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## SONOS Student and Dispatch Worker Standard for Supplier Facilities in the People's Republic of China (PRC)

Version 1.0 / 3.8.2021

### Objective

The objective of this standard is to set minimum requirements for appropriately and ethically managing student and dispatch worker populations at supplier facilities involved in SONOS's manufacturing processes in the People's Republic of China (PRC), including manufacturing SONOS's products, packaging, parts, components, subassemblies, and materials, or that provide services to or on behalf of SONOS.

### Scope and Definitions

All suppliers and supplier facilities located in the PRC that are involved in SONOS's manufacturing processes or in manufacturing SONOS's products, packaging, parts, components, subassemblies, and materials, or that provide services to or on behalf of SONOS.

- An educational institution (referred to as "school") is an institution that offers programs of at least one academic term in length that lead to a certification, degree, or diploma in a career field.
- A student worker is a worker, regardless of age, who is enrolled in a program at an educational institution, and employed by a supplier for an internship that is arranged by the educational institution.
- An internship is work performed by a student worker and arranged by an educational institution.
- Reasonable notice is no more than one-month prior notice, or less if required by applicable laws and regulations, for a worker to voluntarily terminate the employment contract with a supplier.
- A night shift is any work occurring between 10pm-6am or the established night period defined by the factory.
- A private employment agency (PEA) is a private service enterprise, including sub-agents, carrying out, under contract and in exchange for financial compensation, operations on behalf of individuals or enterprises, whose role is to facilitate or expedite access to employment or career progression by filling employment vacancies.

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- A dispatch worker is considered any person placed on-site for work through a PEA and without a direct labor contract with the supplier or supplier facility.
- A student internship agreement is a tri-party agreement between the student, supplier, and school.

The information contained herein is subject to change without notice. This is an uncontrolled copy when in printed form.

## **Policy**

While we recognize that there are different legal and cultural environments in which suppliers operate throughout the PRC, this policy sets forth minimum requirements related to the use of student and dispatch workers that all suppliers operating facilities in the PRC must meet in doing business with SONOS.

SONOS encourages suppliers to hire full-time direct labor to meet on-going capacity requirements.

Suppliers shall have sound management systems in place to monitor the sponsoring school and PEA through which student and dispatched workers are placed to ensure work is voluntary and that appropriate remuneration and social insurance is in place.

Suppliers must comply with all applicable national and local labor laws as well as the SONOS Supplier Code of Conduct. Where national or local labor laws and/or guidelines are more stringent than the requirements in this standard, the supplier shall follow those national or local requirements.

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## **A. Student Workers**

1. All work must be voluntary, and student workers shall be free to discontinue an internship, whether or not the term is complete, upon reasonable notice, without impact to their ability to find alternative student work opportunities and/or internships to achieve their school degree and without financial penalty such as paying back recruitment fee, education fee, fine, or any other penalty for early termination of the internship agreement.
2. Suppliers shall not allow the use of student workers younger than 16 years of age and may not use secondary vocational school students who are in their first year. If local requirements have a higher minimum age for student workers (for example: 18 years of age), the facility shall follow those guidelines.

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3. No more than 20% of the direct labor supporting the manufacturing of SONOS products, packaging, parts, components, subassemblies and materials at any given facility should be comprised of student workers at any point in time.
4. Student workers shall not work more than 8 hours per day or 40 hours per week (in other words: no overtime). In addition, student workers shall not be permitted to work a night shift.
5. Student workers should be paid at least the same rate as full-time, entry-level workers performing equal or similar tasks. Student workers should be paid directly. No deductions for educational fees shall be permitted. Placement fees shall not be permitted.
6. Student workers shall not be permitted to work in high risk or hazardous environments.
7. A student internship agreement between the sponsoring school, the student worker and the supplier or supplier facility must be in place prior to the student worker beginning work at a facility. The agreement must include, at the minimum, the student internship agreement terms in Appendix A.
8. Suppliers shall ensure that the student worker receives and understands a copy of the student internship agreement prior to performing work at the supplier's facility.
9. Suppliers may not recruit student workers through PEAs. PEAs shall not be permitted in the hiring, management of internships, or employment of student workers.
10. Student workers should only engage in work activities that complement the primary degree they seek.
11. The supplier shall maintain the legally required insurance to cover student workers, including, but not limited to accidental injury insurance.
12. The accumulated length of a student worker's internship or internships at a given supplier facility shall be no longer than one year. The internship shall not exceed the limit regulated by applicable laws and regulations or 1 year, whichever is shorter.
13. Student workers shall have access to grievance mechanisms with specific communication and response procedures for student workers. Student workers shall be able to openly communicate and share grievances with management

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regarding working conditions and management practices without fear of reprisal, intimidation or harassment.

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## **B. Dispatch Workers**

1. All work must be voluntary, and dispatch workers shall be free to discontinue the contractual service term, whether or not the term is complete, upon reasonable notice, and without financial penalty unless otherwise allowed by laws and regulations.
2. Dispatch workers shall only be used for temporary, auxiliary, or substitute job positions:
  - a. “Temporary” means a position with a maximum duration of 6 months;
  - b. “Auxiliary” means a position that is not engaged in the principal business of the supplier; and
  - c. “Substitute” means a position that replaces another employee who is absent for a defined period of time due to off-the-job study, leave or other reasons.
3. The supplier must ensure that it or the PEA, if applicable, provides appropriate remuneration and social insurance as required by applicable labor laws. Dispatch workers should be paid at a similar rate as full time, entry-level workers with similar skills and experience that are performing equal or similar tasks.
4. Dispatch workers should not be used as a primary source of direct labor in roles related to the principal business of the supplier. Suppliers shall comply with all applicable national and local labor laws related to the volume of dispatch workers used in operations at any given time.
5. Dispatch workers shall have access to grievance mechanisms and be able to openly communicate and share grievances with management regarding working conditions and management practices without fear of reprisal, intimidation or harassment.

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## REFERENCE

SONOS Supplier Code of Conduct (2021)

<https://investors.sonos.com/corporate-social-responsibility/>

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## APPENDIX A: Student Internship Agreements

Agreement Terms: The agreement shall stipulate, at a minimum:

1. All terms required by applicable laws and regulations.
2. Student worker's full name.
3. Emergency contact information.
4. The name and address of the school.
5. The name and address of the supplier.
6. Responsible individual for the student worker on behalf of the school (if applicable).
7. Responsible individual of the student worker on behalf of the supplier.
8. Work start and end dates.
9. Living conditions.
10. Wages and benefits.
11. Costs (if any) for meals and accommodation.
12. Working hours.
13. Nature of work and place where it will be performed.
14. Agreement termination/resignation procedures and terms.
15. Insurance coverage.
16. Education and training to be provided by the school (if applicable).
17. Education and training to be provided by the supplier.

### DOCUMENT HISTORY

Version, Date	Brief Description of change
1.0, 8 March -2021	Initial release