

Joint Modern Statement of Demant Australia Pty Ltd (ABN 11 636 246 305) and Audika Australia Pty Ltd (ABN 40 061 969 006) for the reporting period 1 January 2021-31 December 2021

This statement was prepared by Demant Australia Pty Ltd (“Demant Australia”) to address the modern slavery risks in its structure, supply chain and operations for the reporting period ending 31 December 2021. This statement is also made on behalf of Audika Australia Pty Ltd (ABN 40 061 969 006).

About Demant

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

- Audika Australia Pty Ltd (ABN 40 061 969 006) (“Audika”);
- Audmet Australia Pty Ltd (ABN 19 050 487 593) (“Audmet”);
- Interacoustics Pty Ltd (ABN 82 124 133 848) (“Interacoustics”); and
- EPOS Audio Australia Pty Ltd (ABN 69 636 248 676) (“EPOS”).

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

For the purposes of this statement, Demant Australia and its subsidiaries shall collectively be referred to as the “Australian Demant Group Entities”. A reference to the “Demant Group” is a reference to Demant’s global operations.

The Demant Group is headquartered in Denmark and operates in a global market. It has companies registered in more than 30 countries¹ and sells its products and services in 130 countries. The Demant Group had a global workforce of over 18,000 employees in 2021, 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.

The Demant Group is committed to respecting everyone’s human rights and dignity, and the Demant Group supports international efforts to promote and protect human rights. Where local legislation does not naturally protect human and labour rights, the Demant Group 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. The Demant Group reports annually on its actions and initiatives based on the 10 UN Global Compact principles in the four areas of human rights, labour rights, environmental and anti-corruption actions. The Demant Group has also appointed 60 business ethics champions across its workforce.

This Statement

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

All of the Australian Demant Group Entities were consulted in the preparation of this statement, including by (but not limited to):

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.

- noting that the Australian Demant Group Entities share a common Company Secretary, tasking the Company Secretary for the Australian Demant Group Entities with responsibility for co-ordination of the response; and
- providing a copy of the draft statement to all directors of the Australian Demant Group Entities for input prior to its finalisation.

In addition, where appropriate, input was sought from relevant stakeholders at Demant A/S, and this statement has been signed Søren Nielsen who in addition to being a director of Demant Australia (as well as all other Australian Demant Group Entities) is the CEO of Demant A/S.

Operations and Supply 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.

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, 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

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

Demant Australia acknowledge 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, the Demant Group has systems and controls in place to

make sure that our products meet legal and regulatory requirements. As a result, Demant Group has visibility of all direct suppliers as well as the critical sub-suppliers suppliers.

The global shortage of raw materials – for instance in the market for electronics, paper, cardboard and precious materials– is impacting supply chains and logistics all over the world, including those in the Demant Group. COVID-19 and the impact on global supply has further emphasised this. To mitigate this risk, the Demant Group works dedicatedly with sub-suppliers to our manufacturing partners to ensure that the COVID-19 pandemic does not affect their commitment to ethical practices.

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.

Otherwise, 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 (e.g., 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; and
- a safety culture is fostered encouraging individuals at all levels to take active ownership of WH&S matters.

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

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

The focus of modern slavery diligence activities are activities undertaken by the Demant Group in relation supply chains for products supplied to Australian Demant Group Entities by other Demant Group entities globally. The Demant Group is working with our 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 implemented its [Third Party Compliance Code \(TPCC\)](#). The Demant Group requires its direct suppliers to sign and comply with the TPCC. The TPCC is part of Demant's broader compliance and business ethics programme, and 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, including bribery and corruption. It requires Demant's suppliers to adhere to social and environmental standards and contribute towards the protection of human rights. By complying with our TPCC, our direct suppliers are committing to ensuring that their own operations and supply chains address any modern slavery risks. The work to collect all documentation required for suppliers across the global supply chain is still ongoing. Some of the suppliers are not yet bound by the TPCC but have their own policies or procedures that comply with the standards brought forward 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.

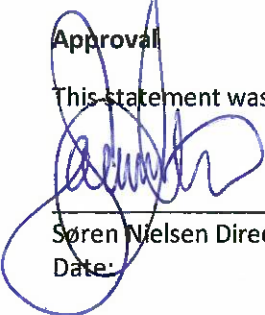
In 2020, Demant launched the Demant Group Code of Conduct and a Whistleblower system. The Demant Group Code of Conduct and the Whistleblower system have both been adopted by the Australian Demant Group Entities. These two documents, together with the TPCC, represent the framework of Demant's global business 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 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 organisation, 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 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's executive management receives information and ad hoc reports when this is deemed appropriate.

Approval

This statement was approved by the Board of Directors of Demant Australia Pty Ltd on 02.06.2022.



Søren Nielsen Director - Demant Australia Pty Ltd

Date:

