

## **Australian Modern Slavery Act Statement 2023**

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

**Reporting period 1 January 2023 to 31 December 2023**

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 2023 to 31 December 2023.

### **About Demant**

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**.

The Demant Group is headquartered in Denmark and operates globally, with companies registered in more than 30 countries<sup>1</sup> and products and services sold in 130 countries. In the 2023 reporting period Demant Group's global workforce was approximately 21,000 employees, of which approximately 1,000 people were employed by the Australian Demant Group Entities.

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.

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<sup>1</sup> 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.

The Demant Group is committed to respecting human rights and dignity for all, and the Demant Group supports international efforts to promote and protect human rights.

Where local legislation does not provide direct protection for human and labour rights, the Demant Group applies the Ten Principles of the UN Global Compact (in furtherance of the UN Sustainable Development Goals, amongst other things; Demant joined the UN Global Compact in 2010), principles from the Universal Declaration of Human Rights, ILO's Declaration of Fundamental Principles and Rights at Work, and Demant Group's portfolio of global policies and codes relating to business ethics.

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. The Demant Group has also appointed approximately 75 compliance champions in business ethics across its workforce.

## ***Modern Slavery Statement***

### ***Structure, operations and supply chain***

#### *Structure*

The organisational structure of the Australian Demant Group Entities is described above in 'About Demant'.

#### *Operations*

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.

#### *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.

### ***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.

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). As a result, Demant Group has visibility of its direct suppliers as well as the critical sub-suppliers' suppliers.

The ongoing global shortage of raw materials – for instance in the market for electronics, paper, carboard and precious materials – continues to have impacts on supply chains and logistics all over the world, including those in the Demant Group, despite gradual recovery since the COVID-19 pandemic. To mitigate this risk, the Demant Group is dedicated to working with sub-suppliers of our manufacturing partners to ensure that the impacts of the pandemic do not affect their commitment to ethical practices.

Beyond this, 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.

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.

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 sub-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.

### ***Third Party Compliance Code, Business Ethics Framework and Assessment of Effectiveness***

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 \(TPCC\)](#). 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.

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.

In 2020, Demant launched the Demant Group Code of Conduct and the Demant Group Whistleblower Policy (including a Whistleblower Hotline and support system). 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.

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.

### **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 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 19 June 2024, and by the board of Audika Australia Pty Ltd on 19 June 2024.



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

Dated: 25 September 2024