

Demant Group Policy on Trade Compliance

May 2024

Demant

1. Purpose

The Demant group of companies (the “Demant Group”) is committed to conducting its business in accordance with applicable trade sanctions and export control laws and regulations, and the purpose of this Policy is to set out the key principles to be complied with and to describe the consequences of non-compliance.

Failure to comply with trade sanctions and export control laws and regulations can have serious consequences for the Demant Group and its employees, such as damage to our reputation, large fines, exclusion from public contracts, lawsuits, and imprisonment.

2. Scope

This Policy follows the principles laid down in United Nations (“UN”), European Union (“EU”) and United States (“US”) trade sanctions and export control laws and regulations. If local laws are stricter than UN, EU and US trade laws and regulations, the (higher) compliance level set out locally must be complied with. If, on the other hand, local laws allow a particular practice, but such practice does not comply with this Policy or the Trade Compliance Guidelines implemented by Group Legal & Compliance from time to time, this Policy, including the Guidelines, must be complied with unless otherwise approved by Group Legal & Compliance.

This Policy applies to:

1. Everyone entering into transactions with third parties on behalf of the Demant Group, including managers supervising employees involved in such activities. The term “third parties” should be interpreted broadly and includes, but is not limited to, distributors, customers, suppliers, agents etc.
2. Everyone processing payments to or from third parties on behalf of the Demant Group, including managers supervising employees involved in such activities.

3. Everyone involved in the export of goods to third parties on behalf of the Demant Group, including managers supervising employees involved in such activities.

3. What are trade sanctions?

Trade sanctions are rules enacted by (i) international organisations, such as the UN, (ii) supranational bodies, such as the EU, and (iii) states, such as the US, to promote foreign policy and other objectives, e.g., safeguarding fundamental interests and security and preserving peace and stability.

Trade sanctions aim to bring about a change in the conduct of those targeted and consequently prohibits companies and individuals from doing business with certain individuals, legal entities, countries, regions, and governments that are subject to trade sanctions.

The UN, the EU, the US, and specific countries maintain specific trade sanctions regimes (collectively referred to as “Sanctions”). The Demant Group is committed to complying with all Sanctions applicable to the Demant Group. The most relevant countries and regions subject to Sanctions can be found here (“Sanctioned Countries”):

- [EU Sanctions Map](#)
- [Sanctions Programs and Country Information | Office of Foreign Assets Control \(treasury.gov\)](#)

The Demant Group is prohibited from engaging, directly, or indirectly, in any activities or business with individuals or legal entities in countries that are considered high-risk countries or with governments or entities owned or controlled by them without the prior written approval from Group Legal & Compliance. The countries that are considered high-risk under this Policy are set out in Appendix I (“High-Risk Sanctioned Countries”).

In addition, the UN, the EU, and the US impose list-based sanctions. If a person or entity is listed on a sanctions list, the Demant Group is prohibited from engaging in transactions with such persons or entities (“Designated Persons”) without the prior written approval from Group Legal & Compliance. Similarly, if an entity is owned 50% or more or is controlled by a Designated Person, the Demant Group is prohibited from engaging in transactions with such entity without the prior written approval from Group Legal & Compliance.

4. What are export controls?

Export controls are rules enacted by (i) international organisations, such as the UN, (ii) supranational bodies, such as the EU, and (iii) states, such as the US, to ensure international peace, security, and stability. This is done by controlling the export of certain items to critical countries and end-users (“Export Controls”), an example being the rules on exports of dual-use items. Dual-use items are items that can have both civil and military usage.

If a specific product or item is subject to Export Controls, the Demant Group may be prohibited from exporting such product or item to certain countries and end-users without obtaining an export licence in advance.

Group Legal & Compliance will implement separate Guidelines on Export Control compliance, including Guidelines directed at our customers, distributors, agents, suppliers, and other stakeholders.

5. What is expected of me?

All in-scope employees must comply with Sanctions, Export Controls, and local laws and must participate in training sessions on compliance with this Policy.

The Demant Group has implemented separate Guidelines to ensure compliance with Sanctions and Export Controls, which all in-scope employees must also comply with. All such Guidelines can be accessed through the Business Ethics SharePoint site.

6. Responsibility

The Demant Group business area Presidents, Market Managers and General Managers are responsible for ensuring that those reporting to them are made aware of this Policy. All individual employees are responsible for their own actions and must ensure that they act in accordance with this Policy. Compliance is a precondition of employment.

7. Communication and reporting of breaches

If you have any questions regarding this Policy, please contact Group Legal & Compliance on Groupcompliance@demant.com.

If you suspect or experience a breach of this Policy, please contact Demant's Head of Group Compliance at Groupcompliance@demant.com or file a report through our Whistleblower Hotline.

Whistleblower Hotline

Any Demant Group employee who becomes aware of a serious breach of the Code of Conduct, Sanctions, Export Controls, or this Policy can report such breach to our secure and externally hosted hotline available at:

- Your local website
- This [LINK](#) or
- Via an app for iPhone or Android.

A report can be filed anonymously, and there will be no retaliation against the employee filing such report.

Appendix I – List of High-Risk Sanctioned Countries

As per the latest review of this Policy, the following countries are considered High-Risk Sanctioned Countries under this Policy:

- Belarus
- Crimea
- Cuba
- Iran
- North Korea
- Russia
- Sudan
- Syria