

Report on Forced Labour and Child Labour 2025/26 – Sonova Canada Inc.

As a leading provider of hearing care solutions across the world, Sonova Group (“Sonova”) recognizes its responsibility to cease, prevent, and mitigate forced labour and child labour risks and is committed to enhancing its efforts across its value chain.

The reporting entity covered in this statement is part of Sonova, and is a corporation registered under the business number 13844 3486 RC0005 and under the name of Sonova Canada Inc. (hereinafter “reporting entity”). This report has been published in accordance with Canada’s Fighting Against Forced Labour and Child Labour in Supply Chains Act (“the Act”) and covers Sonova’s Financial Year 2025/26, i.e., the period from April 1st, 2025, to March 31st, 2026.

The reporting entity is categorized according to the Act as follows: it has a place of business, does business, and has assets in Canada. Moreover, it meets the size-related thresholds as it has at least \$20 million in assets, and has generated at least \$40 million in revenue for at least one of its two most recent financial years.

The reporting entity as a part of Sonova is equally engaged in preventing forced and child labour. The following report details the efforts Sonova and the reporting entity have taken to prevent and mitigate forced labour and child labour in their supply chains.

1. Structure, activities, and supply chains

Sonova’s vision is a world where everyone enjoys the delight of hearing and therefore lives a life without limitations. Sonova is a global leader in innovative hearing care solutions: from personal audio devices and wireless communication systems to audiological care services, hearing aids and cochlear implants. The Group was founded in 1947, is headquartered in Stäfa, Switzerland, and has over 18 000 employees.

Sonova operates through four Business Units – Wholesale, Retail, Consumer Hearing and Cochlear Implants – and the core brands Phonak, Unitron, AudioNova, Sennheiser (under license) and Advanced Bionics as well as recognized regional brands. The Group’s globally diversified sales and distribution channels serve an ever-growing consumer base in more than 100 countries.

Sonova operates within a highly integrated business model: all manufacturing centers are owned by Sonova. Sonova’s own manufacturing operations extend from fully automated processes, such as hybrid circuit production, to highly skilled manual work, such as the assembly of hearing aids.

Upstream from its manufacturing activities, Sonova engages in research and development; downstream Sonova sells the final products to wholesalers as well as to the final user of the products. Most of Sonova’s hearing instruments are produced in the Asia/Pacific region, at their own operations centers in Vietnam and China. Since February 2024, Sonova also produces at another owned operations center in Mexicali, Mexico for manufacturing of both hearing instruments and cochlear implants.

In 2025/26, Sonova sourced materials and services from around 3,000 direct and indirect suppliers across businesses.

The reporting entity, Sonova Canada Inc., is part of Sonova's Wholesale business, operates in the sectors and industries of manufacturing, wholesale trade, and health care and therefore manufactures and distributes to wholesalers hearing aids among other products. The reporting entity employs 215 workers divided into its two lines of business, i.e., Phonak Canada and Unitron Canada Domestic located in Ontario, Canada and respectively employing 194 and 21 workers.

2. Due diligence processes and policies

Sonova and all the legal entities of the group, including the reporting entity, are committed to maintaining high standards of business ethics and integrity in accordance with the law, as well as with recognized human rights and labour standards as outlined in international human rights frameworks. More specifically, they are committed to international standards in relation to forced labour and child labour including the following:

- Universal Declaration of Human Rights (UDHR)
- United Nations International Covenant on Civil and Political Rights
- United Nations International Covenant on Economic, Social and Cultural Rights
- International Labor Organization (ILO) - Core Labor Conventions
- United Nations Guiding Principles on Business and Human Rights (UNGPR)
- OECD Guidelines for Multinational Enterprises
- OECD Due Diligence Guidance for Responsible Business Conduct
- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High-Risk Areas
- UNICEF's Children's Rights and Business Principles (CRBP)
- ISO 45001 Occupational Health and Safety Management (OHS) Standard
- ILO-IOE Child Labour Guidance Tool for Business

On this basis, a risk-based Human Rights Due Diligence ("HRDD") framework was established for the Sonova Group and its companies such as the reporting entity. It encompasses forced and child labour internally and throughout the supply chain and contains various elements as follows: policies, risk assessments, social audits, and the grievance mechanism.

Policies

Sonova is committed to identifying and addressing risks of forced labour and child labour in its own operations or in any part in the value chain. Corresponding policies and procedures have been and continue to be developed and are endorsed and signed off by members of Sonova's Management Board (now referred to as Executive Committee) and/or Board of Directors. On a regular basis, the management in the organization checks compliance with policies, and internal audits are carried out to ensure compliance.

Sonova's Code of Conduct (<https://www.sonova.com/en/code-of-conduct>) defines general principles for ethical behaviour and applies to all employees of the Sonova Group, its subsidiaries, and any third parties such as distributors, agents, or suppliers while they are performing work for Sonova. An acknowledgment of the Code of Conduct is part of every new employment and third-party contract. The Code of Conduct is approved by the Board of Directors, is reviewed regularly, revised when necessary, and governs all relevant aspects of Sonova's business operations. It covers compliance with laws and regulations, conflicts of interest, anti-competition and Sonova's commitment to social and environmental responsibility such as human rights, diversity and inclusion, non-discrimination, and safety in the workplace and addresses the prevention of forced

labour and child labour. The Code of Conduct is available in 18 languages and was updated in 2019/20.

The Human Rights Policy (https://report.sonova.com/2023/app/uploads/Human-Rights-Policy_2022_FINAL_English.pdf) was established in December 2022 and provides a common foundation for Sonova's responsibility to respect human rights, and supports the key elements of the HRDD framework through: performing periodic human rights risk assessments along the value chain; conducting enhanced due diligence through impact assessments in high risk areas; and providing channels for reporting grievances and seeking remedy for violations – all using a risk based approach. The policy further outlines the key human rights risks ("salient issues") identified by Sonova within its value chain such as forced labour and child labour.

Moreover, Sonova has established its SpeakUp policy in April 2023 to encourage employees to report via the grievance mechanism any potential violations of the above-mentioned policies including potential cases of forced labour or child labour.

For its upstream value chain, Sonova released in September 2024 a Supplier Code of Conduct ("SCoC", available at <https://www.sonova.com/sites/default/files/2024-08/Sonova%20Supplier%20Code%20of%20Conduct%20-%20September%202024.pdf>). This document further strengthens the Group's human rights commitments throughout its value chain and sets clear expectations for suppliers to prevent the use of child labour and forced labour among other topics. The SCoC and the General Terms and Conditions of Purchase (available at https://www.sonova.com/sites/default/files/2024-09/20240901_General%20Conditions%20of%20Purchase_Sonova_September_New.pdf) are incorporated into development and supply agreements. All suppliers must certify in written form that they will comply with these standards and principles in all of their Sonova-related dealings, activities, products.

Risk assessments

Human Rights Risk Assessments ("HRRA") are conducted on a regular basis at Group level. The first one was conducted in 2020 and led to the identification of salient issues based on their scale, scope, and remediability. In November 2022 Sonova conducted its second human rights risk assessment building on the first and led to a reassessment of the salient human rights issues which include forced and child labour. In 2023, Sonova instituted a new human rights risk registry based on the human rights risk assessments conducted in 2020 and 2022. This is a useful internal tool to systematically address and monitor risk-based measures to prevent or mitigate risks of forced or child labour. During the 2025/26 Financial Year, Sonova initiated a comprehensive renewal of the HRRA. The project considers emerging risks across our global value chain and all Business Units. It encompasses a remapping of Sonova's value chains, interviews with internal stakeholders, a systematic assessment of human rights risks, and workshops with relevant stakeholders to validate the findings and discuss proposed corrective actions. The project is scheduled to conclude in the first half of the 2026/27 financial year.

Social audits

The Sonova Group conducts yearly social audits of its activities covering forced and child labour. During Financial Year 2025/26, the social audit was conducted at Sonova's distribution center in Erfurt, Germany, and was performed by independent auditors: members of the Association of Professional Social Compliance Auditors (APSCA). The audit, which was based on international standards, local regulations, and our internal policies, consisted in an evaluation of the workplace conditions via on-site confidential interviews with employees, documentation review, physical observations, and management interviews. The assessment also included an additional human

rights due diligence module to ensure proper local dissemination of policies and processes. On site, the auditors observed a good level of local dissemination of Sonova's human rights framework, including its policies, risk assessments, and training, and confirmed the effectiveness of our grievance mechanism, SpeakUp. The facility was assessed as performing well in the areas of labor and human rights; there were no findings related to child labour, forced labour, discrimination, or freedom of association. Only minor recommendations on wages and benefits were provided to the local management. In terms of health, safety, and the environment, the facility was assessed as well-performing, although minor findings were identified (with recommended improvements) in relation to safety, and environmental inspections and training.

As for suppliers, remote audits are conducted with a risk-based approach to ensure they abide by Sonova's principles notably with regards to policies and actions on forced and child labour. This monitoring of suppliers through an ESG platform, Ecovadis, allows for the implementation of corrective action plans which cover forced and child labour topics if needed. Through another third-party platform, suppliers undergo ongoing monitoring which allows to alleviate any risks of forced or child labour.

Grievance mechanism

Finally, the reporting entity has access to SpeakUp (<https://www.sonova.com/en/code-of-conduct>), a whistleblowing and compliance hotline which serves as a grievance mechanism for all employees and other stakeholders, and allows for the identification of potential uses of child or forced labour and remediation.

Sonova strongly encourages every employee, contractor, supplier, or other stakeholder who knows of or suspects a violation of applicable laws, regulations, the Code of Conduct, the Human Rights Policy, the Supplier Code of Conduct, or other policies, to report it through the SpeakUp platform. To further support the culture of SpeakUp, Sonova issued a SpeakUp policy in April 2023, which was included in the annual Code of Conduct training for all employees. In addition, communication campaigns were launched within individual Sonova Group Companies. The SpeakUp platform is operated by an independent third-party provider and safeguards the anonymity of the reporter. Employees may report a concern to their line manager, their local HR function, a compliance manager, or directly via the SpeakUp platform. Employees, third parties or other external business partners can report a concern either by phone or via a secure website. Relevant phone numbers and websites are listed within the Code of Conduct, on the Sonova employee intranet as well as on the SpeakUp platform webpage. Sonova has a defined escalation process to handle and report SpeakUp complaints. The complaints are classified according to their impact (global/local) and/or the implicated person. The escalation process includes the handling of local matters by local management under the guidance and oversight of the Global Compliance team. All matters with global impact (both in severity and/or where senior members of management are implicated) are investigated by the Global Compliance team which reports directly to the Board of Directors and the Audit Committee. Sonova's SpeakUp platform and process are compliant with the EU Whistleblower directive and have been audited and verified by external auditors.

Sonova does not tolerate any form of retaliatory action against any employee who, in good faith, reports suspected wrongdoing, or complains about violations of the Code of Conduct or other internal policies. The Audit Committee of the Board of Directors is informed quarterly about concerns received through the SpeakUp process, the number and types of cases, and the measures taken. SpeakUp statistics are published on Sonova's internal platforms to increase trust and assure employees that their concerns are addressed in a timely manner.

During Financial Year 2025/26, no cases of forced or child labour were reported within the Sonova group including within the reporting entity.

3. Risks identified, assessment and management of risks

At Sonova, risks are mostly identified and assessed at Group level rather than at the entity level for the moment.

All human rights issues are treated with equal rigor, but Sonova's human rights risk assessments assign priority to those rights that could be most salient to its business. Sonova prioritizes human rights issues based on their scale, scope, and remediability, and recognizes that negative impacts on human rights may be particularly severe for some people due to their vulnerability or marginalization. The severity of impacts can evolve over time; human rights risks are therefore regularly reevaluated through stakeholder dialog and assessments. In November 2022 Sonova conducted its second high-level human rights risk assessment, building on the first from 2020. It was led by a cross-functional working group, supported by external business and human rights experts. The assessment covered the global value chain and ranked potential human rights issues based on the severity of the risk to potentially affected people. The initial risk assessment in 2020 used a range of methods, including value chain mapping, issue mapping, consultations and interviews, desk research, and internal workshops. In 2022, the assessment methods included desk research and internal workshops along with a reassessment of the salient human rights issues including child labour as well as modern slavery and forced labour. The overall list of salient issues remained as such, despite the enlargement of the business and an unsettled geopolitical environment. A new human rights risk registry was however instituted and includes detailed information on the severity of each issue (based on scale, scope, and remediability), its likelihood of occurrence, and Sonova's ability to influence it.

In mapping risks for Sonova's own operations and supply chain, Sonova considered how it could directly cause or contribute to forced or child labour or be directly linked to it through the actions of a third party in its supply chain. For this, the first step was to adopt a holistic approach and observe other potential impacts, focusing on general country and industry risks.

Sonova identified that child labour and forced labour could be linked to a wide range of interrelated human rights issues such as: the rights of protection for the child, right to a family life, right to education, right to enjoy just and favourable conditions of work, right to social security including social insurance, right to freedom of association, right to health, right to life, right not to be subjected to slavery, servitude or forced labour, right to freedom of movement, right to property, right to adequate housing, right to the security of the person, right to freedom from cruel, inhuman and degrading treatment, right to an adequate standard of living, rights of minorities, right to equality before the law, equal protection of the law, and rights of non-discrimination.

The research revealed the following potential forced and child labour risks within the global supply chain:

- Raw materials extraction: Besides the geographical aspect (conflict/high-risk areas), extractive activities are labour-intensive and typically employ a significant number of low-skilled workers (migrants or children) that may more likely be victims of forced labour.
- Components manufacturing: Risk of forced and child labour that is present in some component-producing countries.

- End of life: Waste management (in particular, e-waste) is a labour-intensive sector often performed in the informal economy by poor and marginalized workers (i.e. migrants, urban poor, children). These categories of workers are more likely to be forced to work.
- Transportation & logistics: This sector can reveal the following potential risks: Excessive recruitment fees, lack of formal contracts, restrictions to workers' freedom of movement, debt bondage, cash deposit and document confiscation.

Human rights violations, such as forced or child labour, are most likely to occur during the extraction and sourcing of raw materials. As Sonova does not directly engage in these activities, the risk of modern slavery is considered to be higher within the upstream supply chain than in Sonova's own operations. These risks are addressed through robust and responsible supply chain management.

In contrast, risks associated with component manufacturing, transportation, and logistics managed by Sonova-owned facilities are actively minimized. This is achieved through the application of the highest standards, along with social audits and compliance reviews.

4. Business Partner Due Diligence

In parallel to the above, Sonova has implemented a Business Partner Due Diligence ("BPDD") process to ensure that risks related to sanctions, corruption, and human rights are minimized both at the upstream (suppliers) and downstream (distributors) levels of the value chain. This is a mandatory process which depends on an internal policy applicable to all employees wishing to onboard business partners and is performed through a third-party platform. The due diligence screenings which are conducted on business partners include sanctions, watch lists, Politically Exposed Persons, and adverse media sweeps which allows to uncover potential human rights risks such as forced labour or child labour.

In December 2024, Sonova has revised its due diligence process for its upstream business partners to align with new regulations and strengthen its due diligence across the group. All direct suppliers, i.e., from which the supplies are present in the product we sell, and indirect suppliers on a risk-based approach, go through due diligence. A specific human rights risk assessment covering major human rights aspects such as forced labour, child labour, and decent wages is also performed as part of this process. As per the BPDD process, any potential suppliers with high forced labour or child labour risks or impacts are declined at the vetting step, and risks detected through ongoing monitoring are remediated.

5. Measures taken to remediate any forced labour or child labour risks

The reporting entity has not yet assessed at the local level if its activities and supply chains carry a risk of forced labour or child labour being used. Therefore, no measure has been directly taken by the reporting entity to remediate any forced or child labour risks.

Moreover, the reporting entity has judged that vulnerable families have not experienced loss of income as a result of any steps taken to eliminate forced labour or child labour risks, therefore no measures have been taken in this area.

Nevertheless, the Human Rights Due Diligence process developed at Group level (see section 2) includes remediation measures for instance with the use of the grievance mechanism SpeakUp which may be triggered if a case of forced or child labour arises. Additionally, any such risks or impacts detected through Sonova's social audits would be remediated through corrective action with local management teams.

6. Training

Sonova has implemented since 2022 an online training on the Group's Code of Conduct which is mandatory for all employees, including those of the reporting entity. The training was developed by an external company in close collaboration with Sonova and contains interactive modules and questions to ensure the topics are well understood. It notably focuses on promoting ethical behaviour and preventing discrimination and employees are required to acknowledge and abide by the Human Rights Policy as well as the SpeakUp policy which contain the prevention of forced and child labour.

The 2025/2026 session of the Code of Conduct training also focused particularly on modern slavery. Employees were informed about the warning signs of human rights and modern slavery violations in the supply chain to identify and prevent such cases from occurring.

The Code of Conduct training is usually completed by all employees in a timely manner. For instance, in 2025/26, the reporting entity reached 100% of completion rate for this training.

Employees who are involved in procurement activity and responsible for due diligence also follow a specific training on how to conduct due diligence which includes human rights due diligence and modern slavery topics.

During Financial Year 2025/2026, Group Compliance also launched a targetted human rights training specifically designed for procurement professionals as a high-risk function. This optional training was open to all employees from headquarters and locally (including the reporting entity) involved in sourcing of goods or services. This training provides practical guidance on integrating human rights considerations into procurement processes and supplier engagement. The purpose is for attendees to gain an overview of specific human rights risks relevant for procurement and purchasing at Sonova, obtain an understanding of due diligence requirements relating to human rights risks in Sonova's supply chain, learn practical tools for identifying and addressing human rights risks, and explore case studies and best practices.

7. Assessing the effectiveness of actions

Sonova and the reporting entity regularly assess the effectiveness of their actions to prevent forced and child labour. To begin with, the policies related to child and forced labour, namely the Code of Conduct, the Human Rights Policy, and the SpeakUp policy are reviewed regularly to ensure they are up to date. Moreover, the effectiveness of human rights actions is also measured by way of regularly reviewing the risk registry together with the corresponding follow-up actions, by measuring the completion rate for the Code of Conduct trainings, as well as by monitoring the use of the independently operated compliance hotline SpeakUp. Indicators for the latter include total number of cases by topic and number of substantiated cases with follow up action. Furthermore, findings from social audits conducted by third-party/independent auditors are addressed through concrete actions (see section above on "Social audits").

Moreover, in Financial Year 2025/2026, Group Compliance has teamed up with the Internal Audit team to integrate human rights considerations, including on forced labour and child labor, into internal audit activity in a high-risk facility. This initiative further measures compliance with human rights related requirements and Sonova's Human Rights Policy.

8. Acknowledgement

This report is approved by the Board of Directors of the reporting entity on May 14, 2026.

"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 mentioned 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."



Brad Caves
Managing Director
Board of Directors Member
Sonova Canada Inc.

"I have the authority to bind Sonova Canada Inc."



Ali Khan
Director of Finance
Board of Directors Member
Sonova Canada Inc.

"I have the authority to bind Sonova Canada Inc."