



Demant Group Sustainability Policy

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Contents

1. Purpose and scope	3
2. Background	5
3. Respect for the planet	7
4. Caring for people and human rights	8
5. Responsibility and governance	9

1. Purpose and scope

Purpose

Through life-changing hearing health, Demant contributes to building a more sustainable world where people have the opportunity to hear, actively participate in life and be appreciated. If we can enable more people to hear better, we can give them a voice and thus the opportunity to be part of society without constraints.

That is the company purpose. The purpose of this policy is to provide direction on sustainability and ESG ambitions and priorities across the Group and to create transparency around sustainability governance in Demant. We use the term sustainability to refer to the overall direction of the Group in the area. When we use the acronym ESG (Environment, Social, Governance) we refer to the concrete practices we pursue to mitigate risks and capitalise on opportunities in the areas that are material to Demant.

Scope

The Demant Group consists of three business areas: Hearing Care, Hearing Aids and Diagnostics. This policy applies to all business areas, functions and entities within Demant. All are expected to adhere to this policy and integrate sustainability into their business operations with guidance from their leadership and Group Sustainability.

Aside from providing the overall framework for sustainability, this policy specifies our commitments and priorities within climate and environment as well as our overall human rights commitment. Other sustainability commitments, specifically within the social and governance area, are specified in related policies (see page 6).








Sustainability ambition

Core impact: Improving lives through life-changing hearing health

"Our roots are in hearing health, and our purpose is to create life-changing differences through hearing health, whereby we contribute to building a more sustainable world where people have the opportunity to enjoy life. Caring for people's health and well-being goes hand in hand with caring for our employees, society and the planet"

ESG ambition

We will drive responsible and sustainable business practices

	Environment	Social	Governance	
	<ul style="list-style-type: none"> Decouple emissions from growth Work with environmental optimisation Strive for ambitious emissions reductions 	<ul style="list-style-type: none"> Help people overcome hearing loss through awareness Improve their quality of life through innovative solutions and personal care Have a positive impact on health 	<ul style="list-style-type: none"> Ensure our people's well-being, safety, engagement and development Promote an organisational culture characterised by care and respect with diversity, equity and inclusion as important drivers 	<ul style="list-style-type: none"> Strive for high ethical standards and honesty Perform business with integrity and honesty Set the minimum standards and ethical principles through our codes of conduct
ESG priorities	Respect for the planet Climate impact	Caring for people Diversity, equity and inclusion	Performing with integrity Business integrity	
Material topics	<ul style="list-style-type: none"> Climate change adaptation Climate change mitigation Product circularity 	<ul style="list-style-type: none"> Providing life-changing hearing health Hearing health awareness Product quality and safety Right to privacy 	<ul style="list-style-type: none"> Working conditions Diversity, equity and inclusion Talent attraction and retention Responsible supply chain 	<ul style="list-style-type: none"> Corruption and bribery Advocacy for hearing health
Targets	E 2025: 50% renewable electricity 2030: 100% renewable electricity 2030: 46% reduction in CO2e emissions for all scopes 2050: Net-zero emissions	Impact targets 2030: More than 16 million lives improved 2030: Increase awareness by hearing-testing more than 2 million people	S 2030: Increase gender balance in top-level management to 35/65 (women/men) 2030: Take employees' experience of inclusion to the top-third level of Gallup index 2030: Take employee engagement to the top-third level of Gallup index	G 2030: Increase excellence in business conduct through code of conduct training to reach 100% highly exposed employees
	 		  	

Communication

Transparent communication to internal and external stakeholders is integral to our sustainability efforts. This policy is publicly available and is communicated broadly across Demant.

Progress on implementation of the policy and Demant's **Sustainability Strategy** is reported in Demant's Annual Report which complies with the requirements of the Corporate Sustainability Reporting Directive (CSRD) and pertaining European Sustainability Reporting Standards (ESRS).

Sustainability strategy

In 2024, Demant rolled out a clarified corporate strategy and based on this – and informed by a double materiality assessment – we have refined our sustainability strategy (see model above) including sustainability ambition, ESG ambitions and targets. The strategy will be rolled out in 2025.

The refined strategy closely knits our sustainability

efforts to our corporate strategy to steer us in achieving our goals.

Based on our purpose to create life-changing hearing health and our ambition as the leading hearing healthcare company to improve as many lives as possible, the Sustainability ambition for Demant is fully integrated in our corporate strategy, intrinsic to our purpose and ambition.

Our **ESG ambitions and priorities** enable us to deliver on our overall ESG ambition namely to drive responsible and sustainable business practices.

A key focus has also been to redefine the sustainability governance of the Group (see page 9) and assess which sustainability topics that are material to the Demant group (see model on page 6) and that we must concentrate on to realise the ambitions.

Sustainability ambition

Let us establish clearly. Our core sustainability contribution is to improve lives whereby we contribute to building a more sustainable world. We believe that caring for people's health goes hand in hand with caring for society and the planet. We have chosen the following ESG priorities to form the strategic match between the material topics for Demant and our corporate strategy: **Respect for the planet, Caring for people and Performing with integrity.**

To drive results underneath these priorities we have the following concrete **ESG ambitions, targets and action plans:**

Respect for the planet

Environment: As a group in constant growth, decoupling our emissions and environmental impact from that growth is key to meeting our targets. We work both with the environmental

optimisation of our operation and our products, and we strive for ambitious emission reductions.

Our targets are: Reduce scope 1 and 2 emissions by 46% by 2030, reduce scope 3 emissions by 46% by 2030, 50% renewable electricity in 2025 and 100% in 2030, continue to explore the area of circularity and reach net-zero emissions across the value chain by 2050.

Action plan: We have developed a transition plan defining several initiatives and mitigating actions to reach our targets.

Caring for people

Social (users and customers): Our core commitment to society is to help people become aware of and overcome hearing loss and improve their quality of life through innovative solutions and access to personalised hearing care. When millions of people are enabled to tune in to life, it has a positive impact on health.

Our targets are: More than 16 million lives improved in 2030 and increase awareness of hearing treatment by hearing-testing more than 2 million people in 2030.

Action plan: Our business areas Hearing Aids, Hearing Care and Diagnostics have defined key initiatives to increase their impact on global hearing health.

Social (our people): Our employees are the most valuable part of our business, and their well-being, safety, engagement and development is fundamental to our success. We want to promote an organisational culture characterised by care and respect for others with diversity, equity and inclusion as important drivers.

Our targets are: Increase gender balance in top-level management to 35/65% (women/men) by 2030, take employees' experience of inclusion to

the top-third level (of Gallup inclusion index) by 2030 and take employee engagement to the top-third level (of Gallup engagement index) by 2030.

Action plan: In our HR Policy we have defined the initiatives and actions we need to carry out to deliver on our targets.

Performing with integrity

Governance: We strive for high ethical standards and perform business with integrity and honesty. Our code of conduct and third party compliance code set the minimum standards and ethical principles applicable to all employees and third parties with whom Demant does business.

Our target is: Increase excellence in business conduct through code of conduct training to reach 100% highly exposed employees by 2030.

Action plan: In our road map for our Legal & Compliance unit, we have defined several initiatives and actions to reach our target.

2. Background

World trends in sustainable development

The updated Sustainability direction for Demant is not only developed based on business strategy and materiality. We are also basing our ambitions and priorities on world trends and the 17 Sustainable Development Goals (SDGs), which the UN member states defined in an urgent call for action as part of its 2030 agenda for sustainable development.

Responding to global challenges

Untreated hearing loss impacts our ability to interact, contribute and belong. According to the World Health Organization (February 2024) over 5% of the world's population – or 430 million people – require rehabilitation to address their disabling hearing loss (including 34 million children), and it is estimated that by 2050 over 700 million people – or 1 in every 10 people – will have disabling hearing loss.

It is a fundamental right to be who you are, also at work. Trends in globalisation, economic benefits for business, talent attraction and retention as well as increased regulation underscore the growing importance of diversity, equal opportunities and inclusion in creating equitable and inclusive workplaces.

The Paris Agreement states that global warming must be limited to 1.5°C. As the planet already experiences the consequences of global warming, companies across the world must join the fight against climate change.

Increased regulation of global trade, ongoing geopolitical tensions affect international businesses, and it becomes ever more important for companies to act with integrity and practice business with strong, ethical values.

A positive impact company

Our respond to these global challenges can be found in our approach to the SDGs – not only our positive impact but also in areas, where we can do more and reduce our negative impact on the world.

Our core business positively changes the lives of people with hearing loss, and we have a long-term perspective on our core contribution “good health and well-being” (SDG 3). From screening newborns to testing in our clinics, we stay in people's lives to continue to improve their hearing abilities. We share knowledge and awareness of hearing healthcare and seek to increase access to proper hearing rehabilitation (SDG 3, 3.8). Furthermore, good hearing capabilities are essential for inclusive and equal access to education (SDG 4, 4.5) and education of professionals in countries where hearing care education is scarce increases the number of skilled hearing care professionals (SDG 4.4).

Through decades of development and testing, fine-tuning and growing insights in paradigm-setting technology and skills in human interaction, we have a substantial impact on innovation within hearing health (SDG 9, 9.5).

Through our diversity, equal opportunities and inclusion agenda, we positively impact gender equality (SDG 5, 5.5) and take a broad approach to ensure a workplace where all employees irrespective of their differences can contribute and

belong (SDG 10, 10.2). We contribute to decent work conditions and economic growth (SDG8, 8.5 and 8.8) by creating good working conditions and offering quality jobs.

We strongly believe all large-scale companies can do their part to fight climate change. By addressing our emissions, we have the potential to make a solid contribution (SDG 13) and part of reducing our emissions is transitioning to renewable energy across our operations (SDG 7, 7.2). We must always challenge business as usual to reduce, reuse and recycle as much as possible (SDG 12, 12.5).

As a global company with a high focus on ethics, our anti-bribery and anti-corruption activities represent our primary contribution to peace, justice and strong institutions (SDG 16, 16.5).

Alignment with internationally recognized standards

Demant adheres to the United Nations Guiding Principles (UNGP) on Business and Human Rights, International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work and OECD Guidelines for Multinational Enterprises ensuring that our policies, operations as well as activities in our upstream and downstream value chain are in accordance with these principles.

Management of sustainability impacts, risks and opportunities

Material sustainability impacts, risks and opportunities in own operations and in Demant's value chain are identified continuously and through Demant's materiality assessment processes involving our key stakeholders to inform strategic decisions and improve sustainability practises and reporting. Arising sustainability impacts, risks and opportunities are brought into the Sustainability Board that assesses and prioritizes the implementation of measures to mitigate impacts and risks and

capitalise on opportunities, ensuring alignment with the Demant strategy and its pertaining sustainability ambitions. For external communication and reporting, we group material impacts, risk and opportunities into *material sustainability topics* as shown in the model to the right.

Related policies

The following policies detail commitments and governance under our priorities **Caring for people** (Social) and **Performing with integrity** (Governance) that are not covered in this policy:

- [Demant Group Code of Conduct and pertaining business ethics policies](#)
- [Global HR policy](#)
- [Diversity, equity and inclusion policy](#)
- [Third Party Compliance Code](#)
- Supply Chain Sustainability Policy

- Environment
- Social
- Governance

Material sustainability topics

		Financially material	Double material (financially and impact material)
Financially material	■	Climate change adaptation (E1)	■ Climate change mitigation (E1)
	■	Talent attraction and retention (S1)	■ Product circularity (E5)
	■	Product quality and safety (S4)	■ Diversity, equity and inclusion (S1)
	■	Corruption and bribery (G1)	■ Providing life-changing hearing health (S4)
Not material	■	Advocacy for hearing health (G1)	■ Hearing health awareness (S4)
	Various ESG topics including pollution, biodiversity, water and affected communities.		■ Right to privacy (S4)
			■ Working conditions (S1)
			■ Responsible supply chain (S2)
Impact materiality			

3. Respect for the planet

Demant contributes to creating a sustainable, vibrant and responsible society for generations to come. But we can only do so if we leave as small an environmental footprint as possible and reach net-zero greenhouse gas emissions.

Climate impact reduction targets

Demant has set targets for the reduction of our climate impact which have been approved by the Science Based Targets initiative deeming them consistent with the intent of the Paris Agreement to limit global temperature rise to 1.5°C above pre-industrial levels.

Climate impact reduction initiatives

We have groupwide initiatives to limit and decrease our emissions:

Energy reduction and efficiency

All Demant entities are expected to monitor and limit their energy consumption. Larger entities, mainly the main production sites of the group, must set targets for energy consumption reduction and/or energy efficiency.

Fleet electrification

Due to the growing relevance of fossil fuels as energy source in Demant's own direct and indirect emissions (scope 1 and 2), it is our ambition to reduce emissions from company vehicles. In phase one, our roadmap for fleet electrification focusses on Central Europe where infrastructure and other country specific mechanisms are the most mature and where Demant has a significant opportunity to reduce emissions. Fleet projects are managed locally in the respective entities with guidance from Group Sustainability.

Transition to renewable electricity

With electricity as the main source of energy in Demant, our transition to renewable electricity is fundamental in the achievement of our climate targets. Our renewable electricity strategy includes various mechanisms for renewable electricity including onsite solar projects, Energy Attribute Certificates and the exploration of Power Purchasing Agreements. While it is the responsibility of the Group Sustainability team to define the overall roadmap for Demant's transition to renewable electricity and lead its implementation, all entities should consider local renewable electricity alternatives to reduce their use of non-renewable electricity.

Reducing value chain emissions

Demant's value chain emissions (Scope 3) make up the majority of our climate footprint and represent the biggest task for the reduction of our emissions. Our biggest scope 3 category is 'purchased goods and services'. Other relevant categories are 'upstream transportation' and 'downstream transportation'. Due to the nature of our business model, initiatives in the value chain are anchored in the business areas that work directly with suppliers to improve data collection and lower emissions through dedicated initiatives and supplier engagement programs.

Climate change adaptation

Entities located in areas with potential risk of natural disasters or extreme weather events must take necessary precautions to reduce risk of impact on the business. Likewise, Demant's supply chain resilience framework actively addresses climate risks, ensuring we are prepared for natural disasters and other climate-related disruptions.

Circularity

We recognize the critical importance of the transition towards a circular economy to minimize environmental impact, resource consumption, waste generation and maximize resource efficiency.

Circular principles are integrated into various processes in our operations across Demant. While specific policies and procedures for circularity are governed by individual business areas and their relevant departments, the Group lays out the following expectations:

Product circularity

All business areas that design and manufacture products (Hearing Aids and Diagnostics) must define principles and targets for product circularity with the aim of reducing resource use and the environmental impact of their products.

Packaging

All business areas that design or purchase product packaging from external suppliers must work to optimize packaging processes, reduce packaging materials, transition away from virgin materials where possible. They must also set targets with the aim of reducing the environmental impact of the product packaging of all brands.

Other materials and waste

All business areas should work to ensure responsible use of materials and limit waste generation. This includes but is not limited to the following:

- Processes and materials related to product shipments to both internal and external customers.

- Waste from operations.
- Interior design and furnishing of offices and clinics.
- Design and use of marketing materials.

Environment

Demant continuously monitors our impacts on the environment through our dedicated environmental analysis and impact materiality assessments. This includes the areas where Demant does currently not have material negative impacts such as pollution, water and biodiversity. While Demant does not set Group targets for these areas, all entities must comply with relevant local or international legislation and apply a responsible and diligent approach to caring for the environment and mitigating potential negative impacts.

Expectations to business partners

We also expect our business partners both upstream and downstream to work actively to limit their negative impact on the environment. Demant is committed to meet the sustainability requirements of our customers and expect our customers to make conscious choices and requests taking the environmental impact of requirements put forward to Demant into consideration.

4. Caring for people and human rights

Demant is founded on care and that legacy is deeply rooted in our business. As a positive impact company, it is fundamental to do business in an ethical way and care for the rights of everyone in our reach.

Human rights commitment

We commit to respecting all universally recognized human rights as laid out in the Universal Declaration of Human Rights and the frameworks mentioned in the above. These include core labor 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 labor, child labor or discrimination in respect of employment and occupation.

Our human rights commitment refers to the human rights of any person who can be adversely impacted by Demant's activities and business relationships, including customers, employees, people who work in our value chains, community members and any other potentially affected rightsholders.

Our commitments are implemented through our [Code of Conduct](#), [Global HR policy](#), Supply Chain sustainability policy, Product quality policies and other internal policies and procedures as well as ongoing due diligence efforts.

Due diligence

We identify and assess our impacts on human rights from a risk-based approach. For all identified issues, we manage and mitigate actual and potential impacts. For identification and implementation of actions, we rely on stakeholder consultation and engagement through processes

such as employee engagement surveys, customer satisfaction programs and supplier and local community engagements.

Demant expects all business partners across the value chain to respect human rights in line with our own commitment. This expectation is laid out in the [Demant Group Third Party Compliance Code](#) and implemented through risk-based due diligence processes, which includes our responsible supply chain management program.

Grievance and remediation

Demant's [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. We are committed to providing remedy, whether alone or in cooperation with others, for affected individuals, employees and communities through legitimate processes, including judicial and non-judicial mechanisms, where we have caused or contributed to adverse impacts.

5. Responsibility and governance

Sustainability governance

The Board of Directors has final oversight of Demant's sustainability strategy and evaluate performance twice a year. The Audit committee oversees sustainability reporting.

It is the mission of Demant's Sustainability Board, chaired by Demant's CEO to ensure that sustainability activities and targets are integrated into the corporate strategy, business area strategies and business operations. The Executive Leadership Team represents all business areas and functions in the Sustainability Board to ensure that this policy and Demant's sustainability commitments are implemented and deployed in all parts of the Group and to align between business areas and functions. The Sustainability Board meets four times a year.

Group Sustainability is responsible for driving Demant's overall sustainability ambitions and for updating the Sustainability Policy. Key functions such as Human Resources and Legal & Compliance lead selected group wide sustainability policies and priorities, while the three business areas Hearing Aids, Hearing Care and Diagnostics are responsible for country, product and supply chain specific sustainability initiatives and targets.

Policy governance

The Demant Group Sustainability Policy adheres to the Demant policy framework ensuring consistency and appropriate governance between all Demant policies.

The policy was developed with input from the Sustainability Board and relevant departments and sustainability specialist across the organisation.

Engaging stakeholders

Group Sustainability engages with internal and external stakeholders on our policy and maintain a continuous review process to update the policy, ensuring alignment with evolving standards and best practices. All material changes and updates to this policy must be approved by the Sustainability Board.

To specifically support the implementation of the environmental commitments of this policy and facilitate knowledge sharing across business areas and functions, an Environmental Sustainability Community was launched in Q4 2024. The members of the community drive environmental initiatives in their respective business areas or entities.

We follow up on the implementation of the policy in our Environmental Sustainability Community and the Sustainability Board.

Sustainability governance model



Training

We ensure relevant employees have the skills required to meaningfully contribute to our sustainability objectives. It is the responsibility of the relevant business areas or functions to ensure that relevant employees are trained in specific sustainability matters as needed and with guidance from Group Sustainability.

Further information

If you have any questions to the policy, please contact sustainability@demant.com.