of the company. We encourage employees to learn from one another and offer mentor-matching opportunities based on skills and interests.



Social Impact

Through Dolby's Social Impact initiatives, we develop long-term partnerships with community and educational organizations that uniquely cater to the needs of each organization and the people they serve. These collaborative efforts focus on inspiring the next generation of diverse innovators and addressing the most critical needs in our global communities.

Employee Volunteering & Giving

The Dolby Cares Program mobilizes employees from our offices around the world to volunteer as individuals, alongside their colleagues and teams or through our Diversity, Inclusion & Belonging Employee Networks. From mentoring youth, to supporting adults re-entering the workforce, to providing legal services through our legal pro bono program, our employees are making our communities stronger.

We also partner with educational organizations around the world, including Bay Area Video Coalition, Inneract Project, IGNITE Worldwide, University of Sydney's Women in Engineering Program, Energie Jeunes in France and Fundacja Rodziny Maciejko in Poland to share Dolby experiences and knowledge from our unique position at the intersection of science, technology and art.

While working remotely, Dolby employees and our local community partners continue to find unique ways to collaborate and have a positive impact on people and the planet. Global employee participation remains strong with employees donating over 5,300 volunteer hours through company-sponsored and personal volunteer efforts in 2021.

Through our Virtual Dolby Cares Week, employees around the globe participated in educational sessions and volunteer events in eight countries, addressing community needs, educational initiatives and environmental causes.

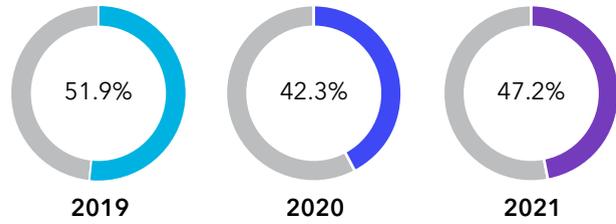
In addition to volunteer time, employee contributions and company match donations distributed through the Dolby Cares Platform increased in 2021, benefiting over 1,400 non-profit organizations globally.

5,300+ community engagement hours

through company-sponsored and personal volunteer efforts in 2021.



Employee Participation in Dolby Cares Programs
Volunteerism, Community Education, and Financial Giving



Community Engagement Hours
Dolby Sponsored Events and Volunteer Hours Tracked by Employees



Company Contributions (US\$)
Financial Grants and Matching Contributions through the Dolby Charitable Fund and the Company



Charitable Grants

Since its founding, the Dolby Cares Program has focused on addressing social and educational inequities. This past year, 90% of grant funding donated through Dolby’s Social Impact team served underrepresented groups including girls, women and people of color. In 2021, we maintained our support of long-time community partners as well as provided new grants to organizations including: HBCUx2020 and Students Rising Above, which support Black and Latinx communities; Stop AAPI Hate, which combats racism; Gavi COVAX AMC, which supports global vaccine equity; Direct Relief International, which provides global disaster relief and CLIMA Fund and Grid Alternatives, which promote environmental justice.

To learn more, visit our [Social Impact](#) page on [Dolby.com](#).



Highlight Story: Dolby Australia's Reconciliation Action Plan

In 2021, Dolby joined a network in Australia of more than 1,100 corporate, government and non-profit organizations that have made a formal commitment to support reconciliation through the Reconciliation Action Plan (RAP) program. Since 2006, RAPs have provided a framework for organizations to support Australia's reconciliation movement through building relationships, respect and trust between the wider Australian community and Aboriginal and Torres Strait Islander Peoples.

Dolby's RAP is championed by Engineering Senior Director and Dolby Australia Site Leader Tim Neal and managed by a cross-functional employee working group in the Dolby Australia office. Mr. Neal states, "With this first RAP, we have a particular focus on organizational learning and relationship building. We are also looking to explore two specific areas of focus in STEAM education and content creation. We are keen to encourage the next generation of First Nations scientists and technologists. Likewise, we seek to encourage the next generation of First Nations storytellers and content creators to grow and develop in their craft so that our nation and others will benefit from hearing their voices."

Dolby Australia's RAP is endorsed by **Reconciliation Australia** and includes a wide swath of actions, including establishing more opportunities for First Nations talent of the future by investing in STEAM education and early career recruitment.



Artist **Dennis Golding**, a descendant of the Kamilaroi/Gamilaraay people from the north west of New South Wales created this artwork specifically for Dolby to illustrate the way in which sound is visualized through traditional motifs of place, culture and objects.



The RAP team also hold events throughout the year which showcase and celebrate the history, cultures and achievements of First Nations Peoples in Australia through NAIDOC week, National Reconciliation Week and more. You can learn more about Dolby's RAP [here](#).

Governance

We hold ourselves, our suppliers and our partners to the highest ethical standards. Our values and commitment to protecting people and the environment extend to our innovation principles, business decisions and procurement choices.



Board Governance

Dolby's governance practices promote long-term value and strong accountability to our investors, customers and other stakeholders.

Our Board of Directors oversees and monitors important governance issues, including board independence, board composition and refreshment, executive and board compensation as well as succession planning. Our Board of Directors also oversees and monitors the company's corporate strategy, risk management, performance and executive management.

Our current committees include Audit, Compensation and Nominating and Governance, which are comprised entirely of independent directors. We also have a Stock Plan Committee and an ad hoc Technology Strategy Committee, both of which include independent directors.

Through our Compensation Committee, our Board of Directors provides oversight of human capital management. Our Nominating and Governance Committee works with the Board of Directors on management succession and oversees Environmental, Social and Governance (ESG) matters. The Board and Board committees are supported in these efforts by the Executive Leadership Team (ELT), as well as the People & Places, Legal and Ethics & Compliance teams.

This past year, we welcomed two new members to our Board of Directors. In February 2021, Emily Rollins, who throughout her career at Deloitte & Touche LLP, served in various positions including as an Audit and Assurance Partner from 2006 until September 2020, joined the Board. Ms. Rollins also served in leadership roles in Deloitte's US Technology, Media, and Telecommunications Industry, Audit Innovation and Transformation and Diversity and Inclusion groups.

In December 2021, Tony Prophet joined the Board of Directors. Over the course of many years, Tony has established himself as a technology industry leader who has helped guide companies across multiple disciplines. Most recently, Tony served as the Chief Equality and Recruiting Officer at Salesforce, co-chairing the Salesforce Racial Equality and Justice Task Force, created to help drive systemic change in the workplace and community. He was also a co-founder of the company's Ethical and Humane Use of Technology initiative.

Our 10-member Board includes eight independent members and our Chief Executive Officer. Three directors are women and five identify with one or more diverse groups in ethnicity or race.

For more information on Dolby's Board governance, please see our [Fiscal Year 2021 Proxy Statement](#).

Ethics & Compliance

Our ethics and compliance program is designed to promote a culture of integrity and responsible business conduct and help manage legal and regulatory risks.

Our [Code of Business Conduct & Ethics](#) (Code of Conduct) is the cornerstone of our ethics and compliance program and guides how we conduct ourselves in our professional relationships with our stakeholders as well as with one another. The Code of Conduct includes Dolby's perspective on social and environmental initiatives as well as our approach to supplier and third-party compliance in the areas of anticorruption, responsible sourcing and human rights.

Our employees are required to follow our Code of Conduct, and they periodically complete training and education on key ethics and compliance topics. In 2021, we obtained a global employee course completion rate of 100%. We also expect everyone working on our behalf to comply with our Code of Conduct and observe our legal and ethical standards.

If an employee or a third party has a concern, they can report it via phone or online to our Ethics Hotline, which is operated by a third party and available 24 hours a day, seven days a week. Reports may be filed anonymously, where permissible by local law. When concerns are raised by employees or partners via our hotline or any other channel, they are managed by our Ethics and Compliance Office (ECO). More information on our Ethics Hotline can be found in our [Code of Conduct](#), page 35.



“Dolby’s reputation and how we do business are key to maintaining the trust of our stakeholders and driving long-term growth. That’s why each of us in every Dolby location is responsible for not only meeting legal requirements, but also operating with the highest ethical standards.”

- Andy Sherman, EVP, General Counsel, Corporate Secretary, and Chief Ethics & Compliance Officer

Anticorruption

As part of our broader commitment to ethical working practices and adherence to applicable anticorruption laws, including the US Foreign Corrupt Practices Act and the UK Bribery Act, Dolby has a global anticorruption program; and it includes governance mechanisms to ensure that our Anticorruption Policy is followed by both our employees and business partners. We also mandate anticorruption training on a biannual basis for a subset of employees with relevant job activities.

We conduct business with integrity, and we do not tolerate corrupt behavior, including bribery or kickbacks. To mitigate corruption and other risks associated with our business partners, we have developed a Partner Risk Assessment & Due Diligence (PRADD) program, which was recently updated to include a predictive algorithm. It enables the identification of high-risk partners based on variables such as geography, nature of business and government interaction. The algorithm generates a risk score for each partner, which is used to determine the appropriate level of due diligence review. High-risk partners receive the most robust and comprehensive investigative reviews. Our PRADD program enables Dolby to identify or detect fraud, corruption, bribery, human rights violations and other risks before we engage in business with third parties and throughout their life cycle.

Learn more about our [Anticorruption Policy](#) here.

Human Rights

Human rights are fundamental rights, freedoms and standards of treatment to which all people are entitled, and we recognize our responsibility to respect, advance and maintain global human rights standards across our company, operations and supply chain. Dolby supports the principles established under the United Nations Universal Declaration of Human Rights and prohibits the employment of underage children, forced labor and human trafficking as well as any form of physical punishment or abuse. We expect suppliers throughout our global supply chain to share our commitment to the same high standards.

We comply with the conflict minerals requirements associated with the Dodd-Frank Act and have a dedicated conflict minerals project team comprised of representatives from engineering, legal and procurement who meet periodically and provide oversight of our conflict minerals program. We are also committed to complying with the UK Modern Slavery Act of 2015 and have taken steps to ensure modern slavery and human trafficking do not play a role in our business. Our policy statements addressing these initiatives can be found below.

[Conflict Minerals Policy](#)

[Conflict Materials SEC Filing](#)

[Modern Slavery Act Transparency Statement](#)

Data Privacy & Cybersecurity

Protecting privacy and securing our data are important to safeguarding the trust and confidence of our stakeholders. As we continue to develop technologies, we remain committed to maintaining a strong privacy and cybersecurity foundation.

We invest across people, policies, processes, training and technology to support data privacy, security and resilience. Our efforts are managed, in part, by Dolby's Security, Privacy, Audit, Risk and Compliance (SPARC) Council, which is comprised of representatives from various business groups across the organization.

Our internal security and privacy practices enable the mitigation, detection, and response to security and privacy events. We conduct periodic training exercises, which involve multiple internal teams as well as external partners and agencies, to improve and ensure the effectiveness of our response capabilities. The online training covers data protection techniques, current hacker attack methods and privacy training.

In addition, we continue to develop and enhance our defense playbooks, improve detection capabilities, automate responses and mitigate cybersecurity risk. Areas of focus include threat intelligence, threat detection, network security, cloud security, endpoint protections, insider threat and email security.

In 2021, we launched a global Cybersecurity Awareness Month campaign with weekly communications and virtual sessions to educate and engage employees in the prevention of cybersecurity attacks at work and at home. The interactive sessions covered topics including fighting phishing, securing technology at home and social engineering.

Our commitment to protecting privacy and securing data extends to our business partners through general terms and conditions on data privacy and cybersecurity. We periodically conduct security reviews of our vendors to ensure compliance. Furthermore, Dolby has implemented an online portal to track vendor compliance with Dolby security standards during the vendor onboarding process and requires automatic security compliance reviews for vendors as well.

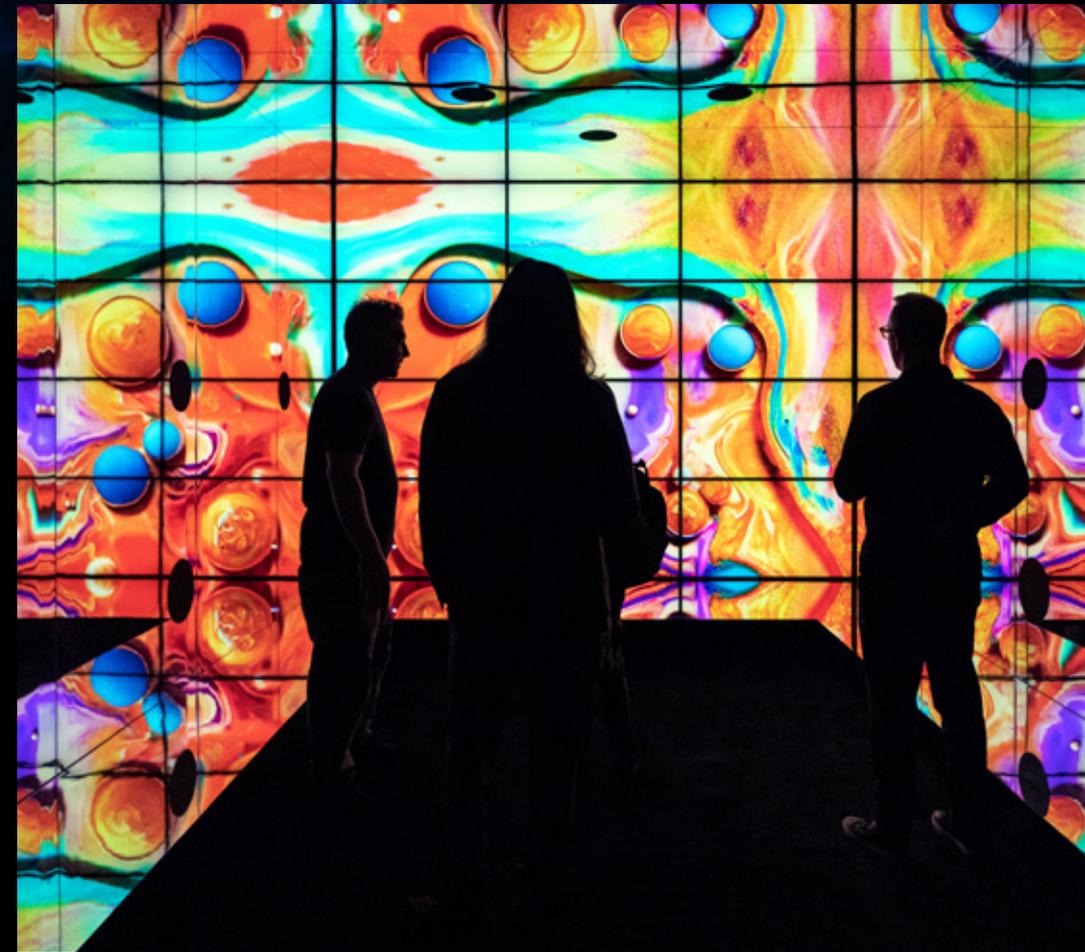
We incorporate privacy-by-design and data minimization principles across our products and services, manage procedure and protocol updates in light of new privacy and data security laws and conduct ongoing reviews of our privacy practices with assistance from subject matter experts.



More information on our data security practices can be found in our [Fiscal Year 2021 Form 10-K](#), page 22. For more information about Dolby's privacy policies, please see our [Global Privacy Policy](#) and [Dolby.io Privacy Policy](#).

Appendix

The Appendix to this report contains Dolby's SASB and GRI Indices. Additional information and relevant metrics can be found in our [Supplemental GRI Information](#) and [Sustainability Metrics-at-a-Glance](#) documents.



SASB Index: Software & IT Services

TOPIC	CODE	ACCOUNTING METRIC	DISCLOSURE
Environmental Footprint of Hardware Infrastructure	TC-SI-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Energy & Emissions Metrics At-a-Glance
	TC-SI-130a.2	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Water-related topics are not currently material for Dolby's business operations, and we do not report on water withdrawn and consumed. However, the total wastewater for six of our facilities during the reporting year was 15,927m ³ . Furthermore, given the interplay between water security and climate change, our plan is to expand our focus in this area. We will explore our water consumption and usage, particularly in high-risk areas, using the WRI Aqueduct Tool and other resources to better understand and assess the full impact of water-related risks on our business.
	TC-SI-130a.3	Discussion of the integration of environmental considerations into strategic planning for data center needs	Dolby does not own any data centers. We have a very small footprint (less than six racks) of storage and compute workloads running at data co-location facilities at this time, both of which use 100% renewable energy. We will continue to prioritize providers that have a strong commitment to minimizing their impact on the environment in future co-location selection processes.
Data Privacy & Freedom of Expression	TC-SI-220a.1	Description of policies and practices relating to behavioral advertising and user privacy	For more information on our Privacy Policies: Global Privacy Policy Dolby.io Privacy Policy
	TC-SI-220a.2	Number of users whose information is used for secondary purposes	Dolby implements data privacy and security policies and procedures to protect our customers, partners and employees. Dolby's Privacy Policy describes the information we collect from our customers and how we use it.
	TC-SI-220a.5	List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring	There are no countries where our core products or services are subject to government-required monitoring, blocking, content filtering, or censoring.
Data Security	TC-SI-230a.2	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standard	Data Privacy & Cybersecurity Form 10-K , page 22

SASB DISCLOSURE *cont.*

TOPIC	CODE	ACCOUNTING METRIC	DISCLOSURE
Recruiting & Managing a Global, Diverse & Skilled Workforce	TC-SI-330a.1	Percentage of employees that are (1) foreign nationals and (2) located offshore	As of September 24, 2021, we had 2,368 employees worldwide. 4.6% of our employees are foreign nationals in the US and 2.4% are foreign nationals in countries outside of the US. 47% employees are based outside of the US.
	TC-SI-330a.2	Employee engagement as a percentage	Wellbeing
	TC-SI-330a.3	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	People at Dolby
Intellectual Property Protection & Competitive Behavior	TC-SI-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	Form 10-K , page 23
Managing Systemic Risks from Technology Disruptions	TC-SI-550a.1	Number of (1) performance issues and (2) service disruptions; (3) total customer downtime	95% of our revenue comes from technology licensing arrangements, which are not at risk of technology disruptions. As such, we do not currently report this data.
	TC-SI-550a.2	Description of business continuity risks related to disruptions of operations	Business continuity is critical to minimizing financial and reputational harm. Dolby's Enterprise Resiliency Team (ERT) comprises representatives from every company group, enabling our business to operate without interruption. The ERT identifies and addresses potential risks and evaluates the strength of our business continuity systems, infrastructure, policies, and procedures. Additional information about risks related to disruptions of operations can be found in our Form 10-K , page 19.
Activity Metrics	TC-SI-000.A	(1) Number of licenses or subscriptions, (2) percentage cloud-based	95% of our revenue comes from technology licensing arrangements with over 500 OEM and software developer licensees.
	TC-SI-000.B	(1) Data processing capacity, (2) percentage outsourced	95% of our revenue comes from technology licensing arrangements, which do not require significant volumes of data processing. As such, we do not currently report this data.
	TC-SI-000.C	(1) Amount of data storage, (2) percentage outsourced	95% of our revenue comes from technology licensing arrangements, which do not require significant volumes of data storage. As such, we do not currently report this data.

GRI Index

General Disclosures

GRI STANDARD	INDICATOR/METRIC	DISCLOSURE
Organizational profile		
GRI 102: General Disclosures 2016	102-1 Name of the organization	Dolby Laboratories, Inc.
	102-2 Activities, brands, products, and services	Form 10-K
	102-3 Location of headquarters	San Francisco, California
	102-4 Location of operations	Dolby.com
	102-5 Ownership and legal form	Form 10-K
	102-6 Markets served	Form 10-K
	102-7 Scale of the organization	Form 10-K
	102-8 Information on employees and other workers	Diversity, Inclusion & Belonging Metrics at a Glance
	102-9 Supply chain	Form 10-K
	102-10 Significant changes to the organization and its supply chain	Form 10-K
	102-11 Precautionary Principle or approach	Our Corporate Governance incorporates risk management approaches to reduce and where possible, avoid negative impacts in operations. Form 10-K .
	102-12 External initiatives	Our 2021 Sustainability Report is prepared in accordance with the Global Reporting Initiative (GRI) Standards - Core option. We also report Sustainability Accounting Standards Board (SASB) Software & IT Services metrics.
	102-13 Membership of associations	Supplemental GRI Information

GRI CONTENT INDEX *cont.*

GRI STANDARD	INDICATOR/METRIC	DISCLOSURE
Strategy		
GRI 102: General Disclosures 2016	102-14 Statement from senior decision-maker	CEO Letter
Ethics and Integrity		
GRI 102: General Disclosures 2016	102-16 Values, principles, standards, and norms of behavior	Ethics & Compliance Code of Conduct
Governance		
GRI 102: General Disclosures 2016	102-18 Governance structure	Governance
	102-22 Composition of the highest governance body and its committees (not required)	Governance Dolby.com
Stakeholder engagement		
GRI 102: General Disclosures 2016	102-40 List of stakeholder groups	Supplemental GRI Information
	102-41 Collective bargaining agreements	Dolby has not entered into any collective bargaining agreements.
	102-42 Identifying and selecting stakeholders	Supplemental GRI Information
	102-43 Approach to stakeholder engagement	
	102-44 Key topics and concerns raised	
Reporting practice		
GRI 102: General Disclosures 2016	102-45 Entities included in the consolidated financial statements	Dolby Laboratories, Inc. Dolby Laboratories Licensing Corporation Dolby International AB
	102-46 Defining report content and topic Boundaries	About this Report
	102-47 List of material topics	Our Sustainability Strategy
	102-48 Restatements of information	Dolby adjusted our base year (2019) and 2020 Scope 1 and 2 inventories in accordance with the GHG protocol. In doing so, we updated our previously reported Scope 1 and 2 (i.e., operational) GHG emissions for 2019 and 2020 to include new acquisitions, colocation data centers, estimated values for facilities where primary activity data are unavailable, and new emission sources including mobile combustion from our vehicles and fugitive emissions from refrigerant use.

GRI CONTENT INDEX *cont.*

GRI STANDARD	INDICATOR/METRIC	DISCLOSURE
Reporting practice <i>cont.</i>		
GRI 102: General Disclosures 2016	102-49 Changes in reporting	Dolby expanded the inventory boundary for 2019 and 2020 to include additional activities under Scopes 1, 2, and 3. Under Scope 1, Dolby has included emissions from mobile combustion, as well as fugitive emissions from the use of refrigerants. Under Scope 2, Dolby has included emissions from purchased heat and cooling. Dolby has also added emissions from Scope 3 categories 1 - 5, 7 - 9, and 11 - 13.
	102-50 Reporting period	This report covers Dolby's operations for fiscal year 2021 (September 26, 2020 - September 24, 2021)
	102-51 Date of most recent report	May 2021
	102-52 Reporting cycle	Annual
	102-53 Contact point for questions regarding the report	About this Report
	102-54 Claims of reporting in accordance with the GRI Standards	
	102-55 GRI content index	GRI Index
	102-56 External assurance	In order to strengthen our reporting and ensure the quality of the data and processes involved, we recently underwent an emissions verification process. Our operational emissions from 2019, 2020 and 2021, as well as the Scope 3 emissions from our five most significant sources, received independent third-party verification from APEX Companies to a limited level of assurance in accordance with ISO Standard 14064-3.

Environmental topics

GRI STANDARD	INDICATOR/METRIC	DISCLOSURE
Energy		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Energy & Emissions
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	

GRI CONTENT INDEX *cont.*

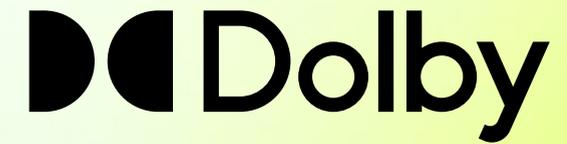
GRI STANDARD	INDICATOR/METRIC	DISCLOSURE
Energy <i>cont.</i>		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	<u>Energy & Emissions</u>
	302-2 Energy consumption outside of the organization	
	302-3 Energy intensity	
	302-4 Reduction of energy consumption	
Emissions		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	<u>Energy & Emissions</u>
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	<u>Energy & Emissions</u>
	305-2 Energy indirect (Scope 2) GHG emissions	
	305-3 Other indirect (Scope 3) GHG emissions	
	305-4 GHG emissions intensity	
	305-5 Reduction of GHG emissions	

Social topics

GRI STANDARD	INDICATOR/METRIC	DISCLOSURE
Diversity and Equal Opportunity		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	<u>Diversity, Inclusion & Belonging</u>
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	<u>Diversity, Inclusion & Belonging</u>

GRI CONTENT INDEX *cont.*

GRI STANDARD	INDICATOR/METRIC	DISCLOSURE
Social Impact (Local Communities)		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Social Impact
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	
Data Privacy & Cybersecurity		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Data Privacy & Cybersecurity
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
Other Indicator/s	Security Reviews	
Employee Wellbeing		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Wellbeing
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
Other Indicator/s	Motivation & commitment survey favorability score	



References in this Sustainability Report to information should not be construed as a characterization regarding the materiality of such information to our financial results or for purposes of the U.S. securities laws or similar laws of other jurisdictions.

This Sustainability Report includes forward-looking statements, and actual results could differ materially. Risk factors that could cause actual results to differ are set forth in the "Risk Factors" section of Dolby's most recent reports on Form 10-K and Form 10-Q.

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All Dolby-sponsored activities depicted in this report were following local COVID-19 protocols at the time the photograph was taken.

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