



Modern Slavery Act Statement 2022-2023

Financial Period – April 1st 2022 to March 31st 2023

Audiotonix is committed to upholding the highest standard with our customers, our employees, and the communities in which we live in and serve. A large proportion of our products are used in the entertainment industry bringing enjoyment into people's lives. We therefore wish to confirm we have taken the appropriate steps to ensure our products are produced to the highest standards and ethics. We are wholly committed to having an effective process and controls in place to monitor that our supply chain is free from any form of Modern Slavery.

Covid-19 Pandemic

The COVID-19 pandemic changed our business model over the past three years. For a long period of time travel was extremely restricted. This limited face to face meetings with our supply chain partners worldwide. To protect their workforces, the majority of manufacturers' policies severely restricted on-site audits. In addition, many suppliers and manufacturers had to close due to government restrictions or COVID-19 outbreaks and this was very apparent in China where the authorities enforced a zero covid policy. Although restrictions have eased in many parts of the world, the effects outlined continue to impact us and the way in which we meet and communicate with suppliers.

Policy

Modern slavery is a crime and a violation of fundamental human rights. It takes various forms, such as slavery, servitude, forced and compulsory labour and human trafficking, all of which have in common the deprivation of a person's liberty by another, in order to exploit them for personal or commercial gain. We have a zero-tolerance approach to modern slavery, and we are committed to acting ethically and with integrity in all our business dealings. We are committed to implementing and enforcing effective systems and controls to validate modern slavery is not taking place anywhere in our own business or in any of our direct supply chains.

Supply Chains

Audiotonix is committed to having a robust direct supply chain. An essential pillar is that the supplier is operating within all local and international regulations, a key element of which is that the vendor is free from modern slavery and human trafficking. In addition, the Audiotonix Supplier Code of Conduct explicitly sets out what is required, regulatory and ethically, to be an approved Supplier to Audiotonix. The Supplier Code of Conduct requires all suppliers to sign the document agreeing to all the terms.

Audiotonix is striving to ensure that our supply chain is compliant with the Modern Slavery Act 2015 and confirm that processes are in place to ensure our obligations are met.

Our Responsibility

In keeping with our commitment to act with integrity in all our business dealings, we aim that there is no slavery or human trafficking in any part of our business and try to undertake that this is also true for our supply chains.

In trying to ensure our supply chains are free from slavery the company policy is to visit, on a regular basis, vendors with whom we have direct and indirect relationships in an effort to validate that:

- No forced or bonded labour is used
- No child labour is used

In addition, we ensure that supplier organisations take their Environmental, Social, and Governance (ESG) seriously and that they confirm that:

- Workers' conditions are safe and hygienic
- No excessive hours are worked
- No discrimination is practised
- Regular employment is provided
- There is no harsh treatment of staff

Due Diligence

In designing a new product, the choice of any material is not just reliant on the technology and cost but also on the supply chain and therefore our Purchasing and R&D professionals are involved during the sourcing process. The components used within the manufacture of our products come from well-known electronic components manufacturers and are sourced from international electronic component distribution companies. These businesses are compliant with the Modern Slavery Act 2015.

For unique engineered material we ensure we employ proven manufacturers who comply with local and international regulations on employment, including no use of child labour, no bonded labour and no labour in servitude.

Risk Assessment

The programme ensuring that compliance continues within the supply chain is undertaken in a structured manner. The highest risk in our supplier base is in non-European territories and therefore our focus is with these vendors. The normal approach is to have on site visits to these companies on an annual basis, utilising the Audiotonix Supplier Audit Checklist form which directs the Audiotonix Auditor on the observations that need to be undertaken during the visit.

The risk assessment will review our key factors in the treatment of employees – freedom of association, the ability to terminate their employment, and also that there is no harassment or violence in the workplace.

The auditor must review the business for no discrimination on gender, ethnicity, sexuality, or religious beliefs.

Following the Covid-19 outbreak from February 2020, only a handful of supplier audits took place. This was to protect our auditors as well as the Supplier employees. As the restrictions eased and the ability to travel internationally has resumed, we have resumed some on site supplier audits where we are allowed to do so.

Audiotonix also encourages whistleblowing, and this forms an essential part of the Audiotonix Supplier Code of Conduct.

Resources

Only experienced Purchasing Professionals are approved to engage with any vendor, while our Audit Teams visiting suppliers to review compliance are drawn from the Audiotonix Operations Team comprising of Purchasing Managers, Quality Managers and Engineers as well as company Directors.

Training

Training is provided to the Purchasing, Sales and Management teams annually using a specially developed online educational programme. The training provides a framework using learning outcomes ensuring a consistent approach across all Audiotonix companies to recognise slavery in all its forms and how to challenge and report any infringement of employees' rights.

Effectiveness

The Supplier Code of Conduct and the programme of vendor audits ensures that Audiotonix obligations not only meet the Modern Slavery 2015 regulations, but also that their employees are treated with the respect we set under our own Sustainability commitment.

Compliance

The April 1st 2022 to March 31st 2023 Modern Slavery Act 2015 Statement was approved by the Board of Directors 25th July 2023.

The April 1st 2022 to March 31st 2023 Modern Slavery Act 2015 Statement is published on the company website URL <https://www.audiotonix.com/responsibility/legal/modern-slavery-act/>

Signed on behalf of Audiotonix Holdings Limited

A handwritten signature in black ink, appearing to be 'Helen Culleton', written over a horizontal line.

Helen Culleton

Chief Operating Officer – 25th July 2023

