



GN Audio Responsible Sourcing Policy

GN STORE NORD GROUP
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GN Audio is part of the GN Group listed on Nasdaq OMX Copenhagen. GN Group has been helping people connect since 1869. Ever since GN was founded there has been a strong commitment to act in a responsible manner for the benefit of all of our stakeholders.

We, GN Audio as a part of GN Group, set the bar high when it comes to our business standards. We profoundly believe that they play a significant role in ensuring our continued growth and success; an idea we wish to extend to the people who take part in the production of our products and services world-wide.

Our responsible sourcing policy establishes GN's view on ethical standards as outlined in our Corporate Social Responsibility Declaration. The standards are built upon the ten principles of the UN Global Compact and include our viewpoints in regards to business ethics, social and environmental protection along with labor and human rights.

We understand that this approach runs deeper than our business alone, this requires us to be in constant dialog with our suppliers. We hope that this policy can be a tool in that process, giving our business partners a clear understanding of our standards and expectations as well as encouraging dialog and collaboration towards a continuous sustainable growth.

We expect for our suppliers to show commitment by embedding these standards into their operations. We welcome any comments or questions that may arise from this policy. We are always happy to engage in dialog with our partners, continuing to build lasting relationships.

René Svendsen-Tune

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CEO, GN Audio A/S

Peter La Cour Gormsen

A handwritten signature in black ink, appearing to be 'Peter La Cour Gormsen'.

CFO, GN Audio A/S



Working together towards sustainable solutions

At GN Audio we believe that better results are created through clear expectations and cooperation. We expect our suppliers to meet the standards as outlined in this policy and our respective Code of Conduct. It is important to GN Audio that our suppliers incorporate our standards into their business as well as ensure that their own business partners live up to the same high standards.

Some situations may require corrections. In these cases we work together with our suppliers to find a solution and establish an action plan. We expect our suppliers to be committed and engaged in undertaking the appropriate measures to improve their operation as agreed with us.

We recognize that many of our suppliers operate in different legal and cultural environments, however we expect any supplier facing challenges in their environment to enter into dialogue with us so we can work together towards a solution.

The idea behind our assessments and audits is to actively engage in dialogue with our suppliers about how we can extend and improve quality and responsibility efforts together.

All our work is based on the belief that through mutual respect and close cooperation we will achieve satisfactory results for all parties. We believe that you as our supplier share that belief and will adhere to the approach we have taken.

Business ethics

In GN Audio we do business in an ethical way. We are determined to help our suppliers respond to challenges in their environment so they too can act responsibly.

Our goal is to demonstrate the highest level of ethics and integrity in our business dealings. We consider corruption and bribery a threat against our business and have a Code of Conduct and an Ethics Guide in place to deal with these issues. We commit to cooperating with our suppliers to achieve solid solutions.

We will always go to great lengths to take cultural differences and other relevant factors into consideration, but we will not compromise on the fundamental requirements described in our Code of Conduct.

Supplier assessment

At GN Audio we expect all our suppliers to, in all they do, obey relevant laws and requirements. If there is a conflict between this policy and local regulations, GN Audio and GN Audio suppliers should always adhere to the higher of the two standards. In such case, our supplier is expected to immediately inform GN.

All suppliers are obliged to, on request, provide GN Audio with detailed information about where each order is produced. GN Audio reserves the right to make unannounced visits to sites where people work directly or indirectly for GN Audio. Also GN Audio reserves the right to let an independent party of our choice, make inspections on behalf of GN Audio.



It is a requirement that our suppliers are honest, open and transparent about the level of compliance with GN Audio standards during any assessment. This will facilitate better collaboration and partnerships to improve performance for the better of all involved parties.

Human rights

Anyone working directly or indirectly for GN Audio is entitled to his/her basic human rights. GN Audio does not accept the use of bonded workers, child labor, forced labor, prisoners or illegal workers. If foreign workers are employed on a contract basis, they can never be required to remain in employment against their will.

We do not accept corporal punishment, mental or physical disciplinary action or any kind of harassment. Dismissal of female workers due to pregnancy is not acceptable. We recommend that all workers are free to peacefully and lawfully join associations of their own choosing, and have the right to bargain collectively.

No worker should be discriminated against because of age, race, gender, religion, sexual orientation, marital or maternity status, political opinion or ethnic background. We expect that all workers with the same experience and qualifications receive equal pay for equal work.

Health and safety

In GN Audio we believe that a safe and healthy work environment for all employees ensures stability and productivity. We define an employee as an individual, who works temporarily, part time or full time under an open or fixed contract of employment that may be written or oral.

We require our suppliers to implement effective programs and systems for ensuring that their employees are offered a safe and healthy working environment. Including, but not limited to, protection from fire, accidents and processes, substances and techniques, which are unhealthy, toxic or harmful.

We expect all our suppliers to train and educate their employees in correct handling and safety procedures to protect them from any harm arising from their work.

We expect all our suppliers to work toward implementing the international occupational health and safety management standard OHSAS 18000 or a similar framework for their health and safety work.

Child labor

GN Audio bases its child labor code on the UNICEF Convention on the Rights of the Child, article 32.1.

We “recognize the right of the child to be protected from economic exploitation and from performing any work that is likely to be hazardous or to interfere with the child’s education, or to be harmful to the child’s health or physical, mental, spiritual, moral or social development.”



GN Audio does not accept child labor. A child in this context is a person younger than 15 years of age. This is in accordance with the exceptions for developing countries as set out in Article 2.4 in the International Labor Organization (ILO) Convention No. 138 on minimum age.

GN Audio will discontinue cooperation with any party that does not comply with our child labor code.

Conflict Minerals

GN supports the efforts of human rights organizations to end violence and atrocities in Central Africa (the Democratic Republic of Congo (DRC) and nine adjoining countries: Republic of Congo, Central African Republic, South Sudan, Zambia, Angola, Tanzania, Burundi, Rwanda and Uganda).

It has been widely reported that the major driver of this violence is the abundance of the minerals tin, tungsten, tantalum and gold, referred to as “conflict minerals”. Armed groups fight for control of mines in this region and use forced labor to mine and sell the minerals, which in turn funds ongoing violence.

GN does not want to use conflict minerals originated from conflict-affected or high-risk areas such as the DRC and adjoining countries and requires its suppliers to exclude conflict minerals originated from conflict-affected or high-risk areas such as the DRC and adjoining countries from GN products. GN has an audit program in place where proof of compliance will be required, that conflict minerals are procured only from smelters and refiners that have been found to be compliant with the Conflict-Free Smelter (CFS) Program of the Responsible Mining Initiative (RMI). Accepted proof is sourced from tool(s) provided by the RMI. Additional supporting proof could be required.

Cobalt

GN Audio is aware of cobalt as a mineral that can also contribute to conflicts in covered countries. GN Audio proactively requires its suppliers that source cobalt, to perform due diligence (per guidance provided by the RMI) on their supply chain to ensure that cobalt is also ‘conflict free’.

Environment

The impact on the environment is of concern globally and GN Audio expects its suppliers to fulfill the terms of GN Audios environmental requirements. We strongly encourage our suppliers to integrate environmental considerations in their activities and strive for continuous improvement of environmental performance and minimize the impact on the environment.

Quality

It is a chief goal for GN Audio to develop products of the highest standard that are reliable, safe and in compliance with regulatory requirements. The many years of experience in our industries along with a constant investment in research and development has resulted in high quality products that can be trusted.

The quality standards and processes of suppliers must adhere to the highest standards unless otherwise agreed. Changes and improvements must be handled in accordance with agreed change processes based on a close dialogue between GN Audio and our supplier.



The quality of the supplied products affects not only our internal processes but can also affect the performance of the final product. The ability of our suppliers to deliver uniform, high quality products is therefore decisive.

GN Corporate Social Responsibility Declaration

Based on the UN Global Compacts ten principles – GN Group has developed a Corporate Social Responsibility (CSR) Declaration pinpointing the GN Group and hereunder GN Audio, CSR focus:

- ✓ GN recognizes all human beings as free and equal in dignity and rights at the workplace.
- ✓ GN is committed to protecting human rights and employee rights.
- ✓ GN believes that all employees are entitled to a safe and secure workplace.
- ✓ GN respects voluntary freedom of association, including the right to organize and bargain collectively in a manner that is legally compliant. Worker representatives are not to be subject to discrimination and have access to workplaces necessary to carry out their respective functions.
- ✓ Using forced or child labor is not accepted.
- ✓ GN provides equal opportunity in all aspects of employment and will not tolerate discrimination or harassment of any kind based on racial or ethnic characteristics, gender, religion, age, sexual orientation or any other classification is strictly prohibited.
- ✓ GN is committed to devoting the necessary care in regards to development, manufacturing and disposal of our products.
- ✓ GN is dedicated to integrating consideration for the surroundings in the planning and performance of our activities.
- ✓ GN continuously considers how to develop, manufacture and distribute our products with the widest possible consideration to the environmental impact.
- ✓ All GN employees, and suppliers, must comply with applicable laws and regulations when conducting business on behalf of GN. GN does not accept corruption in any form.

The UN Global Compact

GN Group, and hereunder GN Audio, is a member of the UN Global Compact.

We encourage you as a supplier to familiarize yourself with the UN Global Compact in order to ensure that you also comply with the ten principles.

The ten principles of the UN Global Compact Human rights:

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Labor

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labor;



Principle 5: the effective abolition of child labor;

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses are asked to support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

www.unglobalcompact.org

To learn more about our view on responsible sourcing or to share your opinion and knowledge, please contact your usual contact in Corporate Purchase.

To learn more about the GN Group and all its subsidiaries' relation to CSR and supplier responsibility please visit <https://www.gn.com/About/Corporate-sustainability>

As always we welcome feedback. You are welcome to contact the GN Group with CSR-related questions or comments on info@gn.com