

Australian Modern Slavery Act Statement 2024

Joint Statement by Demant Australia Pty Ltd and Audika Australia Pty Ltd

Reporting period 1 January 2024 to 31 December 2024

This is a joint Modern Slavery Statement (**Statement**) prepared by Demant Australia Pty Ltd (ABN 11 636 246 305) (**Demant Australia**) and made on behalf of Audika Australia Pty Ltd (ABN 40 061 969 006) (**Audika**) under the *Modern Slavery Act 2018* (Cth) (**Act**).

Demant Australia is committed to ensuring the prevention of modern slavery and human trafficking in our business and supply chains.

We recognise that modern slavery is among the most severe forms of human rights abuses in the world today; it is a global issue that transcends countries, sectors and industries.

This statement describes the approach, actions and progress made in support of our commitment and is published in compliance with the Act for the reporting period 1 January 2024 to 31 December 2024.

Modern Slavery Statement

Structure, operations and supply chain

Structure

Demant Australia is an Australian registered proprietary company, fully owned by Demant A/S (**Demant**), a Danish registered company in the hearing healthcare and audio technology industry. Demant is listed on the Nasdaq Copenhagen stock exchange and majority owned by William Demant Invest A/S which is wholly owned by the William Demant Foundation, with deep, proud roots in Denmark tracing back to 1904.

Demant Australia owns 100% of the shares in the following entities:

- Audika Australia Pty Ltd (ABN 40 061 969 006);
- Audmet Australia Pty Ltd (ABN 19 050 487 593);
- Sonic Equipment Australia Pty Ltd (ABN 91 664 291 721);
- Interacoustics Pty Ltd (ABN 82 124 133 848); and
- EPOS Audio Australia Pty Ltd (ABN 69 636 248 676).

Otherwise, neither Demant Australia, nor any of its subsidiaries owns or controls any other entities.

Demant Australia and Audika are reporting entities for the purposes of the Act.

In this Statement, Demant Australia and its subsidiaries are collectively referred to as the **Australian Demant Group Entities**. Demant's global operations are referred to as the **Demant Group**.

Operations

The Demant Group is headquartered in Denmark and operates globally, with companies registered in more than 30 countries¹ and products and services sold in 130 countries.

The Demant Group commits to respecting all universally recognised human rights as outlined in the Universal Declaration of Human Rights and the International Labour Organization (ILO) Declaration on

¹ Australia, Belgium, Brazil, Canada, China, Denmark, Finland, France, Germany, Greece, Ireland, Malaysia, Mexico, Norway, Netherlands, New Zealand, Italy, Japan, Korea, Philippines, Poland, UK, USA, Singapore, South Africa, Spain, Sweden, Switzerland and Turkey.

Fundamental Principles and Rights at Work. This commitment is founded in our Sustainability Policy and covers the human rights of any persons who may be adversely impacted by the Demant Group's activities and business relationships, including customers, employees, people who work in our value chains, community members and any other potentially affected rightsholders.

The Demant Group executive management is ultimately accountable for ensuring that human rights are respected in internal operations and throughout the value chain.

The business operations of the Australian Demant Group Entities consist of the following:

- Operation of hearing healthcare clinics, including hearing testing, rehabilitation services, and the supply of hearing devices and associated accessories to individuals;
- Wholesale supply of:
 - hearing devices and associated accessories;
 - implantable devices (cochlear implants and bone-anchored hearing systems);
 - audiological diagnostic equipment and associated consumables; and
 - other electronic equipment, including enterprise and gaming headsets;
- Maintenance and repair services for hearing aids and audiological diagnostic equipment; and
- Operational support for the above activities.

The operations of the Demant Australian Group Entities are based in Australia and are supported by the Demant Group globally. As of 31 December 2024, the Demant Group had 22,639 employees globally, of which approximately 980 people were employed by the Australian Demant Group Entities.

Australian Demant Group Entities pay award or above award wages to employees, and comply with the Australian Government's National Employment Standards. Australian Demant Group Entities will sometimes use contract/agency labour to fill short term/temporary roles where necessary (such as agency locums for its clinic operations), but do not typically utilise contract labour/agency labour where roles can be performed by direct employees of the relevant Australian Demant Group Entity.

Further, Australian Demant Group Entities are committed to providing a safe and healthy working environment for all employees and visitors, so far as reasonably practicable.

Supply Chain

The Australian supply chains can broadly be broken into two categories – supply chains for products sold by Australian Demant Group Entities, and supply chains supporting local operations.

The vast majority of products supplied by the Australian Demant Group Entities are sourced from and manufactured by other Demant Group entities globally.

The Demant Group manufactures its products in Poland, Mexico, and Denmark. Where necessary, the Demant Group sources other products, consumables and components from manufacturers based in Europe, the United Kingdom, the United States, North America, Asia, the Middle East and the East Pacific region.

The direct suppliers that the Demant Group collaborates with are mainly manufacturers of electromechanics, electronics, mechanics, production consumables and material supporting packaging and marketing activities.

In addition to the above supply chains, the Australian Demant Group Entities source goods and services from local suppliers to support the organisation, including IT equipment/applications, transport/logistics, property maintenance and construction, professional services, office equipment and supplies, marketing production support, insurance and travel services.

Actions Taken and Assessment of Effectiveness

Operations risks and actions taken

As part of the process of preparing this Statement, Demant Australia undertook a risk assessment to identify modern slavery risks in its operations.

A Workplace Health & Safety Management Framework has been developed and implemented to ensure:

- Australian Demant Group Entities meet their legal obligations (for example, under the *Work Health and Safety Act 2011* (Cth) and the *Fair Work Act 2009* (Cth)) and relevant codes of practice;
- a culture of safety is fostered to encourage individuals at all levels to take active ownership of WH&S matters.

In light of this, we assess modern slavery risks in the direct operations of the Australian Demant Group Entities as being relatively low overall. Of these risks, we note some potential risks relate to supply chains which support local operations, for example the use of outsourced services such as cleaners, as well as goods procured by Australian Demant Group Entities which are manufactured overseas.

The Demant Group protects labour rights and promotes safe and secure working environments for all employees by supporting freedom of association for workers, ensuring responsible purchasing practices, conducting human rights due diligence on new and existing suppliers, and collaborating with unions and civil society organisations.

The Demant Group reports annually on its actions and initiatives based on the UN Global Compact Ten Principles in the four areas of human rights, labour rights, environmental and anti-corruption actions. Since 2024, the Demant Group also reports on its compliance with the European Union Corporate Sustainability Reporting Directive. The Demant Group has also appointed approximately 75 compliance champions in business ethics across its workforce.

The Demant Group commits to respecting all universally recognised human rights as laid out in the Universal Declaration of Human Rights. These include core labour rights such as freedom of association and the right to collective bargaining, standards on working conditions and the right not to be subject to forced labour, child labour or discrimination in respect of employment and occupation.

The Demant Group's human rights commitments are implemented through its Code of Conduct, Global human resources policy, supply chain sustainability policy, product quality policies and other internal policies and procedures as well as ongoing due diligence efforts. The Code of Conduct explicitly addresses the Demant Group's zero tolerance of any form of slavery or human trafficking, use of compulsory labour or the employment of children, as well as discrimination and harassment, including sexual harassment. The sustainability team and other relevant functional teams implement the Demant's human rights commitments.

The Demant Whistleblower Hotline enables employees, business partners and other stakeholders to report any concerns about adverse human rights impacts in a confidential and anonymous manner that ensures protection from reprisals or retaliation.

Code of Conduct and Whistleblower Hotline

In 2020, Demant launched the Demant Group Code of Conduct and the Demant Group Whistleblower Policy (including a Whistleblower Hotline and support system). Both were updated in 2022. The Demant Group Code of Conduct and the Whistleblower system have both been adopted by the Australian Demant Group Entities. These two policies, together with the TPCC, represent the framework of Demant's global business ethics compliance program.

The [Demant Group Code of Conduct](#) includes policies and principles on a range of compliance matters, including human rights, anti-corruption, the environment and the workplace environment. A new mandatory Code of Conduct training module was rolled out across the Demant Group in 2024.

The [Whistleblower Hotline](#) enables employees, business partners and other stakeholders to confidentially report any matters of serious and sensitive concern, with the option to do so anonymously. This channel is intended to improve and increase transparency, both within and outside the business, and is therefore a further mechanism by which our effectiveness in this area can be assessed.

The Whistleblower Hotline is a global hotline reporting system operated by an external systems provider, EQS Group. Any whistleblower reports concerning Australian Demant Group Entities are referred for local investigation and reported (subject to the terms of the applicable policies) to the board of directors of the relevant Australian Demant Group Entity in line with the local Whistleblower Policy (which incorporates the global Whistleblower Policy). At a global level, the Whistleblower Hotline is governed by Demant's Group General Counsel and Group Compliance Manager who report on all whistleblower reports to Demant's audit committee. Demant's executive management receives information and ad hoc reports when this is deemed appropriate.

In 2024, the Demant Group received 11 submissions to its Whistleblower Hotline related to discrimination and/or harassment. These cases were handled internally according to the Whistleblower Policy and Investigation Guideline. Having been addressed by the relevant internal organisation in collaboration with the affected individuals, 8 out of 11 claims were closed as at 31 December 2024. There were no severe human rights incidents in the period, and therefore no fines, penalties or compensation were paid.

Assessment of Effectiveness

To assess our effectiveness in this area, the Demant Group will continue to closely monitor our modern slavery risks in our operations, and investigate any perceived, potential or actual issues that arise. To date, the Demant Group has not identified any material incidents of modern slavery in our operations.

Supply chain risks and actions taken

As part of the process of preparing this Statement, Demant Australia undertook a risk assessment to identify modern slavery risks in its supply chains.

The Demant Group identifies and assesses its impacts on human rights on an ongoing basis. In the second half of 2024, it carried out a corporate wide human rights assessment, covering the full value chain of activities. The assessment included a review of its own operations, with consideration of the geographies where the Demant Group operates and the industries it works in. The assessment also mapped actual and potential impacts in the Demant Group's value chain. Having mapped actual and potential impacts, the assessment considered their salience based on the severity of impact on people and the likelihood of occurrence to prioritise actions to be taken. For all identified issues, the Demant Group has management systems in place that help to bring an end and mitigate actual and potential impacts.

The Demant Group has several policies in place that are designed to identify, document and manage potential impacts on workers in our value chain and to mitigate associated risks. Our Third Party Compliance Code outlines our expectations toward suppliers and business partners regarding working conditions for workers in the value chain. This includes the core International Labour Organization (ILO) standards on working conditions, workplace health and safety, freedom of association, forced/child labour and non-discrimination. We expect all new direct suppliers to comply with this Third Party Compliance Code, which is included as an appendix in all new contracts with suppliers.

The Demant Group's strong collaboration with suppliers enables it to consistently deliver quality products in scale and thus ensure timely delivery throughout the value chain. In its Hearing Aids business area, the Demant Group has deepened this collaboration by integrating sustainability into partnerships through its supplier engagement programme which aims to collaborate more closely with suppliers on decarbonisation and addressing human rights impacts in our supply chain.

The Demant Group has many suppliers for its Hearing Aids and Diagnostics business areas. It therefore takes a risk-based approach to identifying and managing the interests, views and rights of value chain workers. The large number of suppliers calls for prioritisation of resources to identify and mitigate the most significant negative impacts first. If a negative impact is reported to or identified by the Demant Group, it engages directly with the supplier in question to urge them to prevent and mitigate the impact, while clearly communicating our expectation that the supplier provides remedies towards the affected value chain workers.

In 2024, the Demant Group established an updated and more extensive sustainability supplier risk assessment process to identify and document the potential impacts that workers in our supply chain are exposed to, based on the countries and sectors in which the workers of our suppliers operate. The risk assessment process is based on a quantitative and qualitative analysis, using recognised databases, indices and reports. Continuous risk assessment of existing and new suppliers helps gain an overview of how the interests, views and rights of value chain workers could be materially impacted by the Demant Group, including respect for their human rights. These efforts are embedded in the supplier management process, and dedicated sustainability specialists lead this work in Demant's procurement functions.

In 2024, selected suppliers, based on spend, were screened as part of the risk assessment process. In the supply chain in the Diagnostics business area, all direct upstream suppliers and approximately 80% of all indirect upstream suppliers to the Demant Group's Danish and Polish production sites were screened, based on the 2023 supplier base. In the supply chain in the Hearing Aids business area, 31% of direct upstream suppliers were screened, based on the 2023 supplier base, covering 99% of total direct spend.

No severe human rights impacts or incidents connected to the upstream or downstream value chain were reported to the Demant Group in 2024.

In terms of products supplied to Australian Demant Group Entities by other Demant Group entities, we consider the most significant source of potential risk of modern slavery within our supply chain to be those suppliers that provide electronic components and precious metals.

Demant Australia acknowledges that the Australian Demant Group Entities' supply chain is global and complex, and as a result there are challenges in maintaining oversight of the overall supply chain (especially below the direct suppliers). However, in respect of products sourced from Demant Group (which represent the vast majority of products supplied by Australian Demant Group) the Demant Group has a range of systems and controls in place to make sure that our products meet legal and regulatory requirements, including our Third Party Compliance Code (discussed further below).

We have taken substantial action to address modern slavery risks. This includes a risk assessment, and, via action taken by Demant Group, implementation of systems and controls to minimise modern slavery risks in our supply chain. Demant Group actively collaborates with suppliers to mitigate the impact of the global raw material shortage on ethical practices. We prioritise fair labour and wage practices and compliance with employment standards. We limit the use of contract labour and emphasise a safe working environment through a comprehensive WHS Management Framework. With these and other steps we demonstrate a strong commitment to addressing modern slavery risks and promoting ethical practices.

Assessment of Effectiveness

To assess our effectiveness in this area, the Demant Group will continue to closely monitor our modern slavery risks in our supply chain, and investigate any perceived, potential or actual issues that arise. To date, the Demant Group has not identified any material incidents of modern slavery practices in our supply chain.

Third Party Compliance Code

The focus of the Demant Group's modern slavery compliance activity and due diligence is undertaken in relation to supply chains for products supplied to Australian Demant Group Entities by other Demant Group entities globally. The Demant Group continues to work with its direct suppliers to ensure they are aware of, and take steps to address, the modern slavery risks associated with their operations and supply chains.

In 2019, the Demant Group launched the Demant [Third Party Compliance Code \(TPCC\)](#) and updated it in 2022. Demant Group requires direct suppliers to sign and comply with the TPCC.

The TPCC forms part of Demant's compliance and business ethics programme, which in turn is part of the foundation for Demant's comprehensive sustainability agenda (reported on in detail annually by Demant).

The TPCC describes international standards and specific criteria which govern aspects of human and labour rights, including forced labour, child labour and young workers, freedom of association and non-discrimination, health and safety measures, environmental protection, privacy and ethics, as well as bribery and corruption. It also requires Demant Group suppliers to adhere to social and environmental standards and contribute towards the protection of human rights. By complying with the TPCC, our direct suppliers are committing to ensuring that their own operations and supply chains address any modern slavery risks. The collection of documentation required from suppliers across our global supply chain remains ongoing. In some cases, suppliers which are not yet bound by the TPCC have policies or procedures that comply with the standards in the TPCC.

Assessment of Effectiveness

To assess our effectiveness in this area, the Demant Group will continue to closely monitor our suppliers' compliance with the TPCC, and investigate any perceived, potential or actual issues that arise. To date, the Demant Group has not identified any material incidents of non-compliance with the TPCC or modern slavery practices.

Consultation

During the reporting period covered by this Statement, all Australian Demant Group Entities were actively engaged with and consulted in the preparation, review and finalisation of the Statement.

This engagement and consultation included a discussion of reporting requirements, providing information regarding actions taken or intended to be taken to address these requirements, and providing relevant materials and updates to relevant stakeholders as appropriate.

Specific actions and steps taken include:

- noting that the Australian Demant Group Entities share a common Company Secretary, tasking the Company Secretary with responsibility for coordinating the response;

- noting similar and related compliance programs and activity across the Demant Group globally, actively engaging with and consulting Demant Group legal, compliance, sustainability and business ethics representatives for input; and
- providing a copy of the draft Statement to all directors of the Australian Demant Group Entities for input prior to its finalisation.

Further, input was sought as appropriate from other relevant stakeholders at Demant A/S. This Statement was also signed by the CEO of Demant A/S Søren Nielsen, who in addition is a director of Demant Australia as well as all other Australian Demant Group Entities.

Approval

This Statement was approved by the board of Demant Australia Pty Ltd on 13 June 2025, and the board of Audika Australia Pty Ltd on 13 June 2025.



Søren Nielsen – Director, Demant Australia Pty Ltd and Director, Audika Australia Pty Ltd

Dated: 13 June 2025