

Responsibility report

The GN Group's Communication on Progress 2018

Contents

Company profile	
Statement of support from Executive Management	4
Human & labor rights	[
Business ethics & compliance	-
People excellence	(
Product safety and development	1
Environment and climate	1.
Citizenship	15

Membership of UN Global Compact

Member since: January 14, 2010 Number of employees: 6,000

Sector: Health care equipment and electronics

Reporting date: February 27, 2019

The report covers the period: January 1, 2018 to

December 31, 2018

This report forms part of the management's report in the Annual Report 2018 for GN Store Nord A/S and constitutes GN's corporate responsibility report according to Section 99a in the Danish Financial Statements Act.

The report is not covered by the audit.

Visit www.gn.com/About/Corporate-responsibility to read our responsibility guidelines and policies.



This is our Communication on Progress in implementing the principles of the United Nations Global Compact and supporting broader UN goals.

We welcome feedback on its contents.

Company profile

The GN Group's declared purpose is Making Life Sound Better with a vision to become the leader in intelligent audio solutions that transform people's lives through the power of sound. Building on the Group's highly specialized sound processing know-how, GN offers an exceptional portfolio of medical, professional and consumer audio solutions

Our business

The GN Group operates in 100 markets across the world and employs 6,000 people at its own locations in more than 30 countries.

The company was founded in 1869 and is listed on Nasdaq Copenhagen.

GN Hearing

People with hearing loss are at the heart of everything we do. Our hearing aids help people feel more involved, connected and in control. In an ever-smarter world, we think big and challenge the norm so that we can transform lives through the power of sound.

Our hearing aids are sold in 100 countries across the world. GN Hearing has its own organizations in 30 countries and operates via partners and distributors in another 70 countries.

GN Hearing has its central manufacturing facilities in China, Malaysia and Denmark. Regional manufacturing centers are located in the United States, Great Britain and Malaysia.

GN Audio

GN's integrated headset and communications solutions assist professionals in all types of businesses to be more productive. Our wireless headsets and earbuds are designed to fit any lifestyle - from sports enthusiasts to commuters and office workers.

Our headsets are sold via distributors and retailers in some 80 countries around the world. One global distribution partner is responsible for optimizing lead-time to the final customer, delivering from three regional warehouses in the United States, the Netherlands and Hong Kong.

Our headsets are produced by carefully selected manufacturers in China, and most components are sourced from suppliers in Asia. GN Audio works with a small number of tier-one manufacturers supported by more than 100 subsuppliers.

GN's shared purpose, vision and proposition

Purpose

Making Life Sound Better

Vision

The leader in intelligent audio solutions transforming lives through the power of sound

Brand proposition

Intelligent audio solutions that let you Hear More, Do More and Be More than you ever thought possible

Please visit www.gn.com for more information.

Statement of support from the Executive Management

GN's purpose is Making Life Sound Better. We believe in the power of sound to transform people's lives, and through our intelligent audio solutions we enable people to Hear More, Do More and Be More than they ever thought possible.

Our products improve people's mobility and quality of life and enable them to control their own soundscape in an increasingly busy and noisy world.

For 150 years since the inauguration in 1869, GN has utilized technological innovation to facilitate and enhance communication between people. Today, our focus is on helping people with hearing loss live life as unimpededly as possible, and on assisting professionals and consumers with state-of-the-art headset and communications solutions.

GN's legacy of producing world-first sound solutions and pioneering advancements in hearing technology include: 6th generation 2.4 GHz technology in hearing aids for direct connectivity; Binaural Directionality for leading natural sound; the world's first Made for Apple hearing aid with direct stereo sound streaming; the world's first cloud-based remote finetuning solution; and award-winning apps providing optimal user experience and satisfaction.

GN's professional headsets and speakerphone solutions are engineered to help businesses be even more productive by enabling users to better concentrate, communicate and collaborate, and to make conversation easier.

We do this by helping users block out noise and by delivering crystal-clear sound. GN's consumer headsets and earbuds are engineered to deliver supreme sound and great battery life to users for whom calls, music and media consumption are important in their daily lives.

As a company, we are committed to acting in a responsible manner throughout our entire value chain and in all business matters. We consider this essential for reaching our long-term strategic goals.

We recognize that our manufacturing, logistics and products do not only affect the users of our products, but also our employees, our suppliers and partners, and the communities in which we operate.

All GN's stakeholders should always be able to trust that our products are produced in a safe manner and that we conduct our business based on high ethical standards. This is always at the top of our agenda.

With this report, we reconfirm our commitment to the ten principles of the United Nations Global Compact.

Executive Management

From left

René Svendsen-Tune, CEO, GN Store Nord & GN Audio. Jakob Gudbrand, CEO, GN Store Nord & GN Hearing. Marcus Desimoni, CFO, GN Store Nord & GN Hearing.



Human & labor rights

The GN Group sets the bar high when it comes to its business standards and interaction with employees and suppliers. GN is responsible for the people who take part in the manufacturing and support of its products and services worldwide, as well as for our impact on the surrounding world

Our policy

Our CSR policy states that at GN we recognize all human beings as free and equal in dignity and rights in the work place and will not accept discrimination or harassment. GN supports the abolition of child labor and actively works to abolish child labor or use of forced labor in any of its own or its business partners' operations. We therefore stress these issues in our supplier code of conduct.

Our impact

Supply chain

At GN our primary risk associated with human and labor rights is identified to be in relation to our supply chain. GN therefore requires all its suppliers to comply with GN's Code of Conduct, which covers bribery, human and labor rights (child labor, wages, working hours) and safety. It is essential for GN to ensure that no violations of such rights occur.

However, GN acknowledges that in a long-term commercial relationship there is a risk that the supplier may shift its focus



Providing a safe and secure working environment is important to GN, and GN's operations are relatively low-risk compared to other industries in general.

from human and labor rights as well as safety issues towards cost optimization. In order to mitigate such risk, GN is in close dialog with its suppliers as the best results are created through clear expectation setting and cooperation.

Qualification of new suppliers

When we engage with a new supplier, we follow a strict qualification process to ensure that the new supplier can live up to our standards and requirements:

- Initial screening: Before engaging with a new supplier, our procurement team visits the supplier to understand their business.
- 2. Capability screening: We have a team with technical, material and quality knowledge, who evaluates and audits the potential partner's capabilities and processes.
- 3. *Evaluation:* We document our conclusion of these screenings, and a decision is made in alignment with our sourcing strategy.
- 4. *Qualification:* The qualification is finalized when the procurement team signs a supply agreement that regulates the future cooperation.
- 5. *Performance monitoring:* Performance of all suppliers is monitored, and audits are conducted frequently to ensure a consistent high performance.

Repetitive work

Furthermore, we have identified repetitive work as a main risk mainly at the GN Hearing manufacturing facilities located in China, Malaysia and the United States. In addition, certain key components are manufactured at GN's site in Denmark. All jobs in these facilities are reviewed and rated for potential health & safety related concerns. Repetitive work is being mitigated through task rotation to vary work positions as well as prolonged break times for particularly exposed employees. All sites have managers with direct health & safety responsibility to ensure operator safety.

Occupational health & safety

Providing a safe and secure working environment is important to GN, and GN's operations are relatively low-risk compared to other industries in general. We acknowledge that suppliers may implement occupational health & safety standards in a less stringent manner than at GN's own sites. Therefore, we have a strong focus on ensuring compliance with our occupational health & safety requirements, both when onboarding new suppliers and partners as well as through regular supplier audits.

Our work and results

GN continually assesses its suppliers and monitors their compliance through supplier self-assessments, performance monitoring, audits and site visits. Regular meetings are set up with all key suppliers to ensure follow-up on standards, procedures, quality, etc.

If GN experiences any issues or breaches in relation to its Code of Conduct from suppliers, it raises a non-conformity case, and suppliers will be required to provide an action plan to correct findings within an agreed time frame. However, if GN discovers critical issues at its suppliers, it will not hesitate to take more severe actions.

Both GN Hearing and GN Audio have responsibility-related requirements included in their supplier audits. Audit topics include issues such as child labor, working hours and health & safety.

GN has introduced a risk-based approach for supplier audits. Suppliers considered a relatively high risk from a quality and CSR perspective have been identified and supplier audits performed according to the risk level.

In 2018, GN performed 64 audits at suppliers. The audit findings that were related to CSR and Quality mainly concerned working hours, health & safety issues in production and manufacturing process control. GN Hearing and GN Audio are in a constructive dialog with suppliers where a non-conformity case has been raised to ensure implementation of required remedial actions.

Policies and certifications

- Code of Conduct (GN Hearing)
- Code of Conduct (GN Audio)
- Responsible Sourcing (GN audio)
- Modern Slavery and Human Trafficking in the Supply Chain

Business ethics & compliance

High business standards play a significant role in ensuring our continued growth and success. This means we expect high ethical standards from our employees and all our business partners.

Our policy

GN's commitment to business ethics and compliance with international regulations and internal policies is anchored in our Ethics Guide, anti-corruption policies, our Supplier Codes of Conduct and other policies and guidelines. These outline the fundamental requirements for how GN operates and describe the responsibilities and ethical standards expected of all employees and relevant business partners. GN is committed to doing business the right way and has a zero-tolerance policy towards bribery and corruption of any kind.

Our impact

The GN Group employs 6,000 people and sells products in 100 markets across the world. Its size and global presence poses an inherent risk that our internal regulations and policies are not adhered to in all business dealings, which could have both financial and reputational consequences.

Our work and results

Compliance training

To ensure and document that employees are always familiar with our Ethics Guide and other key policies, relevant employees must on a regular basis electronically sign off on their compliance within specific areas and take GN's elearning courses within anti-corruption and competition compliance.

In 2018, a large clean-up of the employee database was undertaken to ensure precise data for inviting employees to take online compliance tasks. The allocation of courses was streamlined, and all employees received a minimum of five mandatory compliance campaigns including business ethics, anti-corruption, information security and personal data. In addition, 13 face-to-face training sessions were conducted in selected business units, resulting in a total of 329 employees receiving live training. Of the 329 trained, a significant number



Ethical business behavior is a core value for GN and our aspiration is that all our business partners and third parties acknowledge our values and share our commitment to conducting business in an ethical manner.

are managers being prepared to take the responsibility of emphazising compliance with their direct reportees, as outligned in the GN Ethics Guide.

Third party due diligence

Ethical business behavior is a core value for GN and our aspiration is that all our business partners acknowledge our values and share our commitment to conducting business in an ethical manner.

In 2018, GN took further steps to enhance the process for assessing and managing corruption risk associated with third-party business partners in selected high-risk countries. The evaluation of third parties involves self-assessment questionnaires and due diligence screenings focusing on the potential reputational and legal risks associated with the business relationship.

Anti-corruption compliance reviews

As a regular part of our global anti-corruption compliance program, we conduct a number of compliance reviews of selected GN subsidiaries or business units around the world each year. The main objective is to identify and assess relevant risk areas and ensure that adequate controls are in place to ensure compliance with applicable legislation and GN policies. The selection of subsidiaries or business units for compliance reviews is based on an annual country risk assessment consisting of several defined risk indicators.

In 2018, three anti-corruption compliance reviews were conducted resulting in 15 findings and observations with various risk severity ratings. Furthermore, appropriate corrective and preventive actions are documented for each risk finding and monitored on a regular basis.

Whistleblower system

GN's whistleblower hotline, the GN Alertline, is available in 27 countries and 21 languages and is independently managed by a third party. The hotline can be used by employees as well as external parties to report a concern or perceived misconduct. Reporting can take place via the internet (www.gnstorenord.alertline.eu) or via one of the local Alertline phone numbers

The system is an important tool for ensuring that alleged illegal or unethical conduct is reported and immediately addressed. All complaints are treated with confidentiality, and GN is committed to dealing with any employee who takes action and/or participates in an investigation in good faith, in a fair and respectful manner. This is emphasized in the GN non-retaliation policy signed by Executive Management.

In 2018, 10 concerns were reported through the GN whistle-blower system. The allegations were primarily related to inappropriate behavior, harassment, misrepresentation of information and conflicts of interest. All relevant cases have been investigated and appropriate remediating as well as disciplinary actions were taken where relevant. In addition, a global awareness campaign was conducted to ensure a consistent and good understanding of the GN whistleblower system among our employees. Awareness material consisted of intranet articles and management videos as well as presentations and posters that were made available in 10 languages.

Policies and certifications

- GN Ethics Guide
- GN Anti-Corruption Policy
- Gifts, Travel and Entertainment Policy
- Non-Retaliation Policy

People excellence

GN's employees are essential in building a winning team. It is our responsibility to offer all employees, irrespective of gender, age and nationality, the same opportunities for development as well as an engaging working environment

Our policy

GN actively recruits and develops employees of different racial and cultural backgrounds, international experience, gender, nationality, age and education on the path to leadership. GN believes that diversity among employees creates a better and more innovative work environment, and we acknowledge the value each and every employee brings to GN.

Our impact

The competition for talent in our industry has intensified during the past few years. Our ability to develop innovative and relevant products, to successfully execute on our strategy, to deliver strong results, and to build a sustainable organization for the future would be at risk if we were not able to attract, retain and grow the right talent on an ongoing basis.

GN's employees are essential in building a winning team. Offering all employees, irrespective of gender, age and nationality, the same opportunities for development as well as motivating leadership and an engaging working environment is our responsibility and main influence when it comes to helping people thrive.

Our work and results

Strategic Leadership Development

Our People Excellence strategy is to build strong leadership and talent across the organization to meet our strategic objectives. In 2018, we have continued to strengthen leadership development and strategic execution power with focused leadership programs: "Leading Strategy".

We have included leaders at level 4 and facilitated in total 7 programs in 2018. Enrollment in the programs is based on nominations from business leaders. The programs are customized and integrate GN Values and Leadership Principles. With the continued enrollment we have now reached more than 90% of our leaders at senior management positions.

Performance-based career development

We want career development to be connected to performance, irrespective of gender, age and nationality, as we firmly believe that diverse teams and leadership have a substantial positive impact on business results and organizational performance.



Offering all employees, irrespective of gender, age and nationality, the same opportunities for development as well as motivating leadership and an engaging working environment is our responsibility and main influence when it comes to helping people thrive.

To ensure performance-based career development, all white-collar employees conduct a performance review and a development planning dialog with their manager at least twice annually where performance on objectives and values are discussed. This gives the manager and the employee an opportunity to reflect on past and future performance and development.

The individual performance review and development planning dialog is supplemented by a talent review and succession planning process where managers assess their employees' performance and potential. These assessments are further reviewed in the individual management teams to align evaluations. This provides input for GN's succession planning for key positions and individual development plans.

Graduate Program and mentoring

We wish to develop a young talent pool for manager, specialist and project manager positions. The GN Graduate Program is a key contributor.

In 2015, GN initiated a two-year Graduate Program and, to-day, we have 18 graduates within finance, marketing and engineering. The graduates get hands-on experience by working in three different jobs and spend eight months outside of Denmark working abroad.

Out of the 18 graduates, 50% are women, supporting our goal of increasing the number of women in senior management positions. Moreover, 33% of the graduates are non-Danish citizens which gives the program a diversity edge and reflects the aim of running a global Graduate Program. GN matches all graduates with a senior mentor from another part of the business working in another GN function and division.

In 2019, GN will continue the success of the Graduate Program and welcome new graduates to the program.

Engagement Survey 2018

Highly committed and motivated employees

GN regularly carries out an employee engagement survey to take the temperature of the organization and culture. The most recent survey was carried out in June 2018 with an impressive response rate of 93% (94% in GN Audio, 92% in GN Hearing and 86% in corporate functions).

Overall results show high motivation and engagement and good feedback on management and leadership. We are placed in the better half of the companies that we compare ourselves to, and the motivation and satisfaction score is higher than the global average index points for both GN Audio, GN Hearing and corporate functions.

Each manager (with more than four responses) received an individual report – and all managers facilitate a dialog on the results with their team. This leads to plans for 1-3 local actions related to areas where we can further improve on the engagement in GN.

Gender diversity in senior management positions (§99b)

Diversity – encompassing gender, nationality, competencies, etc. – is an integral part of GN's yearly talent review and succession planning process, of talent development practices, recruitment procedures and leadership development programs. Accordingly, intake in GN's graduate program 2018 was 45% females and 36% non-Danes.

Further, the wording and visual identity in recruitment activities on social media and other channels are ongoing designed to best attract female candidates and encourage diversity. When external recruiters or headhunters are used, GN requires that viable female candidates are presented for any position.

Senior management

By the end of 2018 women filled 20% of senior management positions in GN. GN aims for 25% during the implementation of the 2017 - 2019 strategy. We will continue to strengthen efforts to build a pipeline of future female candidates for senior positions. We have a constant focus on ensuring that we attract female candidates for both internal job rotations and for new positions. By the end of 2018, 43% of appointed positions in Senior Management during 2018 were female.

Board of Directors

The Board of Directors fundamentally believe that diversity strengthens any governing body and acknowledges the importance of diversity in general, including diversity of gender, nationality and competencies. Our goal was to have the General Meeting appoint women for three out of six members in the GN board of Directors by the end of 2020. We reached this target in 2018 when Gitte Pugholm Aabo joined the GN board of Directors.

Policies and certifications

- Internal recruitment policy
- Diversity policy
- Ethics guide

Product safety and development

The GN Group is committed to delivering superior quality and to continuously increasing customer satisfaction with the user experience in focus. Utilizing GN's core technologies and sound expertise, the Group will consistently deliver new and improved offerings with strong user benefits and features

Our policy

Due to differing regulatory requirements, GN Hearing and GN Audio each has its own Quality Policy, which establishes the overall principles and objectives of the quality management systems in place to ensure product safety and high quality standards throughout the development process.

Our impact

Product development

GN possesses a unique combination of competencies across our business areas – in relation to technology, engineering and commercial execution. GN is the only company with intelligent audio expertise across the medtech, the enterprise and the consumer space. GN's technology is founded in world-leading expertise in the human ear, sound, wireless technology and miniaturization, linking deep insight and knowledge

from the hearing aid and the headset industries – all under the same roof.

Our research and development spans a wide range of disciplines, including acoustics, signal processing, neuroscience, human-computer interaction, artificial intelligence, audiology and engineering.

We use these unique in-house competencies to develop intelligent audio solutions that let our users Hear More, Do More and Be More than they ever thought possible, and to fulfil our purpose of Making Life Sound Better for our users. We continually refine the way our products are produced to make the most of the raw materials and to design more sustainable products with the highest possible safety.



GN is conscious about materials and substances in its products. To avoid harmful materials and substances in products, materials and components undergo thorough testing during the development phase.

Our work and results

Materials and substances

GN is conscious about materials and substances in its products. To avoid harmful materials and substances in products, materials and components undergo thorough testing during the development phase.

GN complies with the EU RoHS recast directive and the EU REACH regulation as well as other local and international legislation. Changes to legislation and standards are monitored closely.

Due to the diverse nature of the Group's two business areas – medical device hearing aids and professional & consumer electronics headsets – different quality controls and procedures apply.

Regulations for GN Hearing are, by nature, more comprehensive as the products are classified as medical devices. GN Hearing's products are developed under a highly regulated quality system complying with ISO 13485 and FDA 21CFR 820 CGMP as well as other national standards, which are used by GN Hearing to control a number of product standards and processes.

GN Audio's products are developed by following a well-defined quality management system complying with ISO 9001:2015 and other relevant industry best practices.

Animal testing

Hearing aids are classified as medical devices and must comply with European and US regulations as well as other regulatory standards applicable in the country in which the devices are sold.

This implies that all materials and components of hearing aids that are in contact with human skin must fulfil all relevant biological and regulatory requirements. GN Hearing assesses biological evaluation according to ISO 10993-1.

GN Hearing's policy is to always try to minimize the amount of required animal testing by setting up tests and test schemes in the most efficient way. All animal tests used by GN Hearing are performed by contract laboratories.

Animal testing is not relevant for GN Audio products as they are verified not to contain hazardous substances by setting up detailed environmental testing and control methods, together with third party test and certification laboratories.

Conflict minerals

Conflict minerals originating from mines controlled by military groups in the Democratic Republic of Congo and nine adjacent countries have been widely reported to be a major driver of violence in Central Africa. GN is concerned for the

well-being of people and communities and consequently does not want to use any conflict minerals.

We have, therefore, implemented a group-wide policy to avoid conflict minerals from these mines in GN products. Under this policy, GN is taking the following actions:

- GN requires its suppliers to exclude conflict minerals from GN products
- 2. GN requires suppliers to comply with our Code of Conduct
- 3. GN is using the five-step due diligence guidance laid out by OECD for establishing our due diligence process. Consequently, GN has put in place an audit program where proof of compliance will be required from suppliers that conflict minerals are procured only from smelters and refiners that have been found to be compliant with the Responsible Minerals Assurance Process (RMAP) of the Responsible Minerals Initiative (RMI).

By the end of 2018, GN Hearing and GN Audio has received the requested information from nearly 100% of its relevant suppliers regarding smelters and refiners used in their supply chains. Supported by a third-party provider of smelter validation services, ongoing work has been carried out during 2018 towards validating and ensuring that the identified smelters used by our suppliers are conflict-free.

During 2018, GN became a member of the Responsible Minerals Initiative, which has grown into one of the most utilized and respected resources for companies from a range of industries addressing responsible mineral sourcing issues in their supply chains.

Policies and certifications

- Quality Policy (GN Hearing)
- Quality Policy (GN Audio)
- GN Conflict Minerals Policy
- ISO 9001:2015 (GN Audio)
- ISO 13485
- FDA 21CFR 820 CGMP

Environment and climate

At GN we work to minimize our environmental and climate impact and become more efficient in our production and use of resources

Our policy

As stated in our Group CSR policy, GN is committed to integrating considerations for the environment in its planning and performance of activities in order to minimize its environmental and climate impact. GN actively encourages its suppliers to consider the environment in relation to GN's products.

Our impact

GN strives to find unique ways to improve quality of life with superior technology. GN continually evaluates the way it creates products to make the most of raw materials and to design more sustainable products with the highest possible quality.

GN's products are by nature small. A typical hearing aid weighs between 2 and 6 grams, while headsets, including base station and power supplies, weigh between 10 and 550 grams. Due to the nature and character of our business, our environmental and climate impact is assessed to be low.

The main risks of causing negative environmental and climate impacts arise at the manufacturing facilities and in the supply chain, stemming from the use of energy and water, generation of waste and waste management. Consequently, optimal

use of resources at the manufacturing facilities and responsible supply chain management are focal areas for GN's activities relating to climate and environment.

Our work and results

Energy consumption

In 2018, we have continued our focus on reducing energy consumption at our manufacturing facilities. We have continued to implement energy efficient solutions, such as converting to LED lights, reusing excess heat, installing motion sensors and solar panels, as well as conducting training for relevant employees in energy efficient processes.

These initiatives led to slight reduction of the total energy consumption at GN Hearing's main manufacturing facilities¹ compared with 2017 despite the increase in hearing instruments produced.

Water consumption

Water consumption at GN's manufacturing facilities is very limited and primarily used for sanitation purposes. Initiatives to reduce water consumption include employee awareness training, water consumption control and installation of water-reducing toilets and sinks.

Consumption and waste at own manufacturing facilities



*Energy and waste consumption measured at GN's five main wholly-owned manufacturing facilities located in Malaysia, China, United States, United Kingdom and Denmark. Production waste measured at the same manufacturing sites, excluding the United States.

Our main manufacturing facilities¹ in GN Hearing have had around 9% net increase in water consumption compared to 2017, predominantly driven by our global growth in production.

Waste in production

For all our production lines, we have set a threshold for acceptable waste levels. If waste exceeds this threshold, it will trigger a production stop. Corrective and preventive actions will then be implemented to decrease waste before production is restarted.

Most of our waste is very small in quantity and all our manufacturing facilities use licensed disposal contractors that remove any waste and properly dispose of it. Waste may include plastic, chemicals, paint, scrap parts, etc. Some waste is re-used (e.g. boxes and plastic) via recycling operations managed by external companies. Other waste, such as electronics, is processed to allow other companies to reclaim and re-use materials.

In 2018, total waste levels generated by GN Hearing manufacturing sites increased 8% predominantly driven by our global production growth compared to 2017².

Policies and certifications

ISO 14001

GN Audio's repair center in China is certified under the ISO 14001 environmental management system, and its suppliers are requested to also be certified under this standard. In 2018, GN Hearing has added a FTE to be responsible for the further introduction of ISO 14001 certifications across the group. In 2019, this resource person will continue to evaluate the possibility of introducing the ISO 14001 certification at the HQ in Ballerup.

Sustainable IT certification

A number of GN Audio's headsets for professional work environments are TCO Certified. TCO certification is an international third-party sustainability certification for IT products. It combines requirements for corporate responsibility at the manufacturing facilities, user safety and ergonomic design as well as minimal environmental impact for both the product and its production during its entire life cycle.



GN's products are by nature small. A typical hearing aid weighs between 2 and 6 grams. Due to the nature and character of our business, our environmental and climate impact is assessed to be low.

¹ The total energy consumption is calculated based on data from our five main wholly-owned manufacturing facilities located in Malaysia, China, United States, United Kingdom and Denmark

^{.&}lt;sup>2</sup> Manufacturing site in United States is not included.

Citizenship

Being a good global citizen is essential for how the GN Group does business. Apart from doing business in a responsible way, this also encompasses that GN is engaged in social activities supporting and helping underprivileged people in their everyday life

GN Foundation

The GN Store Nord Foundation provides grants for scientific, technical, national, non-profit and humane purposes in accordance with its mission and is very pleased to be able to support purposes deemed to be of social importance to society.

Further to this, GN Hearing and GN Audio have chosen to support select projects.

Social projects

Access to healthcare: Hearing aid project in South Africa

For the seventh consecutive year, GN's hearing aid project in South Africa continued to contribute to overall hearing health

in 2018. In this program, South Africans with limited financial resources and difficult living conditions are eligible to receive free hearing aids donated by GN.

In 2018, a total of 200 completely new hearing aids were provided to and fitted on eligible patients identified by GN's local partner in the project. All recipients had their new hearing aids professionally fitted by a certified audiologist securing a high level of user satisfaction.

The South African hearing aid project was initiated in 2011, when GN entered into collaboration with the public sector in South Africa. The program initially covered two provinces but has been extended to cover all nine provinces.

Helping hearing impaired children in Uganda

In early 2018, the Ear Foundation of the UK reached out to GN Hearing inquiring if it would be possible to get hearing



 $In \ March\ 2018, 90\ children\ at\ the\ St.\ Johns\ School\ for\ the\ Deaf\ in\ Gambia\ were\ fitted\ with\ hearing\ aids\ from\ GN\ Hearing.$

aids for children at the Hear his Voice Centre in Kampala, Uganda. GN Hearing provided a complete package with 50 hearing aids, fitting software and batteries for the first year. Trained audiologists from the Ear Foundation worked with the local team and fitted the hearing aids.

Continued co-operation with Audiovannah in Zimbabwe

A program for assisting the St. Johns School for the Deaf in Gambia was initiated in 2016, but due to political unrest and other complications the effort could only be completed in 2018. In March 2018, Dr. Jenny Nesgaard from Audiovannah in Harare, Zimbabwe travelled to Gambia and trained local staff in the necessary techniques. Dr. Nesgaard also fitted hearing aids from GN Hearing on 90 children during her stay.

Later in the year, Dr. Nesgaard organized a campaign where parents of 250 hearing impaired children from all across Zimbabwe signed up for free hearing aid fitting. During a one-week fitting camp sponsored with funding from the GN Foundation, 32 children were fitted with hearing aids that were previously donated to Audiovannah.

Helping the hearing impaired in Nepal

In 2018, Professor Seung-ha Oh from Seoul National University contacted GN Hearing concerning a program for helping hearing impaired children in Nepal. Prof. Oh received a complete package with 50 hearing aids, fitting software and batteries for the first year. They will be used at the Dhulikhel Hospital in Katmandu.



When carrying out aid programs it is GN's policy to provide only new hearing aids and to train local staff in the necessary fitting and hearing care techniques. This is to ensure that the users get long-term benefit from their hearing aids.

Helping 90,000 people with the basics

In 2018, GN Audio continued the partnership with HAMAP, a non-governmental organization that works to improve the life and health of some of the world's most vulnerable people. With this partnership, GN Audio has made a contribution in helping close to 90,000 people gain access to clean drinking water, basic sanitation and education, emphasizing GN's commitment to improving living conditions globally.

Supporting research

Sponsoring the Technical University of Denmark

GN Hearing co-sponsors the research activity of the Centre for Acoustic-Mechanical Micro Systems (CAMM), which was established in 2014 at the Technical University of Denmark (DTU). The focus of the research center is to study how sound and vibration interact in closely coupled acoustic-mechanic microsystems, such as hearing aids.

This is a new field of research, and GN Hearing expects CAMM to provide a solid platform for potential product development that will benefit the hearing impaired through findings and the professional knowledge of the center's future candidates.

GN Hearing is also co-sponsoring the Centre for Applied Hearing Research (CAHR), which was established in 2003 at the Technical University of Denmark (DTU) to conduct fundamental and applied research with focus on human speech communication, auditory processing and perception, hearing impairment and hearing instruments.

CAHR is part of DTU Hearing Systems, and the sponsorship is an ongoing commitment by GN. The purpose of the center is to promote research and education within the field of acoustic communication with focus on the origin, nature and consequences of hearing impairment. The center has developed to become one of the world's leading research institutes within its field with a total staff of 49 academics, including 19 PhD students.

Supporting clinical research

GN Hearing co-sponsors the research project Better hEAring Rehabilitation (BEAR), which was established in 2016. This five-year project is carried out by a consortium of hospital clinics, universities and hearing aid manufacturers. This large-scale effort will document the effect of the current clinical practices, develop new diagnostic methods for creating more customized solutions for the patients and establish new guidelines for improved clinical practices benefitting consumers. The aim is to improve the education of fitters of hearing aids to the benefit of patients. So far, approximately 2,000 patients have been enrolled in the project. The BEAR project will employ 11 PhD students and five postdocs.

GN

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