

# Cochlear Global Modern Slavery Statement 2020



This modern slavery statement<sup>1</sup> describes the approach and actions taken by Cochlear<sup>2</sup> to address modern slavery risks in its operations and supply chain during the financial year ending 30 June 2020 (FY20).

## About Cochlear

Cochlear commenced operations in 1981 as part of the Nucleus group and in 1995, listed on the Australian Securities Exchange. As of 30 June 2020, Cochlear is a top 50 listed Australian company with a market capitalisation of over A\$12 billion.

Cochlear develops, manufactures and markets various hearing solutions for people with moderately severe to profound hearing loss including those with conductive hearing loss, mixed hearing loss and single-sided deafness.

Cochlear has provided more than 600,000 implant devices to people who benefit from one – or two – of our implantable solutions. Whether these hearing solutions were implanted today or many years ago, Cochlear continues to bring innovative new products to market as well as sound processor upgrades for all generations of recipients.

Cochlear currently invests more than A\$180 million each year in research and development (R&D) and participates in over 100 collaborative research programs worldwide. Our global headquarters are located on the campus of Macquarie University in Sydney, with regional offices in Asia Pacific, Europe and the Americas. Cochlear has a deep geographical reach, selling products and services in over 180 countries, with direct presence in over 30 countries and a global workforce of over 4,000 employees. Cochlear has manufacturing facilities in Australia, Belgium, China, Malaysia, Sweden and the U.S.

## Our workplace and supply chains

Cochlear is committed to providing a safe work environment that complies with all applicable laws and regulations. Cochlear values positive and respectful interactions with all persons and will not tolerate or condone any form of harassment, threat of violence, or intimidation in any Cochlear working environment.

Our staff and representatives are required to comply with applicable local Cochlear workplace health and safety policies and procedures as well as with all applicable local workplace laws and regulations. These principles and requirements are outlined in and applied through our Global Code of Conduct which all Cochlear staff and representatives across the globe are required to adhere to.

In FY20, Cochlear worked with more than 2,000 suppliers that provided a diverse range of products and services to support Cochlear's R&D and manufacturing operations and other day to day business activities. These products and services ranged from electronic components used to manufacture our implants and sound processors, to maintenance services for our offices and manufacturing facilities. Whilst Cochlear has a global supplier base, the majority of its suppliers are based in the Asia Pacific (including Australia), Europe and the U.S.

## FY20 ESG Risk Assessment of Supply Chain

Cochlear takes risk-based measures to identify and address modern slavery, as well as other environmental, social and governance (ESG) risks, in its operations and supply chain. We use internationally recognised tools such as the Global Slavery Index and Corporate Human Rights Benchmark in identifying potential ESG risk areas within our supply chain. In FY20, by reference to these established indices and benchmarks, Cochlear considered, amongst other factors, the geographical locations of suppliers and the types of products or services procured to identify suppliers with a potential ESG risk exposure. Based on the Global Slavery Index 2018, Cochlear has deemed suppliers based in specific countries that are estimated to have above a certain level of prevalence of modern slavery as being exposed to high ESG risk. This has included (but is not limited to) Cochlear's suppliers which are based in Asia. Suppliers that provide electrical components and precious metals have also been identified as high risk based on the potential for human rights risks within these industries.

The FY20 ESG Risk Assessment of Cochlear's supply chain identified 38 key suppliers which were deemed to carry high ESG risks and this resulted in Cochlear engaging these suppliers to undertake a detailed ESG review. The reviews did not identify any material exposure to ESG risks or matters that indicate non-compliance with the standards set out in Cochlear's Supplier Code of Conduct.

## Global Code of Conduct and the Supplier Code of Conduct

Cochlear strives to conduct its business in a manner that upholds the standards and principles enshrined in its Global Code of Conduct. Those standards are also reflected in the Supplier Code of Conduct which outlines Cochlear's expectations of its suppliers in relation to labour rights, safety and wellbeing, environmental sustainability and ethical trading. The Supplier Code of Conduct is given effect through our supplier onboarding process and legal agreements with suppliers.

## Policies and Procedures

Cochlear has a suite of policies and procedures that are designed to support its efforts to screen, assess and manage the risks of modern slavery and other ESG risks in its supply chain.

Cochlear's Global Procurement Policy requires all Cochlear employees globally to consider the economic, social and environmental impacts when acquiring goods or services from suppliers and to conduct appropriate due diligence and implement mitigation measures if required.

New suppliers that provide components and manufacturing services critical to our R&D and manufacturing operations are screened for major governance, human rights and environmental risks. As part of this screening process, any supplier deemed to carry a high ESG risk (due to their geographical location, types of products or services it provides or the value of Cochlear's anticipated spend) is required to undergo a more detailed ESG assessment. If Cochlear identifies any practices of concern, it will work with the relevant supplier to provide support and take appropriate measures to ensure that the supplier's practices are aligned with Cochlear's standards and expectations.

Cochlear plans to undertake an annual review of its procurement activities to ensure appropriate ESG risk screening and any remedial actions are being undertaken. It is intended that the review will also include an assessment of the ongoing effectiveness of Cochlear's current processes in identifying and addressing modern slavery and other ESG risks by reference to internally established metrics and industry practices.

## Acting globally

Cochlear's global headquarters in Australia is primarily responsible for global supply chain management and has oversight of key procurement processes for our major manufacturing sites. Screening and risk-based assessment of modern slavery and other ESG risks for the corporate group are largely undertaken by the global headquarters.

All Cochlear staff and representatives, including those working for our regional subsidiaries, receive general training that provides an overview of the elements of the Cochlear Compliance Program, including policies and procedures, the laws and regulations applicable to Cochlear's business, and the Global Code of Conduct. We are planning to provide training to Cochlear's regional subsidiaries on modern slavery risks during the financial year ending 30 June 2021.

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**This statement was approved by the Board of Directors of Cochlear Limited on 15 December 2020.**



**Dig Howitt**  
CEO & President

# Hear now. And always

As the global leader in implantable hearing solutions, Cochlear is dedicated to helping people with moderate to profound hearing loss experience a life full of hearing. We have provided more than 600,000 implantable devices, helping people of all ages to hear and connect with life's opportunities.

We aim to give people the best lifelong hearing experience and access to innovative future technologies. We collaborate with leading clinical, research and support networks.

That's why more people choose Cochlear than any other hearing implant company.

## Footnotes

1. The statement is made pursuant to s54(1) of the Modern Slavery Act 2015 (UK) and the Australian Modern Slavery Act 2018 (Cth).
2. Cochlear means Cochlear Limited ACN 002 618 073 and its related bodies corporate as defined in Section 50 of the Corporations Act 2001 (Cth). This statement is also published on behalf of Cochlear Europe Ltd, a wholly owned subsidiary of Cochlear Limited that operates in the UK.

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Please seek advice from your health professional about treatments for hearing loss. Outcomes may vary, and your health professional will advise you about the factors which could affect your outcome. Always read the instructions for use. Not all products are available in all countries. Please contact your local Cochlear representative for product information.

ACE, Advance Off-Stylet, AOS, AutoNRT, Autosensitivity, Beam, Bring Back the Beat, Button, Carina, Cochlear, 科利耳, コクレア, 코클리어, Cochlear SoftWear, Codacs, Contour, Contour Advance, Custom Sound, ESPrit, Freedom, Hear now. And always, Hugfit, Hybrid, Invisible Hearing, Kanso, MET, MicroDrive, MP3000, myCochlear, mySmartSound, NRT, Nucleus, Outcome Focused Fitting, Off-Stylet, Slimline, SmartSound, Softip, SPrint, True Wireless, the elliptical logo, and Whisper are either trademarks or registered trademarks of Cochlear Limited. Ardium, Baha, Baha SoftWear, BCDrive, DermaLock, EveryWear, SoundArc, Vistafix, and WindShield are either trademarks or registered trademarks of Cochlear Bone Anchored Solutions AB.

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