

This statement has been published in accordance with the **UK Modern Slavery Act 2015**. It sets out the steps taken by Sonova AG and its subsidiaries up to **30<sup>th</sup> May 2018**, to prevent modern slavery in its business and supply chain.

As a leading provider of hearing aids across the world, Sonova recognizes its responsibility to take a zero tolerance approach against modern slavery and human trafficking and is committed to improving its practices for combating slavery and human trafficking in its corporate activities including in its supply chains.

### **Our business and supply chains**

Sonova is a global purchaser, manufacturer, and provider of a wide array of diverse products in many different markets all over the world. Our ultimate parent company is **Sonova Holding AG (“Sonova”)**. Sonova has its head office in **Switzerland**. The group has over **14,000** employees worldwide and operates in over **100** countries. The group has an annual turnover of approximately **CHF 2.4 Billion**. Sonova’s own manufacturing operations extend from fully-automated processes, such as hybrid circuit production, to highly-skilled manual work, such as assembly of hearing aids and cochlear implants. The Sonova group has undertaken wide scale M&A activity over the past years. As a result of which, the group has many suppliers, large and small. Sonova’s most important procurement activities for products, materials and components plus the large volume commodities are centralized and under responsibility of the corporate procurement organization. The global affiliates continuously receive support from the corporate procurement organization and remain responsible to procure some day to day commodities, following the Sonova Procurement Policy and the Sonova Group Supplier Principles.

### **Policies and contractual controls**

Sonova is committed to ensuring that there is no modern slavery or human trafficking in its supply chains or in any part of our business. **Our Code of Conduct reflects our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to ensure slavery and human trafficking is not taking place anywhere in our supply chains.**

We have zero tolerance to slavery and human trafficking. To ensure all those in our supply chain and contractors comply with our values we have in place corporate policies which include the important principle of requiring our employees and business partners to respect human rights. The company’s Code of Conduct states that we take social responsibility very seriously, whether at the company or in the supply chain. Policies and procedures, such as the Sonova Group Supplier Principles, have been and continue to be developed in key areas, and are endorsed and signed off by members of Sonova’s executive leadership team. On a regular basis, management in the organization needs to certify compliance with policies, and internal audits are carried out to verify the compliance.

Sonova Group Supplier Principles, available on Sonova's website, enhance Sonova's commitment to human rights and require among others that all suppliers treat their employees with respect and dignity and commit to refraining from using child or forced labor.

Our centralized procurement process provides that suppliers receive a copy of our Code of Conduct and of the Sonova Group Supplier Principles on a regular basis and are required to confirm in writing that they comply with both sets of policies.

In line with industry best practices, Sonova operates a compliance hotline through a dedicated third-party provider. Employees are encouraged to report any concerns of wrongdoing, including human rights violations. All reports are tracked, investigated and appropriate action is taken.

#### **Audits of suppliers and supply chain**

Sonova is aware that multiple risks are inherent in a complex supply chain, including the risk that slavery and human trafficking may exist in these supply chains. The company has taken various measures to address this risk and will on an ongoing basis assess their effectiveness.

Sonova's centralized procurement team aims to visit each of its suppliers' production facilities continuously. Each new supplier is also screened and audited before it can be approved. These audits and visits are comprehensive and go beyond the modern slavery act and enable Sonova to establish a close partnership with its suppliers.

This enables Sonova to have a partnership beyond five years with more than 90% of its suppliers, designed to raise their capability and performance.

#### **Assessment of modern slavery risk within our supply chain**

Following a review of the effectiveness of the steps we have taken to ensure that there is no slavery or human trafficking in our supply chains, Sonova now plans on hiring an external consultant in 2018, to oversee further improvements in our policies, processes and governance conducive to addressing human rights and the risk of modern slavery in our supply chain. The consultant will be working on the process of implementing further human rights policies and processes, including the mapping of human rights risks and mitigation thereof.

### **Modern slavery prevention training**

Sonova has identified internal functional teams that it considers more exposed to the risk of modern slavery in the supply chain, such as its marketing teams, as that team has a certain part of its supplier spend not going through the centralized procurement process. These functional teams have been and will continue to be trained on prevention of modern slavery and human rights violations.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes the Sonova Group's anti-slavery and human trafficking statement for the financial year ending **2019**

A handwritten signature in black ink, appearing to read 'Jon Billings', with a stylized flourish at the end.

**Jon Billings**

**Sonova UK**

**30<sup>th</sup> May 2018**