
HEARINGLIFE CANADA LTD. and AUDMET CANADA LTD.

Joint Report Pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act (Canada)* S.C. 2023, C. 9 (the “**Act**”)

For the financial year ended December 31, 2024 (the “**Report**”)

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1. INTRODUCTION

- 1.1. This is a joint Report prepared by HearingLife Canada Ltd. (“**HearingLife**”) and Audmet Canada Ltd. (“**Audmet**”). In this Report, HearingLife and Audmet are collectively referred to as “**Demant Canada**”, whereas Demant’s global operations are referred to as the “**Demant Group**”. HearingLife and Audmet are considered to be reporting entities for purposes of the Act.
- 1.2. Forced labour and child labour persist today. Entities and government institutions doing business in Canada have a responsibility to ensure that forced labour and child labour are addressed and eradicated from their supply chains.¹ Demant Canada and the Demant Group oppose any form of forced labour or child labour and remain steadfast in their commitment to identify, address and eliminate any and all forms of forced labour or child labour from their supply chains.
- 1.3. This Report, for the year ended December 31, 2024, sets out the steps that Demant Canada has taken and is taking to assess the risks of forced labour or child labour (as defined in the Act), and to ensure that such exploitative labour practices are not taking place within our business and our supply chains. This Report is made pursuant to section 11 of the Act.

2. FORCED LABOUR AND CHILD LABOUR: STEPS TAKEN IN 2024 TO PREVENT AND REDUCE RISK

- 2.1. Demant Canada is dedicated to ensuring that the way we conduct our business reflects our values and our belief that everyone should be treated with dignity and mutual respect in an environment that is free from exploitive workplace practices. We are committed to practices that combat forced labour and child labour, and to working with and encouraging any and all of our suppliers to uphold the principles in this Report.
- 2.2. Identifying and eliminating forced labour and child labour risks in our business and supply chains is a continuous process that requires long-term planning and ongoing diligence. It also requires integrated collaboration and external partnerships to help achieve meaningful change. Strengthening governance, managing risks and assessing our effectiveness remain among our top priorities.
- 2.3. In 2024, the actions we took to respecting human rights, including freedom from forced labour and child labour in our supply chains are as follows:
 - (a) reviewed with Demant Canada teams (including Demant Canada Legal, HR and Operations teams) existing policies and procedures to ensure they addressed compliance with human rights legislation and standards; and the prohibition, prevention and reduction of risk that forced labour or child labour is used at any step in the Demant Canada supply chain, workplace or activities;
 - (b) continued to collaborate with the Demant Group teams, including the Global Demant Procurement Team, the Demant Group Legal Board and the Demant Group Legal and Compliance Team, to ensure that all policies and practices are updated and that all of our suppliers are committed to working against forced labour and child labour;

¹ Government of Canada, Public Safety Canada, *Forced Labour in Canadian Supply Chains*, [Forced Labour in Canadian Supply Chains](#).

- (c) continued training and education of Demant Canada and Demant Group policies, including the Demant Code of Conduct², the Third Party Compliance Code (“**TPCC**”)³, Anti-Corruption Policy⁴, Whistleblower Policy⁵, Competition Law Policy⁶ and the Trade Compliance Policy⁷;
- (d) ensured Demant Canada employees acknowledged and read the Demant Canada and Demant Group policies;
- (e) business units conducted regular and standard due diligence of all third party vendors or suppliers to ensure such vendor or supplier did not use or facilitate the use of forced labour and child labour;
- (f) Demant Canada HR teams conducted regular and standard due diligence and screening of all candidates in its recruitment of staff to ensure Demant Canada did not hire or facilitate the hire of forced labour and child labour;
- (g) ensured third party vendor contracts and employment agreements included clauses requiring compliance with the Demant Code of Conduct, which prohibits the use or facilitating the use of forced labour and child labour;
- (h) In its 2024 Annual Report⁸, Demant Group publicly reported on its 2024 actions and initiatives towards: (i) eliminating all forms of forced or compulsory labour; and (ii) screening and conducting due diligence on suppliers to identify, address, prevent, mitigate or remediate negative social impacts in the supply chain;
- (i) Demant Group currently has 62 compliance champions working in various business functions across its workforce. Compliance champions are tasked with training, educating and enforcing the Demant Business Ethics Program consisting of policies, guidelines and best practices related to the Demant Code of Conduct, Whistleblower Policy, Anti-Corruption Policy, Competition Law Policy and Trade Compliance Policy. Four (4) compliance champions are located within Canada;
- (j) Demant Group continued to enforce and conduct risk-based processes for due diligence of third party vendors and business partners. In 2024, Demant Group performed 53 distributor due diligences as part of our Anti-Corruption Policy and Program, involving assessments of high-risk distributors who operate in countries where risk of corruption is higher. We have had no confirmed incidents of corruption or bribery in Demant Group in 2024. Therefore, there have been no convictions or fines for violation of anti-corruption and anti-bribery laws in 2024.
- (k) In 2024, Demant Group established an updated and more extensive sustainability supplier risk assessment process to identify and document the potential impacts that workers in our supply chain are exposed to, based on the countries and sectors in which the workers of our suppliers operate. The risk assessment process is based on a quantitative and qualitative analysis, using recognised databases, indices and reports. Continuous risk assessment of

² Go to [demant-group-code-of-conduct.pdf](#) to review a copy of the Code of Conduct.

³ Go to [demant-group-third-party-compliance-code.pdf](#) to review a copy of the TPCC.

⁴ Go to [demant-group-policy-on-anti-corruption.pdf](#) to review a copy of the Anti-Corruption Policy.

⁵ Go to [demantcompliance - Raise Concern](#) to review the Whistleblower Policy.

⁶ Go to [AR - Management](#) to review a copy of the Competition Law Policy.

⁷ Go to [demant group trade compliance policy.pdf](#) to review a copy of the Trade Compliance Policy.

⁸ [Demant Annual Report 2024](#)

existing and new suppliers helps us gain an overview of how the interests, views and rights of value chain workers could be materially impacted by Demant, including respect for their human rights. These efforts are embedded in the supplier management process, and dedicated sustainability specialists lead this work in our procurement functions.

- (l) In 2024, selected suppliers, based on spend, were screened as part of the risk assessment process. In the supply chain in our Hearing Aids business area, 31% of direct upstream suppliers were screened, based on the 2023 supplier base, covering 99% of total direct spend. During 2025, we will implement the risk assessment process globally and align our due diligence efforts according to risk categories.

3. MANDATORY REPORTING REQUIREMENT 11(3)(A) OF THE ACT – STRUCTURE, ACTIVITIES AND SUPPLY CHAINS

3.1. Structure

The organizational structure of the Demant Group and Demant Canada as at the date of this Report is set out below:

- (a) Demant Group is headquartered in Denmark and operates globally, with subsidiaries in more than 30 countries and products and services sold in 130 countries. In 2024, the global workforce of the Demant Group was approximately 22,639 employees, of which approximately 1,284 were employed by Demant Canada.
- (b) Demant Group is headed by Demant A/S (Danish Company Reg. No. 71186911), a Danish registered company in the hearing healthcare industry. Demant A/S is listed on the Nasdaq Copenhagen Stock Exchange, with the majority shareholder (55-60%) being William Demant Invest A/S, which is fully owned by the William Demant Foundation, a self-owning entity, with deep, proud roots in Denmark tracing back to 1904.
- (c) Demant Group has two (2) fully-owned subsidiaries in Canada that are considered reporting entities pursuant to the Act:
 - (i) HearingLife Canada Ltd., OCN 1000739829 (100% owned by Demant A/S); and
 - (ii) Audmet Canada Ltd., OCN 1929712 (100% owned by WDH USA, Inc., which is 100% owned by Demant A/S).
- (d) Each of HearingLife and Audmet is headquartered in Toronto, Ontario, Canada.
- (e) In addition, Demant Canada operates both wholly-owned and partially-owned hearing healthcare clinics in Canada, which carry Demant Group hearing aid products.

3.2. Activities

- (a) Demant Canada's main activity is importing and selling hearing aids in the Canadian market. Demant Canada imports and sells hearing aids and products and services related thereto within Canada, including but not limited to hearing aids, hearing aid chargers, hearing aid batteries, hearing aid tubes, and other spare parts used in and with relation to hearing aids.

- (b) Demant Canada's manufacturing of products in Canada is limited to manufacturing of customized "in the ear" hearing aids.
- (c) Demant Canada imports and sells hearing aids that are primarily manufactured by other Demant Group entities with production facilities located in Poland, Mexico and Denmark.
- (d) An overview of the operations for Demant Canada is as follows:
 - (i) operation of hearing healthcare clinics, including hearing testing, rehabilitation services, and the supply and fitting of hearing aids and associated accessories to individuals;
 - (ii) wholesale supply of: hearing aids and associated accessories; implantable devices (cochlear implants and bone-anchored hearing systems); audiological diagnostics equipment and associated consumables; and other electronic equipment, including enterprise headsets;
 - (iii) maintenance and repair services for hearing aids and audiological diagnostics equipment; and
 - (iv) operational and sales support for the above activities.

3.3. Supply chains

- (a) In selecting suppliers, the Demant Group and Demant Canada diligently choose reputable business partners who share our commitment to high ethical standards and business practices.
- (b) The Canadian supply chain can broadly be broken into two categories, 1) supply chain for products sold by Demant Canada, and 2) supply chains supporting local operations for Demant Canada.
- (c) The majority of products imported and sold by Demant Canada 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 of America (USA), Asia and the East Pacific Region.
- (d) 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.
- (e) In addition to the above supply chains, Demant Canada sources goods and services from suppliers within Canada, USA and Europe, in order to support the local Canadian activities, including IT equipment, transport/logistics, property maintenance and construction, professional services, office equipment and supplies, marketing production support, insurance and travel services.
- (f) We recognize that forced labour and child labour risks exist in both Canada and abroad. Where a supplier is located abroad in a high-risk location and is engaged to provide goods and/or services, the Demant Group and Demant Canada will communicate their expectations with that supplier in order to reduce the risk of forced labour or child labour and have clear oversight throughout the supply chain.

4. MANDATORY REPORTING REQUIREMENT 11(3)(B) OF THE ACT – POLICIES AND DUE DILIGENCE PROCESSES

- (a) We recognize that the causes of forced labour and child labour are complex, with a multitude of risk factors often interacting to facilitate an environment in which forced labour and child labour practices are able to occur. As such, we work to ensure that proportionate risk-based due diligence is carried out on third parties, including suppliers and business partners, and that we continuously monitor risks throughout the lifetime of the relationship.
- (b) Demant Group has the TPCC⁹ which all direct suppliers to Demant Canada are required to sign and comply with. The TPCC reflects the behaviour that we in the Demant Group and Demant Canada expect from third parties. The TPCC describes international standards and specific criteria which govern aspects of human and labour rights, including the prohibition on 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.
- (c) By complying with the TPCC, the Demant Group's direct suppliers are committing themselves to ensuring that their own operations and supply chains address, prevent and mitigate any risks related to the use or facilitation of the use of forced labour or child labour. The collection of documentation required from our suppliers across our global supply chain remains ongoing. In some cases, Demant Group suppliers already have policies or procedures that also comply with the standards in the TPCC.
- (d) The TPCC is a part of the Demant Group Business Ethics Program, which includes the Demant Code of Conduct, a Global Whistleblower Hotline and Support System, Anti-Corruption, Competition Law and Trade Compliance Policies. Demant Group has also set out relevant policies, guidelines, processes, tools, risk assessments, training and advice within the Global Demant Group Business Ethics Program. Demant Canada has adopted these policies and systems, including the Whistleblower Hotline and Support System.
- (e) The Demant Group Business Ethics Program is managed by a Demant Group Legal Board and is supported by the Demant Group Legal and Compliance Team.
- (f) The Demant Group Code Of Conduct includes policies and principles on a range of compliance matters, including human rights, anti-corruption, the environment and workplace environment.
- (g) The Demant Group Whistleblower Policy provides guidance on when and how to report concerns to the Demant Whistleblower Hotline, where both employees, business partners and other stakeholders can raise concerns if they encounter sensitive and improper actions. The hotline is operated by an external third party provider and Demant Group Legal and Compliance reports all whistleblower cases to the Demant Group's audit committee on a regular basis.
- (h) The Demant Group Sustainability Policy¹⁰ provides the framework for sustainability and also specifies the commitment and priorities of the Demant Group within climate and environment as well as overall human rights commitments. The Demant Group commitment to respecting human

⁹ Go to [demant-group-third-party-compliance-code.pdf](#) to review a copy of the TPCC.

¹⁰ Go to [demant-group-sustainability-policy.pdf](#) to view the Sustainability Policy.

rights, including the rights of value chain workers is outlined in our Sustainability Policy. Please also refer to page 86 of the 2024 Demant Annual Report¹¹.

- (i) The Demant Group Diversity, Equity and Inclusion Policy¹² provides information on Demant Group's commitment to ensuring equal opportunities for all employees and creating a culture where everyone feels valued and respected.
- (j) The Demant Group applies the Ten Principles of the UN Global Compact, principles from the Universal Declaration of Human Rights and the International Labour Organization's Declaration of Fundamental Principles and Rights at Work, and incorporates into the Demant Group's Business Ethics Program. 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.
- (k) Our due diligence process of third party vendors and business partners is outlined as follows. These processes are further defined and communicated through various standard operating procedures and policies that have been issued, implemented and managed by various internal stakeholders, including the Demant Group Global Procurement Team, the Demant Group Business Ethics champions, and the local Demant Canada Procurement and Operations Teams.

Due Diligence Process	
Stage	Description
Risk assessment	Assess risk to determine the necessary degree and nature of due diligence.
Information gathering	Communicate with potential suppliers and business partners to gather information.
Evaluation	Verify and consider the results of the information gathering stage to resolve issues and red flags.
Approval	Obtain approval to enter into formal relationship with the third party.
Agreement	Establish a contractual relationship with the approved third party.
Management of relationship	Monitor and mitigate risk throughout the lifetime of the relationship.

- (l) In 2024, we launched Sustain¹³, a supplier engagement programme for our Hearing Aids business area. This program aims at fostering collaboration with suppliers, focusing on decarbonisation and addressing human rights impacts within our supply chain.

5. MANDATORY REPORTING REQUIREMENT 11(3)(C) OF THE ACT – FORCED LABOUR AND CHILD LABOUR RISKS

- (a) Demant Canada is committed to supporting Canada's efforts, and the broader global efforts, to combating exploitative labour practices, including forced labour and child labour. We are focused

¹¹ [Demant Annual Report 2024](#)

¹² Go to [AR - Management](#) to review a copy of the Policy on Diversity, Equity and Inclusion.

¹³ [Supplier engagement programme](#)

on improving awareness and enhancing our policies and procedures to ensure forced labour and child labour practices are effectively identified and addressed within our supply chains.

- (b) Demant Canada assesses that the most significant potential source of risk related to forced labour and child labour in the Demant Canada supply chain, is related to the providers of electronic components and precious metals.
- (c) Demant Canada acknowledges that its supply chain is global and complex, and as a result there are challenges in maintaining oversight of the overall supply chain, and especially the supply chain below our direct suppliers. However, in respect of products sourced from the Demant Group (which represent the vast majority of products supplied to Demant Canada for the Canadian market), 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 TPCC. As a result, Demant Group has visibility of its direct suppliers as well as critical sub-suppliers.
- (d) Demant Canada conducts due diligence on third party suppliers providing services to the local direct operations within Canada (for example, IT support and development, marketing and advertising, recruiting and cleaning). Demant Canada requires suppliers to acknowledge compliance with the Demant Code of Conduct which prohibits the use or facilitation of use of forced labour and child labour.
- (e) Beyond this, Demant Canada pays industry and competitive compensation to its employees and complies with applicable employment standards and legislation. On rare occasions, Demant Canada may retain contract or agency labour to fill short-term or temporary roles where necessary, however all such temporary labour agencies or recruiters are required to comply with the TPCC and Demant Code of Conduct which prohibits the use of forced labour or child labour. Further, Demant Canada is committed to providing a safe and healthy working environment for all of its employees in accordance with occupational health and safety standards and legislation.
- (f) In light of this, we assess the risks of forced labour and child labour existing within the direct operations of Demant Canada to be relatively low overall.

6. MANDATORY REPORTING REQUIREMENT 11(3)(D) OF THE ACT – REMEDIATION MEASURES

Demant Canada remains committed to counteract and remediate any forced labour or child labour harms that have occurred within our supply chains. At this point, we have not observed any such harms, and thus, have not taken any measures to remediate any forced labour or child labour practices in our supply chains. However, we continue to monitor our supply chains and will provide remedial measures where such practices are identified.

7. MANDATORY REPORTING REQUIREMENT 11(3)(E) OF THE ACT – REMEDIATION OF LOSS OF INCOME

Demant Canada recognizes that well-intentioned measures taken by an entity to eliminate forced labour and child labour from that entity's supply chains could have an adverse impact on the most vulnerable families, including loss of income. At this point, Demant Canada is of the view that vulnerable families have not experienced loss of income as a result of the steps we have taken to eliminate forced labour and child labour risks from our supply chains. Therefore, we have not taken any measures aimed to remediate the loss of income to the most vulnerable families. If, in the future, our initiatives have an

adverse impact on vulnerable families, through the loss of income, then Demant Canada will take steps, as appropriate, to remediate such harm.

8. MANDATORY REPORTING REQUIREMENT 11(3)(F) OF THE ACT – TRAINING

- (a) Demant Canada recognizes that our employees are our first line of defence in identifying and managing forced labour and child labour risks. It is integral that our employees understand forced labour and child labour red flags and how to report concerns.
- (b) All Demant Canada employees receive training on the Demant Code of Conduct, including the Whistleblower Policy and the TPCC, which addresses the risks and prohibits the use of forced labour and child labour in our activities and workplace. Employees are also trained on how to report concerns through the Whistleblower Policy. This is part of the employee onboarding and mandatory training for all Demant Canada employees.
- (c) The training is conducted through various e-learning and digital platforms that are available to Demant Canada employees. 76% of highly exposed Demant Group employees were trained in 2024 on the Code of Conduct. In 2024, 58% of all Demant Group employees completed the e-learning. We continue our efforts to ensure a higher number of employees complete this training.
- (d) Business ethics champions and HR teams within Demant Canada are responsible for implementing such training on a local level. The Demant Group Legal and Compliance Team provides content and policies for the training and also supports in the monitoring and tracking of such training. The business ethics champions are committed to training and awareness and hold regular calls to review training and compliance.
- (e) Signage, posters and printed materials promoting the Code of Conduct and Whistleblower Policy are posted and readily available throughout the offices of Demant Canada, including in common area spaces such as the cafeteria, seating areas and on the health and safety board. All Demant Canada employees are required to acknowledge such training and policies as part of their employment record.
- (f) In H1 2024, the Demant Group hosted Business Ethics Days at the company headquarters in Denmark for all our global business ethics champions and for centralised business functions. The purpose of the days was to further educate business ethics champions on business ethics compliance and ensure engagement throughout the champions' network.

9. MANDATORY REPORTING REQUIREMENT 11(3)(G) OF THE ACT – ASSESSING EFFECTIVENESS

- (a) Demant Canada recognizes the importance in assessing the effectiveness of our initiatives to address forced labour and child labour risks in our supply chains. We are determined to enhance our response to forced labour and child labour practices and seek to identify, in an effective and measurable manner, whether the steps taken to prevent and reduce forced labour and child labour from our supply chains have been successful. We take any violation of human rights seriously and address any such violations swiftly and meaningfully. Thus, going forward, we intend to continue to report on and effectively track the success of the steps we are taking to identify and eliminate forced labour and child labour from our supply chains.
- (b) Demant Canada continues to work closely together with the Demant Group 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. No severe human rights impacts or incidents connected to our upstream or downstream value chain were reported to Demant Group in 2024.

10. APPROVAL BY THE BOARD AND ATTESTATION

This report was approved by the Board of Directors of each of HearingLife and Audmet on May 22, 2025, pursuant to subparagraphs 11(4)(b)(i) the Act.

In accordance with the requirements of the Act, and in particular section 11(4)(b)(i) thereof, I attest that I have reviewed the information contained in this Report for the reporting entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this Report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Signed:


Name: Søren Nielsen

Title: Director, each of HearingLife Canada Ltd.
and Audmet Canada Ltd.

Date: May 22 2025

I have the authority to bind each of HearingLife Canada Ltd. and Audmet Canada Ltd.