

Luxembourg, 12 December 2024

Environmental and Social Data Sheet

Overview

Project Name:	DEMANT - HEARING AIDS RDI
Project Number:	2024-0051
Country:	Denmark, Poland
Project Description:	Financing the promoter's RDI investments to develop new technology hearing aids

EIA required:	no
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Project included in Carbon Footprint Exercise ¹ :	no
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Environmental and Social Assessment

Environmental Assessment

RDI (research, development and innovation) activities neither fall under Annex I nor Annex II of the EU EIA Directive 2011/92/EU amended by Directive 2014/52/EU. The research activities will be executed in existing and already authorised research facilities, expected to be in compliance with all applicable EU environmental legislation. The hearing aids to be developed as a result of the project are defined as Class IIa Medical Devices in Europe according to the classification given by the Medical Device Regulation 2017/245. The promoter is in compliance with the medical device regulation set by the EU as well as by the US FDA and equivalent regulations in all the territories where it operates.

Demant's hearing healthcare products are developed under a highly regulated quality system complying with ISO 13485 and FDA 21CFR 820. Furthermore, hearing aids are subject to regulations related to radio and electromagnetic compatibility. However, the promoter's products operate with low power which is below the threshold (20 mW) to require SAR (Specific Absorption Rate) measurements. The promoter has all their products tested by an independent accredited test house to formalise their compliance with radio and electromagnetic compatibility regulations.

The promoter's products and activities (including this project) comply with the EU RoHS2 (Restriction of Hazardous Substances in Electrical and Electronic Equipment) and WEEE (Waste Electrical and Electronic Equipment) Directives, REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) Regulation as well as other applicable international and local regulations.

Climate Assessment

¹ Only projects that meet the scope of the Carbon Footprint Exercise, as defined in the EIB Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: 20,000 tonnes CO₂e/year absolute (gross) or 20,000 tonnes CO₂e/year relative (net) – both increases and savings.



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The project is considered to be Paris aligned because i) it meets the low carbon criteria as set out in the Climate Bank Roadmap (Annex 2, Table B RDI) and ii) is assessed as not materially at risk from physical climate hazards.

EIB Paris Alignment for Counterparties (PATH) Framework

The counterparty is in scope and screened out of the PATH framework, because it is not considered as high emitting or highly vulnerable.

Other Environmental and Social Aspects

As a company with a clear diversity and inclusion profile and initiatives to support the equal rights and opportunities of all genders, Demant makes continuous progress on gender balance:

- The share of women on the company's Board and all management (currently, 40% and 47% respectively, with a steady increase along both dimensions over the last years);
- The overall share of women in Demant's workforce; and

The company's policy and targets regarding diversity, equity and inclusion, which aim at achieving a relevant gender balancing across the company's workforce, including at the level of the EIB-financed project.

Moreover, the project is expected to lead to significant social benefits resulting from new and improved hearing aid technologies to alleviate the problems linked to hearing loss. In addition to the many social benefits, hearing aids contribute to enhancing social inclusion and participation for their users with all the positive health benefits including prevention of brain atrophy associated with hearing loss.

The promoter is a signatory of the UN Global Compact and produces an annual Sustainability report (covering all ESGs) to communicate its progress and further aspires to have zero environmental impact by 2050. In 2023, their emission reduction targets were approved by the Science Based Targets initiative and deemed consistent with the intent of the Paris Agreement to limit global temperature rise to 1.5C.

Conclusions and Recommendations

The project activities neither fall under Annexes I nor II of the EU EIA Directive 2011/92/EU amended by Directive 2014/52/EU. The proposed investments will take place inside buildings at existing RDI facilities without changing their already authorized scope and are not expected to have a significant environmental impact on the surroundings. The promoter complies with all relevant regulations and recommendations related to its business.

Therefore, the project is considered acceptable in environmental and social terms for the Bank's financing.