

Listen Better Report

sonos

2020 Corporate Social Responsibility
and Sustainability at Sonos

The dramatic social challenges of 2020 compelled us to shift our responsibility program. We began by listening to our employees, customers, nonprofits, community members, investors and experts to understand what matters to them.

We learned transparency, a long-standing cultural behavior at Sonos, is crucial because it is the essential first step on the path to action. In our 2020 Listen Better Report, we share what we do well and what we must do better.

We are using this moment to restate our commitment to making a lasting positive impact on society and improving our relationship with people and the planet.



A Message from Patrick



PHOTO CREDIT: DOUGLAS LEVY / SONOS / ZUMIX

In the eight years I've had the privilege of being a part of Sonos, I've learned that our customers expect innovative products that enable them to listen better. But great products alone are not enough. Our customers expect us also to make a positive impact on society, to act as responsible stewards of the communities we participate in and the environment we inhabit. Our approach has always centered around listening to those communities — our employees, our customers and the communities we live in. To Listen Better is implicit in our mission. Respect, transparency, ownership and collaboration are core to our values. The unprecedented upheaval of 2020 has only emphasized the importance of these values to our business.

We did not have to debate our priorities when the COVID-19 pandemic took hold. Protecting our employees and their families was our first concern. We immediately made arrangements for our employees to work remotely, supporting them with wellness opportunities and connectivity to improve their home work environments. We also provide 10 hours of Care Time for all our employees each week so that they can support their families or find restorative ways to remain safe and engaged. For the relatively small number of employees who need access to equipment that cannot be taken off-site, we have enhanced the sanitization of our offices and laboratories using CDC standard protocols. We anticipate the pandemic will continue impacting the safety of workplaces during 2021 and we will not be asking employees to return before it is entirely safe to do so.

In support of our communities, our product team immediately stepped up to repurpose our 3D printers and laser cutters to prototype and produce 30,000 face shields that we distributed to hospitals, clinics and nonprofit partners. Notably, this effort was inspired by a local charity led by high school students in Ventura, California called STEMbassadors. I am moved by how the whole Sonos team has responded to the pandemic, with flexibility, creativity and above all, positivity. I am deeply grateful to everyone involved in this effort.

The other shock of 2020 was the brutal killing of George Floyd by Minneapolis police officers and the many other senseless acts of violence against the Black community. The impact of this act ricocheted through the U.S. and beyond, casting a harsh light on racism in all its forms. We have reflected deeply as a company on what we can do to be part of the solution, which must start with our workforce.

Like many tech companies, our Black representation is not where it should be. During 2021, we will continue to reform our hiring, inclusion and transparency practices to begin to close our gap in representation across all underrepresented groups, including employees who identify as women, LGBT and LatinX. It will not be an immediate fix and we are prepared to confront uncomfortable situations to make Sonos as inclusive as I believe we all truly wish it to be. In the wider community, we match-funded our employees' contribution to the Emergency Fund for Racial Justice, a non-profit supporting community-based and Black-led organizations advocating for racial justice.

Sonos Soundwaves, our social impact program, continued its vital work to bring music education to children in under-served communities. With many kids home from school, our partner organizations have done an amazing job continuing their work through online sessions and socially distanced music lessons.

While social issues have dominated in 2020, the environment remains front and center. We witnessed the real impact of human-created climate change through devastating wildfires in California and Victoria, Australia, two locations where we have offices. We continue to build sustainability into our product and packaging, and this year we created our product lifecycle principles to guide how we support and take back our products at their end of use. We're also reducing the impact of our operations by investing in renewable and low-carbon energy.

Looking ahead, I am optimistic for our company and for society at large. Collectively we have the resilience, ingenuity and common purpose to prevail over these challenges and emerge stronger, fairer, safer and more sustainable.

Patrick Spence

Chief Executive Officer, Sonos

We've always been inspired by knowing that music can improve lives — that's what we aim to deliver for our customers. We're also acutely aware that our products have an impact on society and the environment. Our approach to responsibility is to deliver the best possible products with minimal environmental impact and maximum benefit to society.

We determine our priority responsibility issues and how to address them by seeking feedback from stakeholders and leading industry experts. We organize our issues under five pillars, shared on the next page. We engage leadership on our responsibility performance and progress and report regularly to our Board of Directors.

We welcome input on our responsibility program and this report. Please send feedback to Csr@sonos.com.



Contents



Our Products & Experiences

Sonos builds premium sound experiences. To us, premium also means responsible. We develop our products and packaging to minimize environmental impact and we respect and protect our customers' privacy.



Product Longevity

APPROACH

One of the most significant ways we can reduce our environmental impact is by making products that last. Designing for longevity means focusing on the hardware and software of our products. We use quality components and materials to make our products robust and durable. In addition to physical longevity, we pledge to keep product software updated with bug fixes and security patches for many years after they have been released.

We have engaged widely about reasonable expectations for longevity, updatability and end-of-life solutions. Our approach is set out in our [product lifecycle principles](#), which we'll build on over time as we continue to listen and learn.

PERFORMANCE

Although no product can last forever, we will continue to innovate so our speakers stay in use for a long time.

Product longevity can often be extended if the design allows individual components to be easily replaced. In 2019, we launched Move, our portable Bluetooth speaker, built to accommodate a replaceable battery. This makes it easy for customers to replace and recycle the battery at the end of its life instead of replacing the entire speaker.

We also aim to repair products returned under warranty. When a product is returned due to a minor defect, like chipped paint, we repair it to look like new. In 2020, we used refurbished products to fulfill 56% of our warranty claims — keeping these speakers in use longer.

When it's time for a customer to retire a product, we provide information about environmentally responsible recycling solutions. These options are available on our [website](#).



CASE STUDY

Our product lifecycle principles

The longevity of Sonos internet-connected devices is determined by both hardware and software. Older hardware including memory chips, radio antenna and processors may struggle to keep up with advances in streaming content services. Cloud-based platforms like voice assistants and new software solutions that better protect the privacy or security of our customers may increase demands on memory.

When we face such difficult choices, we want to make responsible decisions. To help us make those decisions we developed lifecycle principles which we'll refine over time as we continue to listen and learn from stakeholders.



Idle Power

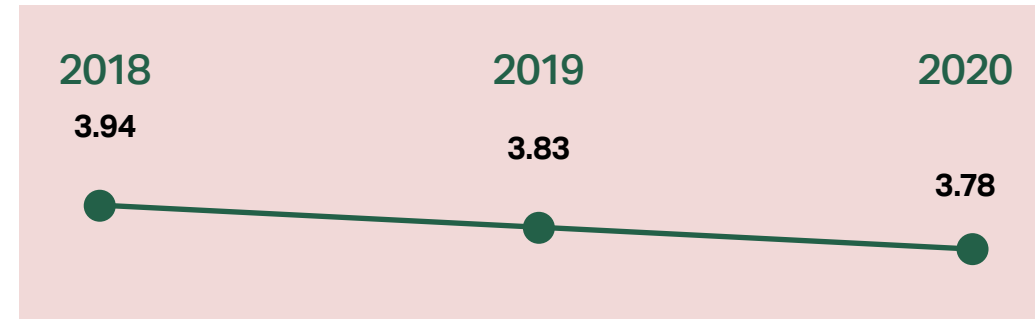
APPROACH

We design our products to deliver the best sound with the smallest environmental impact — this includes energy consumption. Specifically, we're focused on reducing our speakers' idle power, which is the energy consumed when a speaker is connected, but not in use. We look for opportunities in our hardware and software to achieve reductions in idle power across our product portfolio.

PERFORMANCE

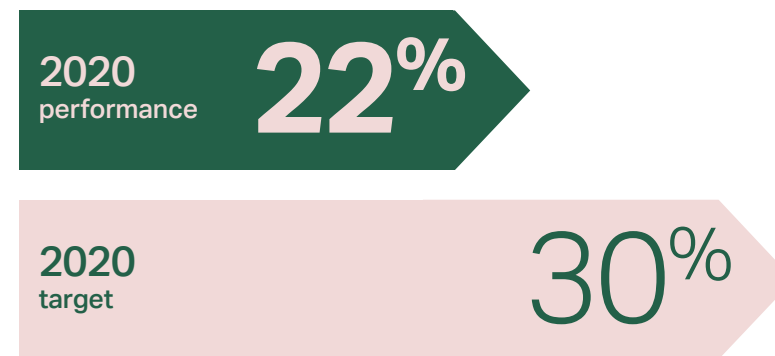
In 2020, we achieved a 22% reduction in idle power across our product portfolio compared to our 2013 baseline, falling below our 2020 goal of 30%. Although we continue to replace old hardware components, like radio and processor platforms, with more efficient technology, the primary reason we fell short of our target was because we're also adding essential features like voice control which increase idle power.

In 2021, we will set a new goal for 2025, taking into account anticipated product innovations. We will also amend our metric to be weighted for sales of each model in our product range.



Average idle power across our product portfolio (watts)

GOALS



Reduction in idle power



CASE STUDY

Making moves toward efficiency

Sonos is more than a speaker. It's a powerful system that combines hardware and software to bring the breadth of music and sound from the internet directly into your home.

Our team of hardware and software experts work to make our products technologically advanced while reducing the amount of power they consume. In 2020, we increased the efficiency of our soundbar, Beam, through software adjustments. As a result, we reduced Beam's idle power by 16%, from 5.8 to 5.0 watts. We also applied this upgrade to Arc, our newest soundbar, resulting in even lower idle power for a much more capable device.

Efficiency is incredibly important for products that have limited power sources, such as batteries. Move is our first portable speaker and runs off a rechargeable battery. Following upgrades made to its software, the efficiencies extended Move's battery life by a full hour, giving customers 10% longer listening time than before.

Photo: Beam



Packaging

APPROACH

We work to meet the expectations of informed, environmentally conscious customers with packaging that delivers a premium unboxing experience sustainably. Our new designs use fewer and better materials without compromising quality.

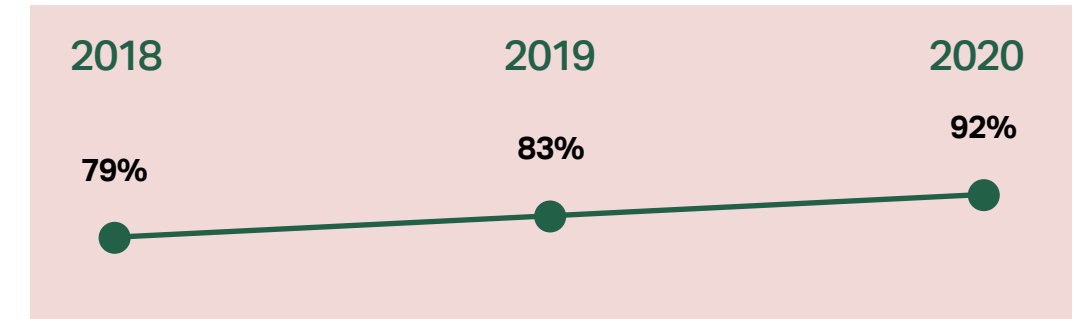
PERFORMANCE

We aim to source sustainable paper for our packaging products. This means the paper is either made from post consumer recycled (PCR) content or from recycled plant-based fibers. In 2020, we achieved 92% sustainably sourced packaging paper for our speakers, surpassing our 2020 goal of 85%.

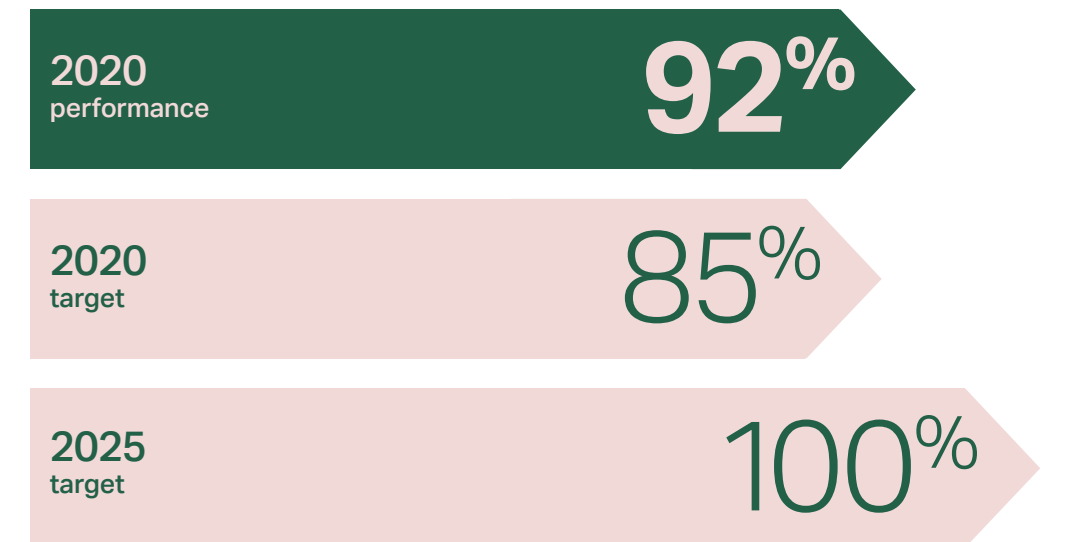
During the year, we designed packaging for our new soundbar, Arc. As one of our largest products, the size and weight requires robust packaging for protection. To avoid the conventional packaging approach of using foam, we developed a PCR fiber-based cushion that provided the necessary protection. We then applied this change to our other soundbar, Beam. Using the pulp solution in place of foam reduced our use of plastic and reduced the size of the packaging. We can now fit an extra 16 Beams per pallet, increasing the efficiency of product transportation.

We further reduced our use of plastics by removing select single use plastic components for the Sonos Five, one of our most popular speakers, replacing with corrugated paper.

In 2021, we will explore sustainability certifications for our paper-based packaging materials. We will also refresh our packaging specification for new products to use sustainable paper and less plastic.



Paper in product packaging that is sustainably sourced



Paper in product packaging that is sustainably sourced

Privacy

APPROACH

We respect our customers' privacy and only use their data to enhance their sound experience. Our approach to privacy is described in our Privacy Statement, which builds on our Privacy Principles (right).

We're responsible for safeguarding our customers' data. Each year thousands of companies, including Sonos, receive requests from government authorities for customer information for use in civil or criminal proceedings or following the theft of a product. When an authority requests data, we require they submit a formal written request, such as a warrant, before we determine if we will share information.

Privacy is an ever-evolving issue that cannot be tackled alone. We're active members of the International Association of Privacy Professionals, the world's largest and most comprehensive global information privacy community.

We welcome and encourage feedback on our security practices. Through our [Security Researcher Recognition](#) program, we recognize individuals who have discovered a vulnerability in our website, services, apps, or players.

PERFORMANCE

In 2020, we updated our Privacy Statement to include requirements for the California Privacy Act. We also added a statement regarding the new Sonos Radio experience. We informed customers that radio data will be used to improve their listening experience by delivering relevant ads, and this information will not be shared outside of Sonos Radio.

During the year we received 43 lawful requests from law enforcement agencies in the U.S. and Europe which were all granted. Every request was related to a stolen product and most requests were first initiated by customers trying to recover their products.

SONOS PRIVACY PRINCIPLES

We use data to serve our listeners.

We put the listener first, using data to provide incredible sound experiences. Nothing more. Nothing less.

We provide meaningful choices that are easy to understand.

We clearly present information to listeners at the right moment, allowing them to make effective choices.

We collect only what we need.

We believe data decays and loses value over time, so we delete it once it is no longer useful.

We protect the data of our listeners as if it were our own.

We continually seek to improve the security of listener data.

Our Supply Chain

Our supply chain is a part of who we are. The way we select our suppliers and the relationship we forge with them reflects our social and environmental principles. Our supplier partnerships are based on mutual understanding of our standards, transparency and a willingness to improve. This includes protecting and respecting the workers who make our products and reducing the environmental impact of product manufacturing.



Supply Chain

APPROACH

We communicate our social and environmental requirements with our suppliers through our Supplier Code of Conduct. We based our Code on standards set by the Responsible Business Alliance, a leading expert organization on electronics supply chain responsibility.

Our internal teams confirm compliance with our Code through in-person audits. Our main focus is on our key suppliers, representing 80% of our supply chain spend.

When an instance of noncompliance is identified during an audit, we work with our suppliers to correct it. Our aim is to maintain relationships with them that will lead to long-term improvements in their social and environmental practices. In rare cases, when a supplier does not correct a noncompliance, we will terminate our business with them.

PERFORMANCE

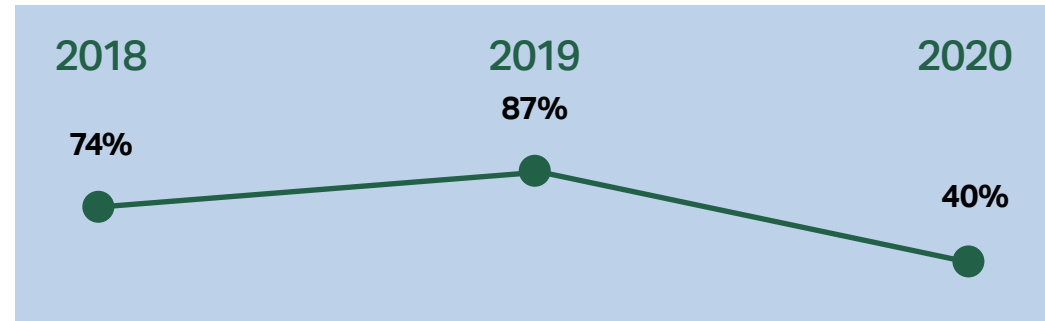
Our ability to conduct audits was significantly reduced during 2020 due to COVID-19 restrictions. We performed audits for approximately half the year, reaching 40% of our key suppliers. Recognizing that this falls short of our 2020 target of 90%, we are expanding our auditing capabilities in 2021 by bringing on a third-party partner. With this extra resource we will be in line to meet our 2025 goal of auditing 100% of our key suppliers annually once the restrictions imposed by the pandemic are relaxed. In 2021, we will also begin unannounced audits to ensure accountability amongst key suppliers.

Across our 2020 audits, most nonconformances identified were industrial hygiene issues such as providing proper protective equipment when using machinery. This was followed by chemical and hazardous material management and working hours. We categorize our nonconformances as minor, major and critical. If a critical issue is identified, we stop work with that supplier until they come into compliance. In 2020, our audits revealed 124 minor issues, 153 major and two critical. By the end of 2020, all critical issues and more than 90% of the major and minor issues were corrected.

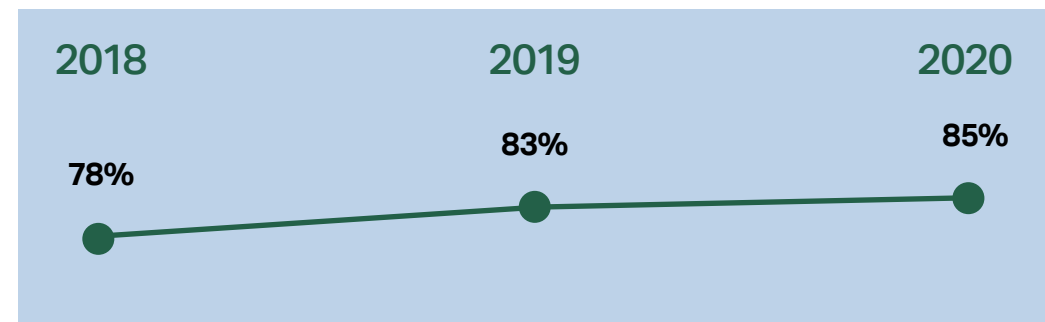
Of the critical and major issues identified, 85% have been closed within the target time, meeting our 2020 goal.



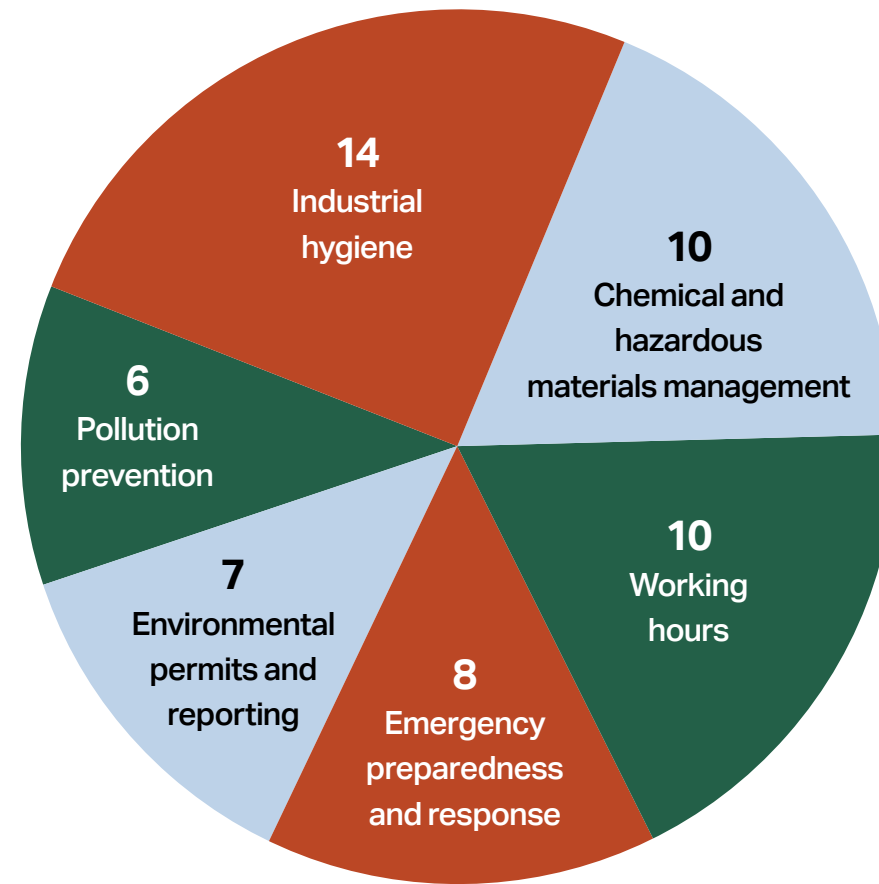
SUPPLY CHAIN



Key supplier factories audited annually

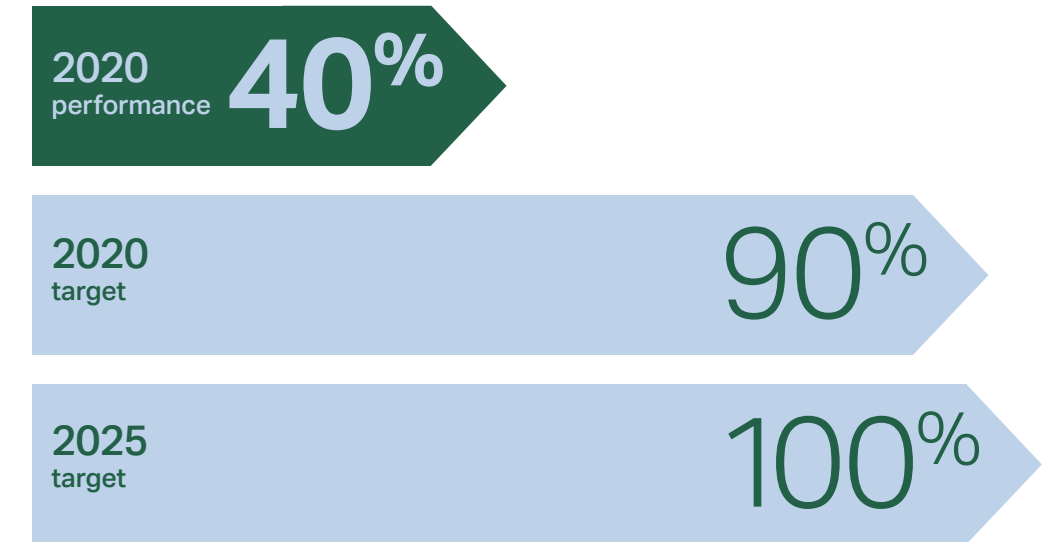


Critical and major issues closed within target time

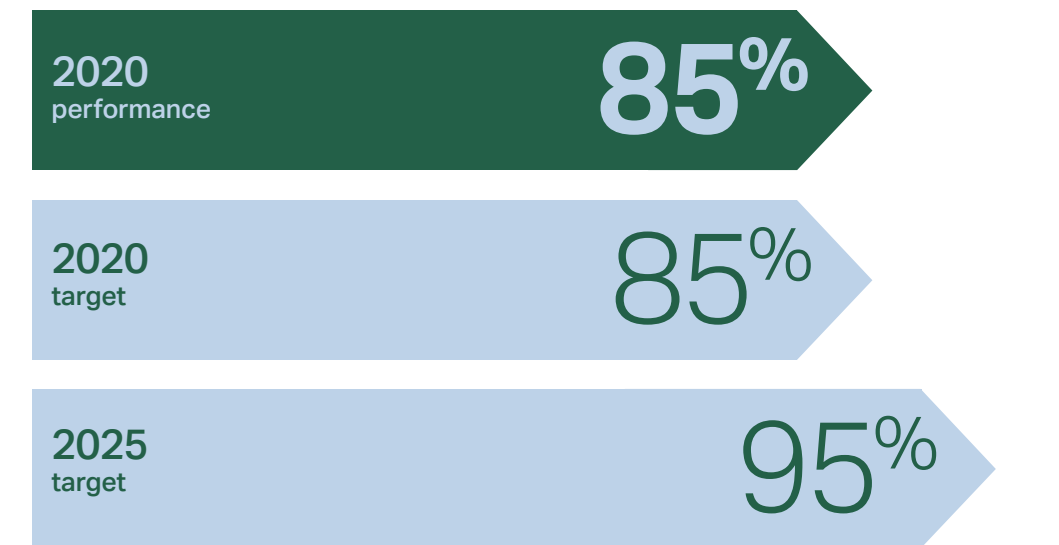


Number of instances of the top nonconformances in 2020

GOALS



Key supplier factories audited annually



Critical and major issues closed within target time

Our Operations

Offices are more than buildings. They set the stage for our work and collaboration and are physical expressions of our values. That's why we place great emphasis on the design of our offices, to be places full of creative energy and at the same time showcases for environmental sustainability.



Facilities

APPROACH

Amid COVID-19, our employees around the world quickly adapted to working remotely. We don't know for certain what the workplace will look like after the pandemic, but we're taking this time to re-envision our real estate with a dual focus on safety and efficiency.

Most of our offices are in shared buildings where the landlord is responsible for utilities and efficiency upgrades. We engage our landlords on sustainability issues to encourage improvement and implement local sustainability initiatives. Where possible, we choose **LEED certified** buildings for our offices. In locations where we are the sole occupant, we identify opportunities to reduce our impact and action them with a combination of technology and employee support. In all locations, we engage our employees in sustainability initiatives, from conserving energy to reducing waste.

PERFORMANCE

In 2020, we continued our strategy of purchasing carbon offsets to neutralize the greenhouse gas emissions from our facilities' energy use, achieving carbon neutral operations for the third year in a row. With COVID-19 changing the way we work and reducing the number of people in our offices, our emissions were down 45% to 2,380 metric tons in 2020.

Under normal work conditions, each office implements local activities to engage employees and reduce the footprint of their day-to-day operations. For example, to help mitigate the impact of employee commuting, our offices are equipped with bike fleets and lockers. Prior to the pandemic, we introduced reusable dishware to reduce waste. To keep our on-site employees safe during COVID-19, we've temporarily replaced these reusables with compostable or recyclable single-use alternatives.

Employee safety is our top priority. We look forward to getting back in our offices but only when it is safe to do so. In the meantime, we are looking at our global operational footprint to identify areas for efficiency. Like our Santa Barbara offices which, starting in early 2021, will transition to 100% renewable electricity.



A Q&A with our Director of Policy and Corporate Social Responsibility



PHOTO OF DEJI OLUKOTUN TAKEN BY BAYO OLUKOTUN, COURTESY OF URBAN ARTS PARTNERSHIP

Deji Olukotun has spent much of his career thinking about what social justice and corporate responsibility mean in the digital age. He led campaigns on free expression in the digital age and advocated on a variety of cutting edge technology issues, such as privacy, government surveillance, artificial intelligence and net neutrality. At Sonos, Deji has been instrumental in building our philanthropic giving as well as leading our public policy work on topics like antitrust and privacy. We spoke with him to discuss his vision of corporate social responsibility at Sonos and how the company can make a positive impact on the world.

When you started in the position of Corporate Social Responsibility lead, what were the big-ticket items you identified to take forward at Sonos?

I want to build excitement within the organization about why corporate responsibility matters and bring more of our talented employees along for our journey. There are a lot of sustainability “heroes” within the company who need support for their efforts, and I aim to be their cheerleader and champion. At the same time, we want to make our sustainability work easier for our customers to understand and for our investors to track, so we’re beefing up our report and website this year with easily accessible information. There are areas where my background as an attorney helps, such as staying ahead of important new regulations and legislation. We’ll also be diving into how we think about the lifecycle of our products, deepening our commitment to privacy, and strengthening audits of our supply chain — particularly unannounced audits so that we can keep our suppliers accountable for how they treat their employees.

2020 has been a whirlwind, to say the least. How have recent events reshaped your agenda?

It’s a year we’ll always remember. I joined Sonos as our lead on social impact, so we already had done some deep thinking about how we could give back as a company with our focus on

youth music education. This year, we rallied our product teams to build face shields, provided a grant to the Emergency Fund for Racial Justice after the killing of George Floyd and expanded our initiative to focus on an area that has been close to our hearts for some time — music therapy and music for healing. All the while, we’re asking ourselves: what matters? What can actually make a difference right now in this moment of need? We’ve got some exciting collaborations on the way.

As a member of the Black@ Employee Resource Group, can you share how in practice the group is helping to promote racial equity within Sonos? How do racial justice conversations fit into sustainability?

This is one of the most talented groups of employees I’ve ever worked with – smart, resourceful and committed to action. Together, we developed an action plan with leadership to support Black representation and we’ve had productive conversations across the organization that are leading to meaningful changes, such as making our interview process more inclusive and developing a structured mentorship program. With respect to sustainability, there is growing awareness about climate justice – ensuring folks who are impacted by practices and policies have a seat at the table. We’ll be listening and learning to see how we can contribute to that conversation.

You’re a lawyer, but you also have a background as an award-winning science fiction writer. How does that fit in with your day job?

I’ve had a passion for social justice throughout my career, with a focus on how human rights apply in the digital age. At the same time, growing up on a small farm heightened my awareness of sustainability issues (along with being married to a lifelong sustainability advocate). I believe we all have a right to imagine our own future — and that comes through in my science fiction. Ironically, my first fiction writing class was while I was at Stanford for law school as an add-on elective. Recently, I worked with the National Renewable Energy Laboratory and Arizona State University, where I’m a fellow, to write a fiction piece imagining what renewable energy will look like 35 years from now. It’s a positive vision that I’m hoping we’ll realize one day.

Our Diversity & Inclusion

The ongoing racial justice crisis has laid bare the destructive impact of systemic racism. To address this, changes are necessary at every level of society and within every industry. We know that diverse, high performing teams make us a stronger company and we recognize that we must do better.



SONOS EMPLOYEES SUPPORTING BREAST CANCER AWARENESS

Diversity & Inclusion

APPROACH

When people feel they truly belong, they do their best work. They take creative risks and ordinary teams become high performing teams. Mixing a diversity of thoughts and backgrounds with a culture built on equity and inclusion can produce unparalleled results. It's about recognizing that what makes us different, makes us special and that by harnessing those unique perspectives, we create better products, more innovative solutions and ultimately make Sonos a better place to work.

The events of the past year have highlighted the continuing racial inequities that exist in our society. We recognize that racism is a systemic issue and we need to work harder to address this within our company. We're taking a hard look at our processes and policies with direct input from our many colleagues from underrepresented communities to become an organization that's more representative of our world and the customers we aim to serve.

Through the lens of diversity, equity and inclusion, we're reviewing and revising our opportunities to instill inclusivity across Sonos at every stage of the employee experience.

Inclusive recruitment practices are just the start of the process. Our policies, behaviors, development opportunities and processes must also be intentionally inclusive. Our employee resource groups (ERGs) are an essential part of our approach, providing community and growth opportunities for both the company and individuals. Through our ERGs, we continue to build a culture of allyship at Sonos that encompasses the full spectrum of diversity represented in our global workforce.

Countless studies show that more diverse companies outperform their peers. Diverse teams score better on creativity, problem solving and performance, but more than that, we feel that continuing to ensure Sonos is a welcoming workplace for all is the right thing to do. The joy of music breaks down boundaries and brings people together. At Sonos, we aim to make our culture just as inclusive and unifying, so that we can continue to help the world listen better.

PERFORMANCE

In 2020, 32% of our U.S. employees were from underrepresented ethnic groups, an increase of 2.5% from 2019. Of our new hires, 40% were from underrepresented ethnic groups.

Ethnic diversity is a commitment we aim to uphold at every level of our business. At the end of 2020, 25% of our board members and 15% of director and above positions were held by individuals from underrepresented ethnic groups. This year we signed on to the Board Challenge, a movement to improve the representation of Black directors in corporate U.S. boardrooms. In 2020, one of our 10 Sonos board members is Black.

As of the end of 2020, women accounted for 30% of our global employees, an increase of 3% compared to last year. Among new hires, 41% were women, consistent with the rate in 2019. Among leadership, 38% of our board members and 22% of director and above positions were held by women.

To ensure that we are living up to our commitment to equity, we kicked off our fiscal year 2021 by conducting a wage assessment of our U.S. workforce to identify if any gender or ethnicity pay gaps existed. We found that none of our underrepresented communities were adversely impacted. We believe this result reflects the rigorous way in which we have set up our compensation system to promote fairness and equity as well as the detailed analysis that we conduct each review cycle to check for unintended disparate impact. We will continue to monitor our compensation trends in the future.

DIVERSITY & INCLUSION

We use bias detection tools to make our hiring processes fairer and attract diverse talent. All of our job descriptions go through a bias detection algorithm to ensure the language we use does not dissuade individuals of any background from applying. Beginning in 2021, Sonos hiring managers will receive additional training on recognizing bias in the hiring process.

We are also committed to transparency in our representation. Twice a year we share an in-depth diversity breakdown with our entire workforce to engage employees on our progress.

We extend our inclusive culture to our customers. For example, to celebrate global Pride, our LGBTQ+ ERG, Pride@Sonos, launched Full Spectrum, a limited-edition station on Sonos Radio. The station is representative of the variety of LGBTQ+ experiences, featuring songs and interviews from artists in the LGBTQ+ community and personal stories recorded by Sonos employees.

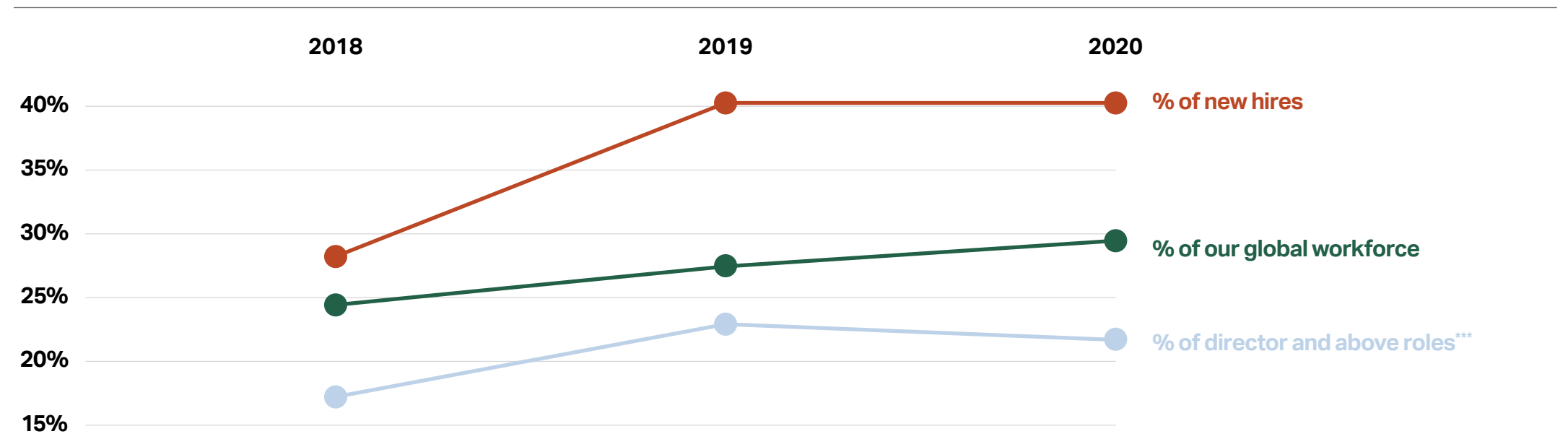
2020 U.S. workforce from underrepresented ethnic groups*

	Asian	Black or African American	Hispanic or Latino	White	Other**
% of U.S. workforce	18.7%	3.4%	6.5%	68.0%	3.5%
% of director and above roles	9.1%	1.7%	3.3%	85.1%	0.8%
% of all other roles	20.6%	3.7%	7.1%	64.6%	4.0%
% of new hires	24.8%	2.9%	7.3%	59.9%	5.1%

* Percentages are based on the more than 70% of our U.S. workforce that disclosed their ethnicity information. We do not include non-disclosed persons in the analysis population. Director and above roles include the highest level individual contributors and managers, VPs and CXOs. All other roles include positions not included in director and above. Percentages may not add up to 100 due to rounding

** Other includes the classifications: Native American or Alaska Native, Native Hawaiian or Pacific Islander and "Two or More Races."

Global female representation at Sonos



*** Director and above roles include the highest level individual contributors and managers, VPs and CXOs.



CASE STUDY

A workplace where everyone's an ally

We want everyone at Sonos to feel safe and seen. By learning about and respecting others' experiences, we become better colleagues and better people. In the wake of global demonstrations over police brutality and systemic racism, we turned our focus to the topic of allyship.

Our Black@Sonos ERG led the way, organizing an online townhall event where employees could share their experiences working in a tech company as people of color, and colleagues could listen and learn. The event was a reminder to all employees of the amount of work we need to do within our company and our industry to combat racial prejudice.

In June 2020, the learning and development team held three online micro learning labs to engage employees on allyship. Over 400 employees attended the live sessions which were saved to our Learning Library. The team also shared a range of helpful resources on racial injustice and privilege via the Learning@ newsletter.

We can all be better allies against injustice simply by listening, learning and being compassionate. We will continue to do the work to ensure every Sonos employee feels supported and understood.

Photo: Members of Sonos Black@ERG

CASE STUDY

This is what an environmental engineer looks like

Women are consistently underrepresented in STEM careers, including engineering. Through our bias detection tools, we aim to support equal opportunities for women at Sonos, just like Emily. Before joining Sonos, Emily received a degree in chemical engineering and worked as an environmental consultant. Emily now works as our environmental compliance specialist, using her background in chemical engineering to ensure our products are safe and sustainable to use. She and her team check that our products comply with global chemical restrictions and energy efficiency standards, and that we fulfill our recycling responsibilities for products, batteries and packaging.

Photo: Emily, Environmental Compliance Specialist at Sonos



Our Social Impact

The world has experienced dramatic upheaval from the global health pandemic and revelations in the racial justice crisis. Like other companies, we faced a choice about how best to give back while society was encountering rapid and unprecedented change.



PHOTO COURTESY OF LEERORKEST

Giving Back

APPROACH

In a year of change and uncertainty, we continued to support our nonprofit partners with financial grants and product donations so they can provide music education to youth in our local communities. We currently have 11 Sonos Soundwaves partner organizations that provide children in need with opportunities to think creatively, raise academic achievement, develop social skills and prepare for successful futures.

This year we have been inspired by the tremendous courage in our communities. The need to heal and build strength has never been greater, with many people experiencing exceptional stress associated with racial injustice and COVID-19 — both of which continue as live issues. In 2020, we evolved our Soundwaves program to include 'Music for Healing and Resilience'. This new group of grantees shares our belief in the power of music to uplift and heal communities.

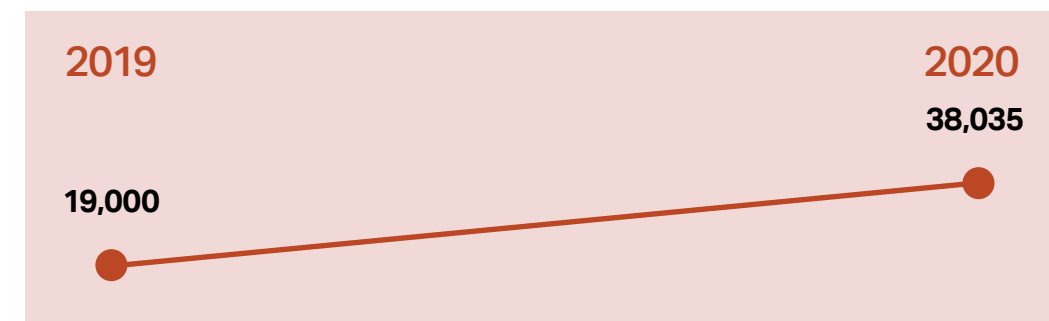
PERFORMANCE

In 2020, we supported more than 38,000 hours of music education, surpassing our 2020 goal of 20,000 hours. During the year, we partnered with nonprofits in five countries offering music education, including one-on-one instruction, choral

lessons, instrument donations, beatmaking, hip-hop workshops and even music in video game design.

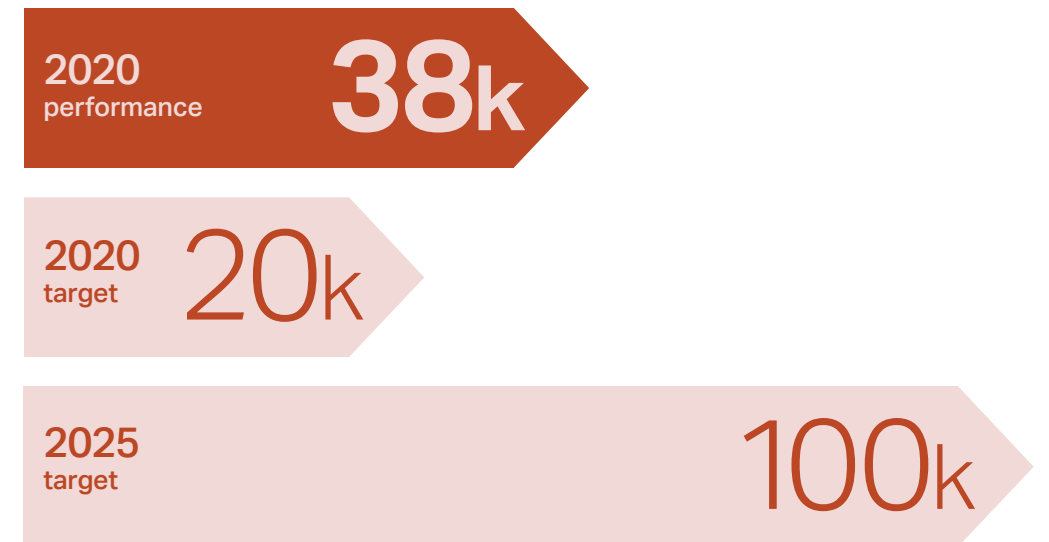
We saw how remote learning due to COVID-19 restrictions was impacting music education and asked our grantees how we could help. Several mentioned that giving virtual music lessons was difficult due to syncing. So, we partnered with Spotify to offer our Soundwaves partners free licenses to Soundtrap, a seamless internet-based recording tool. When in-person musical instruction recommenced, we wanted teachers and students to feel safe, so our team donated face shields built by Sonos and inspired by youth at [STEMbassadors](#).

In December 2020, we dedicated a portion of our sales to provide grants to our Music for Healing and Resilience partners. We also donated advertising slots on our premium content platform, Sonos Radio, inviting nonprofits to share and record their Giving Tuesday messages to our customers. Recipients included our partners like Hush Foundation, who create calming music for children's hospitals and other stressful environments. We also partner with organizations that support the musicians themselves, such as SMASH Seattle, who provide medical care and mental wellness support to Seattle musicians.



Hours of music education*

GOALS



Hours of music education

*Hours are based on self-reporting by our nonprofit partners.

VOLUNTEERING

We encourage our talented employees to reach beyond our business and use their unique skills to make a lasting difference in their communities. We offer 16 hours of paid volunteer time annually so employees can contribute their time and talent to the causes they care about.

Our in-person employee volunteering was largely paused by COVID-19. We also had to cancel our week of caring, our largest annual volunteering event. In previous years, this week was filled with employee volunteering opportunities organized across our global offices.

Employee participation in volunteering dropped to 8% due to the pandemic, falling below our 2020 target of 45%. But even amid COVID-19 restrictions, some employees were still able to give back. They responded to the pandemic by volunteering their time to design and distribute face shields for essential workers and took part in personal initiatives outside of work. During the year, 118 employees logged 1,214 hours of paid volunteer time.

To help our employees continue to give back we are exploring ways to host virtual and socially distanced volunteering events in 2021.



PHOTO COURTESY OF ZUMIX

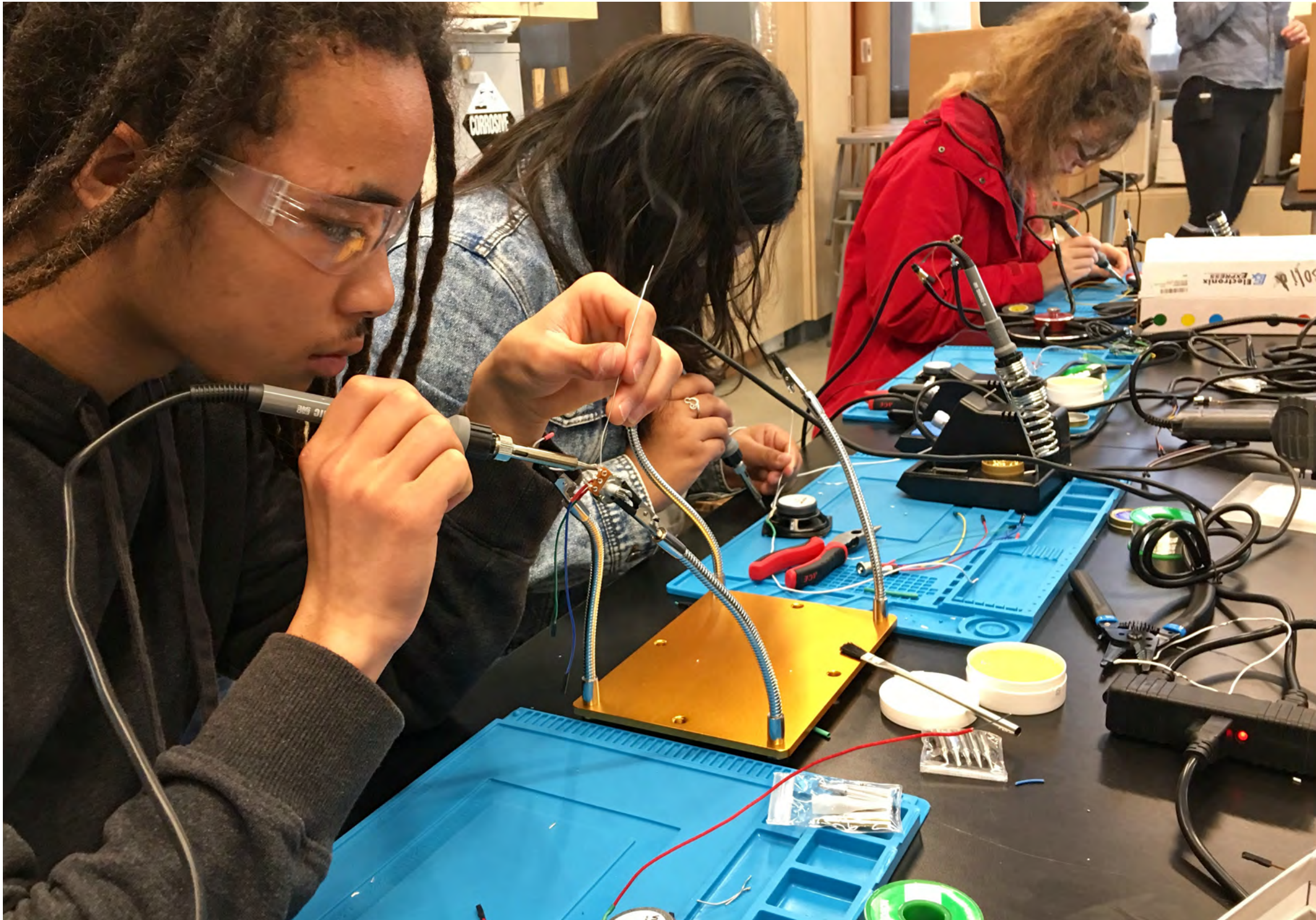


PHOTO COURTESY OF MOXI

CASE STUDY

STEAM workshops by Moxi

Hands-on learning is an exciting way for young people to learn Science, Technology, Education, Arts and Math (STEAM) skills. This year, we supported one of our Soundwaves partners, Moxi: The Wolf Museum of Exploration and Innovation, to develop experiential workshops on sound design. These multipart workshops offer videos and lesson plans for teachers and educators, using a train-the-trainer model. From plunging a tuning fork into water to vibrating a Chladni plate, students learn how to make their own speaker and understand the physics of sound.

Photo: Moxi speaker building workshop.

CASE STUDY

Racial justice

The killing of George Floyd, Ahmaud Arbery, Breonna Taylor and countless others, provoked important conversations about systemic racism in America. At Sonos, this moment sparked dialogue about Black representation within our own company and within the broader tech community. We also felt that our dependence on Black culture to celebrate and market our products — for example, through partnerships with leading Black artists — placed a heightened responsibility on us to act. With support from our Black@Sonos ERG, we contributed to the Emergency Fund for Racial Justice, a donor advised fund created by board members at the nonprofit Color of Change that is designed to advance community-based and Black-led organizations fighting for racial justice. We matched donations from our employees and — through their generosity — Sonos donated more than \$40,000 to the Emergency Fund.



PHOTO: RICHARD CORMAN



CASE STUDY

Employees giving back during COVID-19

With COVID-19 disproportionately impacting disadvantaged communities, it has been more important than ever for us to step up our support for these groups. During this time our employees have continued to work with the organizations we support through Sonos Cares, our volunteer program that connects employees to charities in need.

Employees donated school supplies to disadvantaged youth to help them succeed while working from home. They put together school bags of supplies requested by teachers, including white boards for students to hold up answers to quiz questions during online video lessons and earbuds to help students concentrate at home.

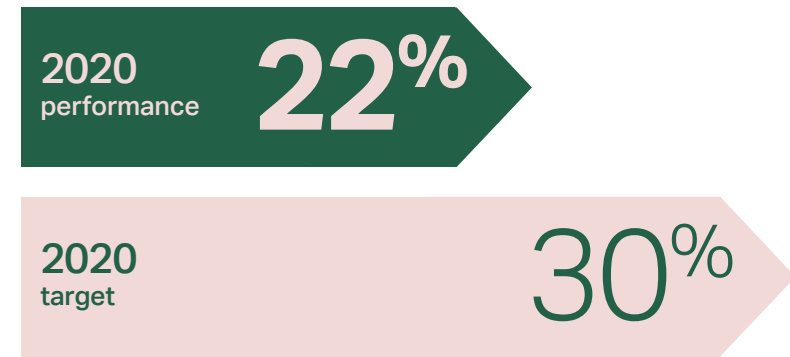
Employees also supported those in need by donating to local food banks and other community initiatives. Elsewhere, our volunteers have organized fundraising events to raise money for improvements to local recreation facilities such as skate parks and sports courts that are being refurbished during the pandemic.

Photo: Students wearing Sonos created face shields

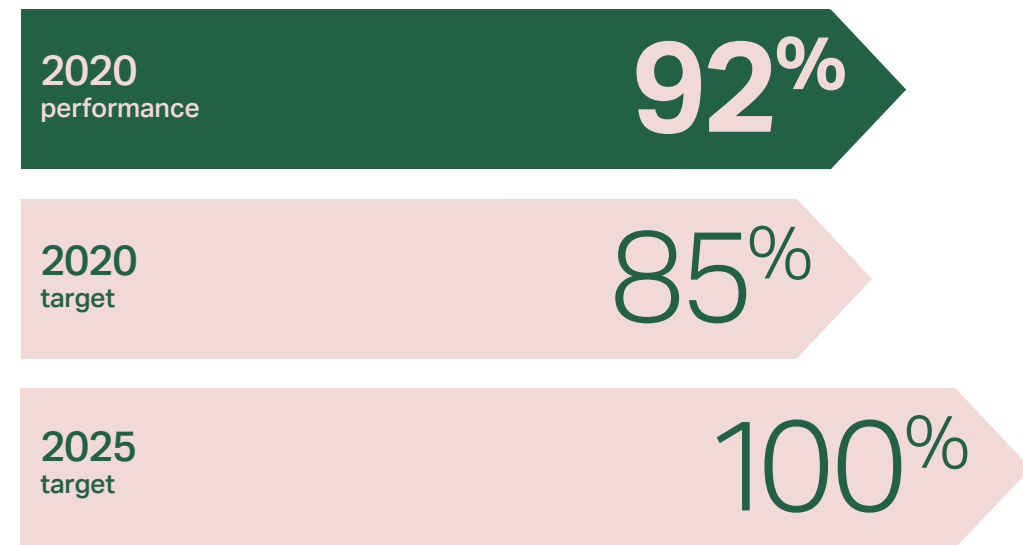


Responsibility Performance Dashboard

PRODUCTS

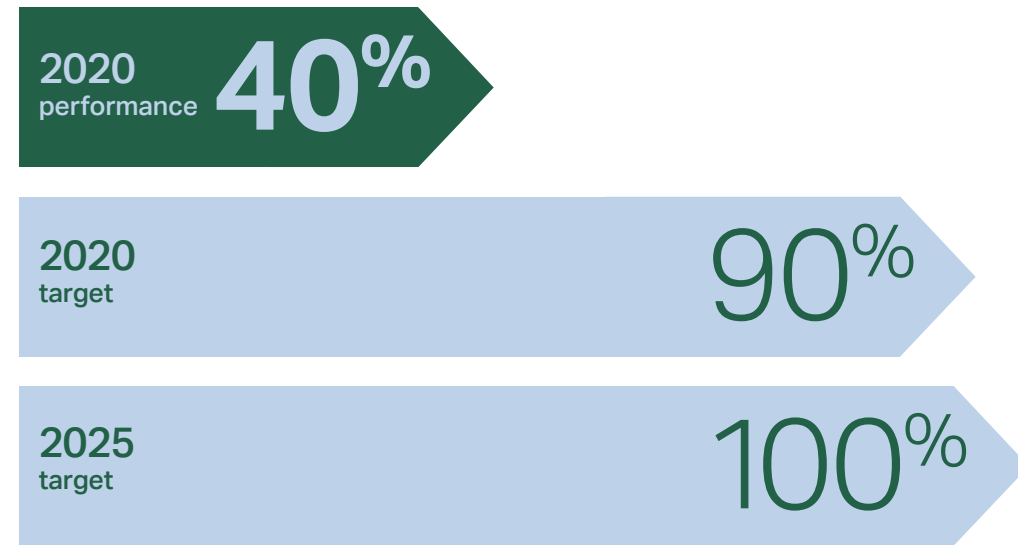


Reduction in idle power

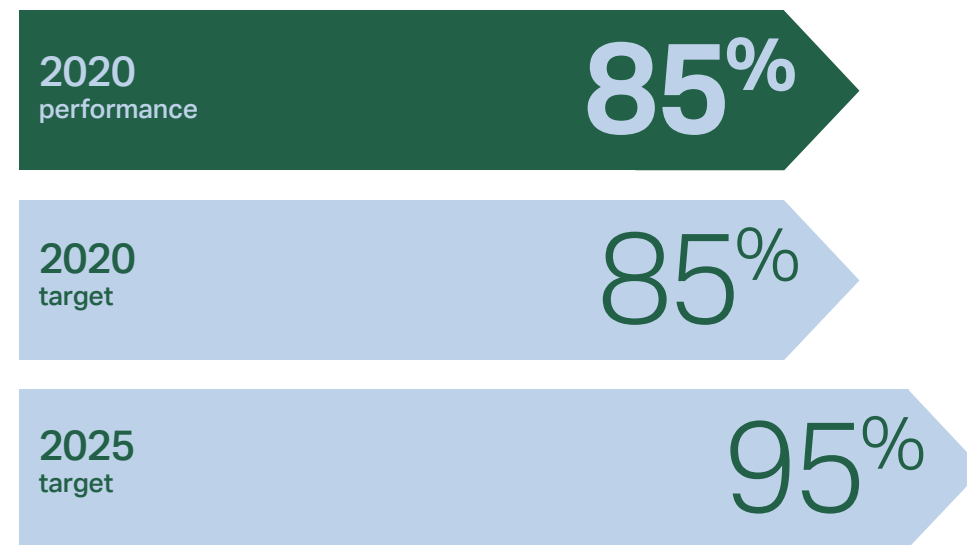


Paper in product packaging that is sustainably sourced

SUPPLY CHAIN

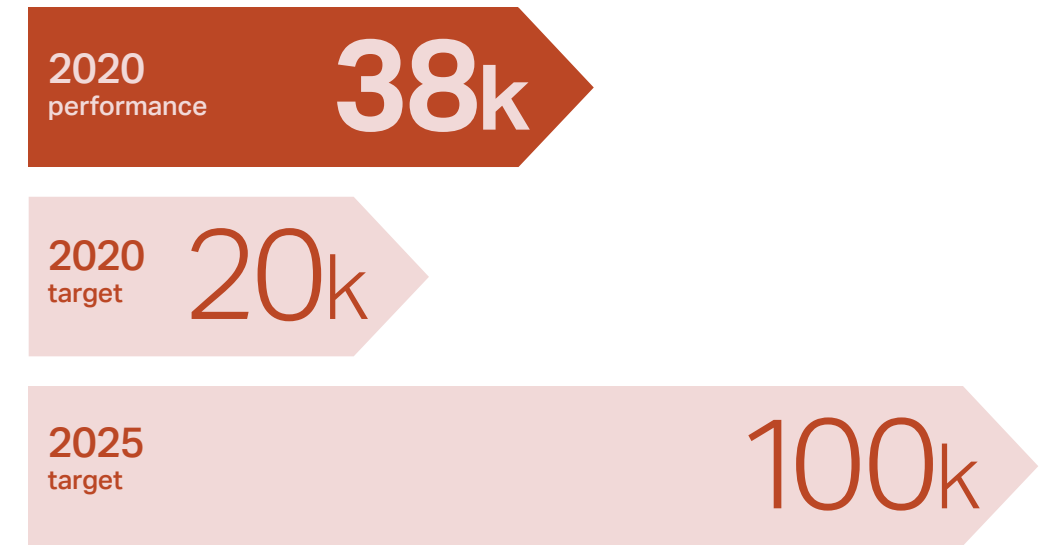


Key supplier factories audited annually



Critical and major issues closed within target time

SOCIAL IMPACT



Hours of music education

Listen Better Report

SONOS

2020 SASB Index

SASB Index

TECHNOLOGY & COMMUNICATIONS - HARDWARE

PRODUCT SECURITY

SASB Code	Metric	Response
TC-HW-230a.1	Description of approach to identifying and addressing data security risks in products	<p>Sonos uses a two stage data security program: (1) Proactive, (2) Reactive.</p> <p>The proactive components of our program focus on a continuous program of training, review boards & consultation w/ legal and engineering staff to ensure that Sonos is responsibly building data security & privacy protections into our products.</p> <p>The reactive components entail a practice of vulnerability management & various security testing exercises to increase our response preparedness against real-world privacy incidents.</p>

EMPLOYEE DIVERSITY & INCLUSION

SASB Code	Metric	Response																														
TC-HW-330a.1	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	<p>FY20 U.S. Workforce From Underrepresented Ethnic Groups*</p> <table border="1"> <thead> <tr> <th></th> <th>Asian</th> <th>Black or African American</th> <th>Hispanic or Latino</th> <th>White</th> <th>Other**</th> </tr> </thead> <tbody> <tr> <td>% of U.S. workforce</td> <td>18.7%</td> <td>3.4%</td> <td>6.5%</td> <td>68.0%</td> <td>3.5%</td> </tr> <tr> <td>% of director and above roles</td> <td>9.1%</td> <td>1.7%</td> <td>3.3%</td> <td>85.1%</td> <td>0.8%</td> </tr> <tr> <td>% of all other roles</td> <td>20.6%</td> <td>3.7%</td> <td>7.1%</td> <td>64.6%</td> <td>4.0%</td> </tr> <tr> <td>% of new hires</td> <td>24.8%</td> <td>2.9%</td> <td>7.3%</td> <td>59.9%</td> <td>5.1%</td> </tr> </tbody> </table> <p>* Percentages are based on the more than 70% of our U.S. workforce that disclosed their ethnicity information. We do not include non-disclosed persons in the analysis population. Director and above roles include the highest level individual contributors and managers, VPs and CXOs. All other roles include positions not included in director and above.</p> <p>**Other includes the classifications: Native American or Alaska Native, Native Hawaiian or Pacific Islander, and "Two or More Races."</p>		Asian	Black or African American	Hispanic or Latino	White	Other**	% of U.S. workforce	18.7%	3.4%	6.5%	68.0%	3.5%	% of director and above roles	9.1%	1.7%	3.3%	85.1%	0.8%	% of all other roles	20.6%	3.7%	7.1%	64.6%	4.0%	% of new hires	24.8%	2.9%	7.3%	59.9%	5.1%
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EMPLOYEE DIVERSITY & INCLUSION

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TC-HW-330a.1	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	<p>Global Workforce Gender Diversity</p> <table border="1"> <thead> <tr> <th></th> <th colspan="2">FY18</th> <th colspan="2">FY19</th> <th colspan="2">FY20</th> </tr> <tr> <th></th> <th>Female</th> <th>Male</th> <th>Female</th> <th>Male</th> <th>Female</th> <th>Male</th> </tr> </thead> <tbody> <tr> <td>% of our global workforce</td> <td>24.8%</td> <td>75.2%</td> <td>27.3%</td> <td>72.7%</td> <td>29.6%</td> <td>70.4%</td> </tr> <tr> <td>% of director and above roles</td> <td>17.0%</td> <td>83.0%</td> <td>23.0%</td> <td>77.0%</td> <td>21.5%</td> <td>78.5%</td> </tr> <tr> <td>% of all other roles*</td> <td>25.9%</td> <td>74.1%</td> <td>27.9%</td> <td>72.1%</td> <td>30.8%</td> <td>69.2%</td> </tr> <tr> <td>% of new hires</td> <td>28.0%</td> <td>72.0%</td> <td>40.6%</td> <td>59.4%</td> <td>40.6%</td> <td>59.4%</td> </tr> </tbody> </table> <p>* Director and above roles include the highest level individual contributors and managers, VPs and CXOs. All other roles include positions not included in director and above.</p>		FY18		FY19		FY20			Female	Male	Female	Male	Female	Male	% of our global workforce	24.8%	75.2%	27.3%	72.7%	29.6%	70.4%	% of director and above roles	17.0%	83.0%	23.0%	77.0%	21.5%	78.5%	% of all other roles*	25.9%	74.1%	27.9%	72.1%	30.8%	69.2%	% of new hires	28.0%	72.0%	40.6%	59.4%	40.6%	59.4%
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PRODUCT LIFECYCLE MANAGEMENT

SASB Code	Metric	Response
TC-HW-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	All Sonos brand products contain IEC 62474 declarable substances.
TC-HW-410a.2	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent	Not applicable.
TC-HW-410a.3	Percentage of eligible products, by revenue, meeting ENERGY STAR criteria	Not applicable.
TC-HW-410a.4	Weight of end-of-life products and e-waste recovered, percentage recycled	We recovered 167.2 metric tons of end-of-life products in 2020 across our North America and APC regions. We aim to begin sharing this data for EMEA in 2021.

SUPPLY CHAIN MANAGEMENT

SASB Code	Metric	Response
TC-HW-430a.1	Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities	Our ability to conduct audits was significantly reduced during 2020 due to COVID-19 restrictions. We performed audits for approximately half the year, reaching 40% of our key suppliers. Recognizing that this falls short of our 2020 target of 90%, we are expanding our auditing capabilities in 2021 by bringing on a third-party partner.

SUPPLY CHAIN MANAGEMENT

SASB Code	Metric	Response
TC-HW-430a.2	Tier 1 suppliers' (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent, and (2) associated corrective action rate for (a) priority non-conformances and (b) other non-conformances	Nonconformance Correction Rate 2020
		Critical non-conformances corrected 100%
		Major non-conformances corrected 90.3%
		Minor non-conformances corrected 91.6%

MATERIALS SOURCING

SASB Code	Metric	Response
TC-HW-440a.1	Description of the management of risks associated with the use of critical materials	Sonos relies on third-party platforms to identify and manage risks associated with the use of critical materials. As risks are identified, Sonos works with our supply chain to reformulate raw materials, or to identify alternative materials, parts or suppliers as needed.

ACTIVITY METRIC

SASB Code	Metric	Response
TC-HW-000.A	Number of units produced by product category	Sonos sold 5.806 million products in fiscal 2020.
TC-HW-000.B	Area of manufacturing facilities (square feet)	Sonos does not currently track this information.
TC-HW-000.C	Percentage of production from owned facilities	Sonos does not own any production facilities.

HOUSEHOLD & PERSONAL PRODUCTS

WATER MANAGEMENT

SASB Code	Metric	Response
CG-HP-140a.1	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Not applicable.
CG-HP-140a.2	Description of water management risks and discussion of strategies and practices to mitigate those risks	Not applicable.

PRODUCT ENVIRONMENTAL, HEALTH, AND SAFETY PERFORMANCE

SASB Code	Metric	Response
CG-HP-250a.1	Revenue from products that contain REACH substances of very high concern (SVHC)	Not reported.
CG-HP-250a.2	Revenue from products that contain substances on the California DTSC Candidate Chemicals List	Not reported.
CG-HP-250a.3	Discussion of process to identify and manage emerging materials and chemicals of concern	Sonos relies on third-party platforms to monitor emerging global regulations, standards and requirements. As new materials and chemicals of concern are identified, we work with our supply chain to ensure substitutions are made where necessary.
CG-HP-250a.4	Revenue from products designed with green chemistry principles	Sonos does not track its product revenue against green chemistry principles.

PACKAGING LIFECYCLE MANAGEMENT

SASB Code	Metric	Response
CG-HP-410a.1	(1) Total weight of packaging, (2) percentage made from recycled and/or renewable materials, and (3) percentage that is recyclable, reusable, and/or compostable	In 2020, 92% of packaging paper for Sonos products was sustainably sourced, meaning it is either made from post consumer recycled content or from plant-based recycled fibers. Our total weight of paper in our packaging was 6.92 billion grams, with 6.39 billion grams coming from recycled content.
CG-HP-410a.2	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	We aim to source sustainable paper for our packaging products. This means the paper is either made from post consumer recycled content or from plant-based recycled fibers. In 2021, we will explore sustainability certifications for our paper-based packaging materials. We will also launch a refreshed packaging approach for new products that furthers our commitments to using sustainable paper and less plastic.

ENVIRONMENTAL & SOCIAL IMPACTS OF PALM OIL SUPPLY CHAIN

SASB Code	Metric	Response
CG-HP-430a.1	Amount of palm oil sourced, percentage certified through the Roundtable on Sustainable Palm Oil (RSPO) supply chains as (a) Identity Preserved, (b) Segregated, (c) Mass Balance, or (d) Book & Claim	Not applicable.

ACTIVITY METRIC

SASB Code	Metric	Response
CG-HP-000.A	Units of products sold, total weight of products sold	Sonos sold 5.806 million products in fiscal 2020.
CG-HP-000.B	Number of manufacturing facilities	Not reported.