

## Demant Australia Pty Ltd (ABN 11 636 246 305)

### Modern Slavery Statement Reporting Period 1 January 2020-31 December 2020

Demant Australia Pty Ltd is an Australian registered proprietary company. 100% of its shares are owned by Demant A/S ("Demant"), a Danish registered company listed on the Nasdaq Copenhagen stock exchange. Demant Australia Pty Ltd 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)
- Interacoustics Pty Ltd (ABN 82 124 133 848)
- EPOS Audio Australia Pty Ltd (ABN 69 636 248 676)

Demant Australia Pty Ltd is a reporting entity. Of the subsidiary entities only Audika Australia Pty Ltd is a reporting entity, and this statement is also made on behalf of Audika Australia Pty Ltd.

Neither Demant Australia Pty Ltd, nor any of its subsidiaries, owns or controls any other entities. For the purposes of this statement, Demant Australia Pty Ltd and its subsidiaries shall collectively be referred to as "Australian Demant Group Entities".

The Australian Demant Group Entities share a common Company Secretary and a number of common directorships. The Company Secretary for the Australian Demant Group Entities was involved in the preparation of this statement, and a copy of this statement was provided to all directors of the Australian Demant Group Entities prior to its finalisation.

### Operations

The Australian Demant Group Entities employ approximately 950 people. The Australian Demant Group Entities' business operations 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;
  - 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.

Australian Demant Group Entities pay award or above award wages to employees, and comply with Minimum Employment Standards. While Australian Demant Group Entities do sometimes use contract/agency labour to fill short term/temporary roles where necessary (eg, agency locums for its clinic operations), Australian Demant Group Entities do not typically utilise contract labour/agency labour where a role could be performed by a person directly employed by 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. The WH&S Management Framework has been developed and implemented to ensure:

- Australian Demant Group Entities meet their legal obligations and relevant codes of practice



- a safety culture is fostered encouraging individuals at all levels to take active ownership of WH&S matters.

## Supply Chains

The Australian Demant Group Entities 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.

Local supply chains supporting local operations include categories such as transport/logistics, property maintenance and construction, professional services (such as marketing, audit and legal services), office equipment and supplies, insurance, catering, travel services, and IT business applications. While acknowledging that there exists some modern slavery risks in these supply chains (in particular, where these supply chains involve products manufactured overseas) we consider that these are relatively low risk, and otherwise the risks that exist are not caused by or contributed by the activities of Australian Demant Group Entities. The Australian Demant Group Entities do not currently have in place any formal due diligence processes regarding supply chains supporting local operations, reflecting the relatively low-risk nature of these supply chains, and the small level of influence that Australian Demant Group Entities have over these supply chains.

The vast majority of products supplied by Australian Demant Group Entities are sourced from and manufactured by other Demant entities globally, and Australian Demant Group Entities rely on Demant's initiatives in this area (noting that Demant Australia Pty Ltd is a wholly-owned subsidiary of Demant).

Demant is committed to respecting everyone's human rights and dignity, and Demant supports international efforts to promote and protect human rights. Where local legislation does not naturally protect human and labour rights, Demant applies UN Global Compact principles as well as principles from the Universal Declaration of Human Rights, ILO's Declaration of Fundamental Principles and Rights at Work, as well as our Group Codes and policies.

Even though 90% of Demant's production sites operate in OECD countries, Demant cannot completely avoid the risk of human rights violations, however, it presents a significantly low risk. When present in countries outside of the OECD, Demant takes precautions to cope with the risk of human rights violations by adhering to Demant's five human rights and labour rights principles as guidance for operations, business activities, and relationships. Violating proclaimed human and labour rights is not in accordance with Demant's business model and against our business ethics. Information regarding Demant's global business ethics compliance program is provided below.

## Demant's Compliance and business ethics programme

Together, Demant's Code of Conduct, Third Party Compliance Code and Whistleblower scheme represents the framework of Demant's global business ethics compliance program.

Demant implemented a Demant Group Third Party Compliance Code in 2019, available at <https://www.demant.com/about/policies-and-regulations>. Demant requires that the majority of its direct suppliers sign and comply with the Demant Group Third Party Compliance Code. The code is part of Demant's Compliance and business ethics programme. It lists criteria governing aspects of human and labour rights, including slavery prevention, health and safety measures, environmental issues, as well as anti-corruption. It helps Demant's suppliers adhere to social and environmental standards and contributing towards the protection of human rights.

In 2020, Demant worked with a total of 327 active direct suppliers, out of which 322 have signed the Demant Group Third Party Compliance Code. Demant takes a risk-based approach to supplier assessment. The assessment groups suppliers into three categories. Each category determines a sustainability action that should be taken toward the supplier. The risk assessment is based on the supplier's geographical presence, business sector and certified quality management system. Should Demant identify a high risk, where an active supplier has failed to meet Demant's standards, Demant's principles guide it to carry out a sustainability audit and report to list areas of concern.

In 2020, Demant launched the Demant Group Code of Conduct and Whistleblower system. The Demant Group Code of Conduct and Whistleblower scheme have been adopted by the Australian Demant Group Entities.

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, and a copy is available at <https://www.demant.com/about/policies-and-regulations>.

The whistleblower hotline enables employees, business partners and other stakeholders to report any serious and sensitive concern in a confidential manner and provides the option of being anonymous. This channel is intended to improve and increase transparency, both within and outside the organization. The whistleblower hotline is a global hotline reporting system operated by an external systems provider, Got Ethics. The whistleblower hotline can be accessed from <https://www.demant.com/about/policies-and-regulations>. Any whistleblower reports concerning Australian Demant Group Entities are referred locally for investigation, and reported (subject to the terms of the policy) to the board of directors of the relevant Australian Demant Group Entity in line with the local whistleblower policy (which incorporates the Demant Group Whistleblower Policy), which covers all Australian Demant Group Entities.

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 executive management receives information and ad hoc reports when this is deemed relevant.

This statement was approved by the Board of Directors of Demant Australia Pty Ltd on 28 May 2021.

Signed:



Director - Demant Australia Pty Ltd

Date: 28 May 2021

