



Sonos, Inc.
Annual Report – Fighting Against Forced Labour and
Child Labour in Supply Chains

May 31, 2024

We are pleased to present this report detailing our commitment and efforts to prevent forced labour within our supply chain. At Sonos, we recognize the gravity of the global challenge posed by forced labour and its impact on human rights. Our commitment to ethical business practices extends beyond mere compliance—it is a cornerstone of our business.

In this report, we share the comprehensive measures we have implemented to identify, assess, and mitigate the risk of forced labour in our supply chain. Our journey towards eradicating forced labour is not just a corporate obligation but a moral imperative that we embrace wholeheartedly.

We believe all stakeholders must create a supply chain ecosystem that stands as a beacon of fairness, dignity, and respect for all.

Identification

The reporting entity is Sonos, Inc. (“Sonos”) – Business Number 846938876.

This report is being submitted as a single report, covering the 2023 financial reporting year.

Steps Taken in 2023

In this section, we outline the steps that Sonos has taken during its previous financial year to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere, or of goods imported into Canada.

Sonos maintains a robust program to prevent and mitigate forced labour and child labour in our supply chain. We are affiliate members of the [Responsible Business Alliance](#) (“RBA”), the world’s largest industry coalition dedicated to responsible business conduct in global supply chains. As part of our commitment, we utilize verified third party auditors to audit our suppliers across a wide range of environmental and human rights impacts, including the fight against forced labour and child labour in supply chains. We require our suppliers to adhere to the Sonos Supplier Code of Conduct, a comprehensive set of standards addressing many topics, including the fair treatment of workers, business ethics, health, safety, and environmental impacts. To foster positive outcomes, we establish clear channels of communication with our suppliers and follow well-defined protocols, including responsible labour practices.

Sonos focuses our audits on our key / major suppliers, which represent 80% of our supply chain spend, in line with Responsible Business Alliance standards. We conduct in-person audits on critical or high-risk suppliers.

In FY23, we expanded our global supplier base into new regions while effectively managing risk. Transparency is critical to our progress and we report our results annually in our Listen Better Report at sustainability.sonos.com. We audited 100% of our key suppliers through the RBA Self Assessment Questionnaire or on-site audits. We also audited 100% of our suppliers with critical issues in person.

Structure, Activities and Supply Chains

The following section outlines the structure, activities and supply chains of the reporting entity.

Sonos, Inc. is a corporation in the state of Delaware, United States, with headquarters in Goleta, California. As of May 2024, Sonos has approximately 1790 full time employees globally and 10 full time employees in Canada.

Sonos is one of the world's leading sound experience brands. We pioneered multi-room, wireless audio products, debuting the world's first multi-room wireless sound system in 2005. Today, our products include wireless, portable and home theater speakers, components, and accessories to address consumers' evolving audio needs. We are known for delivering unparalleled sound, thoughtful design aesthetic, simplicity of use, and an open platform. Our platform has attracted a broad range of more than 130 streaming content providers, such as Apple Music, Spotify, Deezer, and Pandora. These partners find value in our independent platform and access to our millions of desirable and engaged customers. We frequently introduce new services and features across our platform, providing our customers with enhanced functionality, improved sound, and an enriched user experience. We are committed to continuous technological innovation as reflected in our growing global patent portfolio. We believe our patents comprise the foundational intellectual property for wireless multi-room and other audio technologies.

We generate revenue from sales of our Sonos speaker products, including wireless speakers and home theater speakers, from our Sonos system products, which largely comprises our component products, and from partner products and other revenue, including partnerships with IKEA and Sonance, Sonos and third-party accessories, licensing, advertising, and subscription revenue, including Sonos Radio HD, and Sonos Pro. Our portfolio of products encourages customers to uniquely tailor their Sonos sound systems to best meet their sound and design preferences.

We sell our products primarily through over 10,000 third-party physical retail stores and our products are distributed in more than 60 countries. The majority of our sales are transacted through traditional physical retailers, including on their websites. We also sell through online

retailers, to custom installers who bundle our products with services that they sell to their customers, and directly through our website, sonos.com.

We outsource the manufacturing of our speakers and components to contract manufacturers, who produce our products based on our design specifications. Our products are manufactured by contract manufacturers in China, Malaysia, and Vietnam. In accordance with our agreements with our contract manufacturers, they will enter into purchase orders with their upstream suppliers for component inventory necessary to manufacture our products, based on our demand forecasts.

The vast majority of our products are shipped to our third-party warehouses which are then shipped to our distributors, retailers, and directly to our customers. Our third-party warehouses are located in the United States in California and Pennsylvania, as well as internationally in Australia, Canada, the Netherlands, China, Japan, and the United Kingdom.

We use a small number of logistics providers for substantially all of our product delivery to both distributors and retailers. This approach gives us greater visibility and generally allows us to better monitor our supply chains while reducing order fulfillment times, shipping costs, and improving inventory flexibility.

Our supply chain is managed by our Vice President of Product Operations, who reports to our Chief Product Officer. Our Chief Product Officer sits on our executive leadership team and reports to our Chief Executive Officer.

Policies and Due Diligence Processes

In this section, we detail our policies and due diligence processes in relation to forced labour and child labour.

Sonos' board of directors maintains robust oversight over our ethics and labour policies. The Audit Committee of the Sonos board of directors assists the board in its oversight of Sonos' compliance with legal and regulatory requirements, as well as with ethics policies. The Audit Committee also assists the board in its oversight of Sonos' disclosures and controls and procedures related to environmental, social, and governance ("ESG") matters. The Nominating

and Corporate Governance Committee assists the board in its oversight of corporate governance, including by developing and recommending to the board codes of business conduct and ethics applicable to the company, including to all of its officers and employees, and to its directors, and by overseeing the establishment of procedures for the prompt internal reporting of violations of such codes. The Nominating and Corporate Governance committee also is responsible for assisting the board in its oversight of Sonos' corporate social responsibility and sustainability program, including by monitoring trends in legislation, regulation, litigation, and governance, reviewing related public disclosures, and making recommendations to the board and management regarding additional corporate social responsibility and sustainability actions and areas of opportunity, other than human capital management matters (which are overseen by Sonos' Compensation, People and Diversity & Inclusion Committee).

Internally, our Chief Legal and Strategy Officer, reporting to our Chief Executive Officer, has oversight over our ESG programs. Our Director of Global Affairs and Sustainability, who reports to our Chief Legal and Strategy Officer, sets strategies related to labour and environmental practices in our supply chain in coordination with our VP of Product Operations.

Assessing and Managing Risks

We have reviewed and identified the parts of our business and supply chains that carry a risk of forced labour or child labour. In this section, we outline the steps we have taken to assess and manage that risk.

As previously noted, Sonos outsources the manufacturing of our speakers and components to contract manufacturers, who produce our products based on our design specifications. Our products are manufactured by contract manufacturers in China, Malaysia, and Vietnam. In accordance with our agreements with our contract manufacturers, they enter into purchase orders with their upstream suppliers for component inventory necessary to manufacture our products, based on our demand forecasts.

Our third party auditors are trained to identify forced labour and child labour. As such, we have identified no instances of forced labor in China. None of our products are manufactured in the

Uyghur Autonomous Region (XUAR) and we have found no instances of forced labor by vulnerable minorities.

Migrant labor is a vulnerable population around the globe. Malaysia has a documented history of relying upon migrant labour in electronics manufacturing. Migrants to Malaysia sometimes pay recruitment fees in their country of origin to be placed in jobs in factory settings. There is also a history of government issued IDs being stored with the employer, rather than with the worker, ostensibly to prevent theft of the IDs. We treat these practices as indicia of a potential forced labour problem, regardless of the explanations given, and we accordingly audit our suppliers for these practices through our third party audits. Our guiding document is RBA Trafficked and Forced Labor – “Definition of Fees”, issued by the Responsible Business Alliance, [available here](#).

When our audit identifies a violation of our code of conduct, we require the supplier to create a Corrective Action Plan, with specific timelines for remedying the issue. Sonos will end relationships with suppliers who do not comply with our Code of Conduct or correct the violation.

Remediation Measures

When we identified a violation of our code of conduct related to forced labour, we took several remediation measures. In Malaysia, we required the supplier to create a Corrective Action Plan, with specific timelines for remedying the issue. We required the reimbursement of fees to workers by suppliers. We required the return of government-issued IDs from employers to workers. Finally, we ended our contract with a supplier in Malaysia that did not provide an adequate corrective action plan. We utilized third parties to conduct follow up audits to ensure adherence to the Corrective Action Plan.

We have found no instances of forced labour or child labour in China.

Training

Sonos provides mandatory ethics and legal compliance training to all employees on a regular basis. Our third party auditors are verified by the Responsible Business Alliance and receive regular training on forced labour and child labour. In addition, key members of our supply chain

team attend training on labour practices, including forced labour and child labour, and human rights laws and regulations.

Assessing our Effectiveness

Based on our review, we took the following step to assess our corporation's effectiveness in ensuring that forced labour and child labour are not being used in its business and supply chains.

In FY23, we audited 100% of our key suppliers through the RBA Self Assessment Questionnaire or on-site audits. We also audited 100% of suppliers with critical issues in person, either by Sonos staff or third party auditors.

Through our comprehensive auditing, we identified 7 situations which raised concern about the possibility of conditions of forced labour. All of these situations were in violation of our code of conduct and we took steps to remedy the situation as indicated in the sections above. Again, we found no instances of forced labour or child labour in China.

Conclusion

At Sonos, we remain steadfast in our commitment to ethical sourcing and supply chain integrity. Through rigorous monitoring, supplier engagement, and continuous improvement initiatives, we have implemented robust measures to prevent the scourge of forced labour from infiltrating our supply chain.

As detailed in this report, our efforts encompass comprehensive supplier vetting processes, ongoing audits, and partnerships with credible third-party organizations to ensure compliance with internationally recognized labour standards. Furthermore, we recognize the importance of transparency and accountability, which is why we are dedicated to openly sharing our progress and challenges in combating forced labour.

While we are proud of the strides we have made, we acknowledge that eradicating forced labour requires sustained vigilance and collaboration by all stakeholders. We remain committed

to this cause and will continue to work tirelessly to uphold the dignity and rights of all workers throughout our supply chain.

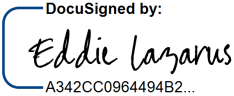
Attestation

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Full name: Eddie Lazarus

Title: Chief Legal Officer

Date: 2024-05-31 | 15:15 PDT

Signature: A342CC0964494B2...

I have the authority to bind Sonos, Inc.