

# Creating a Sustainable Future

As part of the world's leading hearing healthcare and technology group, Demant, EPOS is integrated in the Demant Sustainability Strategy and Framework and committed to contributing to UN's Sustainable Development Goals. We work to strengthen sustainability in our operational practices and in the coming years, we have two main priorities in this regard:

- **Climate impact:** We strive to reduce packaging and waste, support production and sourcing of green energy and strive for ambitious emission reductions particularly in our use of transport. As part of the Demant Group, we are committed to the Science Based Targets initiative, committing to align climate targets with what is deemed necessary by science to meet the most ambitious aim of the Paris Agreement: to limit global warming to 1.5°C by reaching net-zero global carbon emissions by 2050.
- **Diversity and inclusion:** We honour diversity and foster an unbiased and inclusive culture with equal opportunities. We have a focused approach to diversity, equity, and inclusion (DE&I), and to guide and steer our work, a global DE&I position paper has been introduced to form a policy and 2022 target-setting.

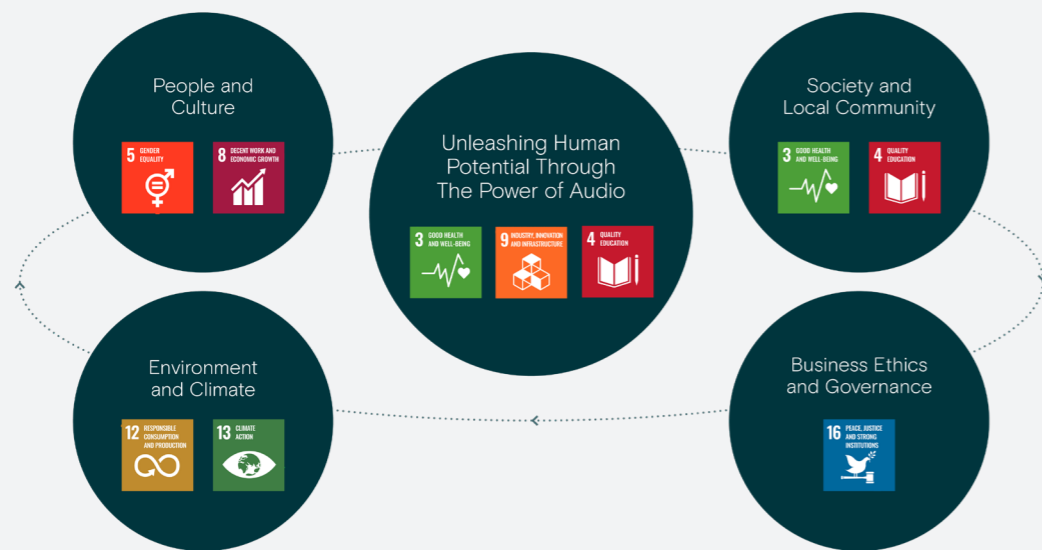
While these areas are the focus of our current sustainability strategy, we will continue to improve on other important areas of our business.

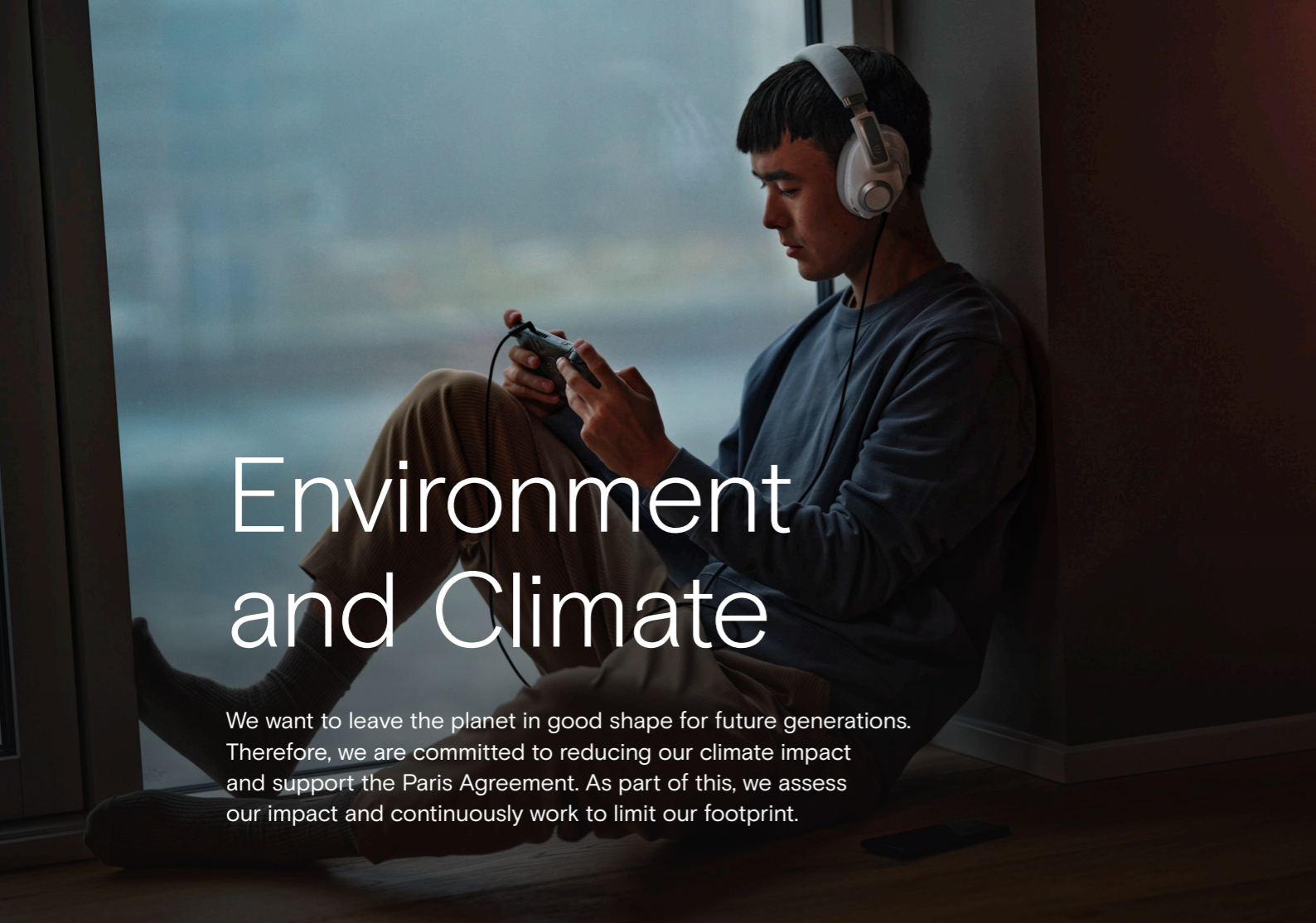


# Our Sustainability Framework

Our Sustainability Framework provides an overview of the areas that are key to the EPOS Sustainability Strategy, and which Sustainability Development Goals we focus on as part of this. The direction we take for our sustainability work builds on a thorough assessment of the most important sustainability topics for EPOS and Demant, our stakeholders as well as our current and potential contributions to the UN Sustainable Development Goals.

Connected to the core of our Sustainability Framework, we have four pillars in our sustainability work which mainly are linked to our operational practices. For each pillar, we are defining individual ambitions, projects and targets that will drive our continued progress.





# Environment and Climate

We want to leave the planet in good shape for future generations. Therefore, we are committed to reducing our climate impact and support the Paris Agreement. As part of this, we assess our impact and continuously work to limit our footprint.

## Science Based Targets

As part of the Demant Group, we are committed to the Science Based Targets initiative, committing to align climate targets with what is deemed necessary by science to meet the most ambitious aim of the Paris Agreement: to limit global warming to 1.5°C by reaching net-zero global carbon emissions by 2050. We have baselined our scope 1 and 2 emissions and mapped our scope 3 emissions through a spend-based materiality assessment. SBTi guidelines prescribe that we must reduce our direct and indirect emissions (scope 1 and 2) by 46.2% in 2030.

Based on this, we have set the target to reduce minimum 50% in 2030. While our scope 3 emissions account for most of our footprint, it is within scope 1 and 2 we have the most power to act in the short term and must act having committed to SBTi. As part of this, our ambition is to begin an ambitious transition to green energy.

To reduce our scope 3 emissions, the journey is less straight forward, though for the first time we have a good overview of where our actual impact is the greatest. Among the 15 categories under scope 3 defined by the Greenhouse Gas Protocol, our purchased goods and services, more specifically electrical equipment, account for most of our scope 3 emissions.

This means that we must further explore our own practices and efficiency as well as engage and collaborate with suppliers and manufacturers, as their transition to green energy can make the biggest impact on our scope 3 emissions.

Further underlining our ambitions and previous assumptions, the materiality assessment also confirms that our upstream and downstream transportation is material for us to work with under scope 3. Based on the materiality assessment, EPOS has initiated four key projects to reach our ambitions, while we continue to further address our impact on climate and environment. We are not there yet, but we have started the journey.



**Packaging:** Deliver a premium brand experience with sustainable materials and manufacturing.



**Transportation:** Reduce airfreight volume and optimize transport.



**Certifications:** Incl. TCO and ISO EN14001.



**Sourcing:** Secure sustainable sourcing of components.

# People and Culture

Our employees are our biggest strength and most valuable resource. We honour diversity, recognize differences, and foster an unbiased and inclusive culture with fair opportunities for all. We believe there is a strong connection between high engagement among employees and success, and our employees' well-being, development and engagement are top priorities to our business.



## Diversity, equity, and inclusion

At EPOS, we believe it is a fundamental right to be who you are, also at work. We employ a diverse group of people from all parts of the world with different ethnic backgrounds, personalities, age, gender, and educations. We understand that our differences are our strength, and our ability to embrace the strengths that this diversity brings, is one of the key roots of our business.

As part of the Demant Group, we have a focused approach to diversity, equity, and inclusion (DE&I). To guide and steer our work, a global DE&I position paper has been introduced to that form the basis of a policy and 2022 target-setting. Initially, we are focusing our efforts on the diversity traits of gender and nationality.

With this focus in mind, we believe that we will set a development in motion and overall become more inclusive towards all traits of diversity. We have initially identified targets to be our starting points for working with diversity, equity, and inclusions. In short, they include:

- Developing a DE&I Baseline Check
- Educating leaders via DE&I training
- Focusing on DE&I in recruitments
- Launching a new DE&I policy and targets, striving to achieve relevant gender balancing when it comes to our entire workforce and increasing the number of women in senior management.

### Development, growth, and engagement

Supporting our employees in developing their professional competencies to grow individually, as part of a team and as part of EPOS is high on our agenda. Consequently, we encourage people in their development, while ensuring that everyone has the right function with a skill set that matches business needs and challenges.

We have several initiatives in place globally, including a global policy on workplace flexibility, a Leadership Framework to develop and train all, and a new Career Framework to support managers and employees in seeing all the exciting career opportunities in the group.

Also, we work with and focus on employee engagement via our global engagement program, Pulse, which include a yearly global survey that help us obtain knowledge of the current levels of engagement throughout the organization. In collaboration, managers and employees discuss results, attention areas and actions throughout the year.



# Business Ethics and Governance

We comply with all rules and regulations, and it is important that we always conduct our business in an ethical manner. We believe that going further than what local laws prescribe can be necessary and have a positive effect on local governments and practices.

As part of the Demant Group, we contribute to eliminate bribery and corruption via our Business Ethics Program. To EPOS, business ethics are an undeniable part of conducting a sustainable business and fundamental for a global society to achieve sustainable development. Our business ethics program reflects our commitment to a high level of business ethics. It contains:

- The Demant Group Code of Conduct
- A Global Whistleblower system
- Portfolio of global policies and guidance within business ethics

At EPOS, we operate with contract manufacturing and has thus no in-house production. We work closely with our suppliers to ensure conformity with Demant Third Party Compliance Code, and they all hold relevant certifications, including ISO/EN14001, ensuring that the production complies with environmental standards and compliance obligations.



# Society and Local Community

Our company is an important part of society, and it is imperative for us to be a good neighbor in the communities in which we operate. That means that we through the Demant Group share our resources, donate to purposeful causes, and engage in impactful projects around the world. We want to positively contribute to local conditions and ensure that we give back to society by supporting health, educational, social, and cultural initiatives. As part of this, we have the following ambitions:

- We represent an overall positive impact to the economic and social well-being of the communities in which we operate
- We reinvest in society and channel our philanthropic activities through William Demant Foundation, which donates to altruistic causes and expands its sustainable investments.

Our foundation ownership allows us to reinvest in people and society in the best way possible. To separate grants and donations from commercial activities, all purely philanthropic activities are channeled through the William Demant Foundation. The Foundation reinvests in society by donating to altruistic causes and by expanding its sustainable investments. The Foundation works with four core categories for distributing its funds: audiology and hearing impairment; social and humanitarian causes; art and culture; and education and science.



# THE POWER OF AUDIO

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