

Tax Policy for WS Audiology

About WS Audiology (“WSA”)

WSA is a global leader in the hearing aid industry. We improve people's health, well-being, and quality of life by striving to unlock human potential by making wonderful sound part of everyone's life. Through our customer network of thousands of hearing care professionals and our consumer-facing businesses, we help raise awareness of hearing loss and facilitate access to professional care.

WSA Code of Conduct

We strongly believe that acting responsibly and ethically is the right thing to do for our customers, our business partners, our colleagues, and the communities where we operate. We conduct our business responsibly and in compliance with the laws and regulations of all the countries where we do business. We do not tolerate illegal or unethical behavior.

Our Code of Conduct sets out the core principles that guide us to high standards of business conduct.¹ It provides a clear ethical and behavioral framework for all of us at WSA to

make the right choices in challenging situations. Our Code of Conduct unequivocally applies to how we handle taxes.

Objective of the WSA Tax Policy

We recognize the important role that taxes play in societies, and we acknowledge the necessity for businesses to handle tax matters responsibly to support sustainable societies.

While WSA is aligned with the responsible tax expectations of our ultimate parent company, T&W Medical A/S, we maintain autonomy in determining our approach to responsible tax practices and the design of our Tax Policy.

The Tax Policy applies to all WSA Group entities. It governs all tax obligations for WSA, including but not limited to, corporate income taxes, withholding taxes and consumption taxes.

The main objectives of the Tax Policy are to provide a framework for:

- Tax governance
- A responsible, competitive, and balanced approach to tax
- Compliance and transparency
- Tax planning

- Interaction with authorities

Tax governance

The Audit Committee, representing the Board of Directors, has the overall responsibility for the Tax Policy and tax governance in WSA.

Updating and securing WSA's compliance with the Tax Policy is delegated to the Tax Governance Board. The Tax Governance Board consists of the Head of Group Tax, Head of Group Treasury, Insurance & Investor Relations, Vice President Group Accounting and Tax, and the Group CFO.

In the day-to-day operations all governance is handled by Group Tax. Group Tax is responsible for implementing the Tax Policy. Adherence is governed by our internal operational guidelines. Additionally, Group Tax collaborates closely with all local finance teams and local management to embed the policy into daily operations.

At WSA, we are committed to maintaining a highly skilled team in Group Tax with an up-to-date knowledge of tax laws and the necessary experience to oversee compliance with the Tax Policy and assess the impact of WSA's operations on a global scale.

¹ Code of Conduct is published on WSA.com

A responsible, competitive, and balanced approach to tax

We aim to ensure a responsible, competitive, and balanced tax position. Our tax position is aligned with our business structure, complies with applicable tax laws and adheres to the principles set forth in this Tax Policy.

We can justify a tax position when it aligns with our business operations and is supported by a technical assessment complying with both the letter and the intent of the law. If Group Tax finds any uncertainty, we may seek guidance from external advisors or confirmation from local tax authorities to clarify our tax position.

WSA's management of tax affairs is aligned with the broader objectives of the 17 UN Sustainable Development Goals (SDGs). By ensuring that taxes are paid in the countries where business activities occur, WSA contributes to developing and building effective, accountable, and inclusive institutions at all levels. Specifically, WSA aims to support SDG 16, which seeks to promote peace, justice, and strong institutions, among other UN goals.

Compliance and transparency

Aligned with our Code of Conduct, we are committed to comply with all tax regulations

and disclosure requirements in countries where we operate. We strive to ensure that the correct amount of taxes is paid on time.

Group Tax continuously monitors new legislation and international trends. This to ensure compliance at all levels. We regularly evaluate our internal processes to ensure timely preparation for and submission of all tax filings.

All transactions are conducted with a commercial rationale. Furthermore, all intercompany transactions and dealings within WSA adhere to the arm's length principles as defined by the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations (2022) and local tax legislation. We pay taxes where profits are earned, in accordance with international transfer pricing rules.

We support and promote increased transparency. Our Country-by-Country report will be made publicly available when required by law. A full list of Group entities is contained in the Annual Report for WS Audiology A/S.

Tax planning

Tax planning measures at WSA are designed to support our overall business and are only undertaken within this context. In addition, all transactions are consistent with the Group's

business activities and are based on sound business objectives and rationale.

Consequently, we do not make investments via artificial structures that lack a solid commercial purpose. We also do not operate in Tax Havens. We define Tax Havens as countries listed on EU's list of non-cooperative tax jurisdictions.

In 2023, Russia was added to the EU's list of non-cooperative tax jurisdictions. At the time, WSA had three subsidiaries in Russia. We have ceased operations in Russia and the subsidiaries are currently dormant. Liquidation proceedings are underway to close them.

When undertaking transactions, we do not exploit technicalities or inconsistencies between tax regimes to reduce our tax liability. WSA does find it acceptable to benefit from:

- Available tax treaties to reduce or eliminate (withholding) tax exposures,
- Offsetting tax losses from previous periods,
- Tax incentives and exemptions offered by authorities to support economic development, improve people's health, wellbeing, and quality of life, and maintain good corporate citizenship.

Interaction with authorities

We always strive to handle all interactions with authorities in a collaborative, courteous, and timely manner. We participate in tax audits openly and fairly, ensuring mutual respect, transparency, and trust. Negotiations and settlements are conducted based on principles that comply with applicable legislation.

Additionally, WSA engages in Advance Pricing Agreements (APAs) to ensure predictability and mitigate risks across the countries in which we operate. APAs provide certainty that transactions are executed at arm's length terms.

We participate in public tax advocacy and provide positive and constructive feedback during public consultations to contribute to the development of effective tax systems and legislation. This advocacy work is primarily conducted through recognized industry groups, and WSA engages in stand-alone advocacy only in exceptional circumstances.

WSA's Tax Policy is subject to annual review.

Approved by Board of Directors
September 2024