

ABOUT THE

HEAR THE WORLD FOUNDATION

Founded in 2006 by Sonova, the leading provider of hearing solutions, the Hear the World Foundation supports disadvantaged people with hearing loss around the world and gets involved in hearing loss prevention. The foundation focuses particularly on projects for children with hearing loss, enabling them to develop to their fullest potential. Since its establishment, the non-profit Swiss foundation has supported over 80 projects in 39 countries with funding, hearing aid technology and expertise. More than 100 high-profile ambassadors, such as Bryan Adams, Cindy Crawford, Plácido Domingo, Annie Lennox, and Sting support Hear the World as ambassadors for conscious hearing.



hear-the-world.com



PLEASE HELP! THANK YOU VERY MUCH!

Dear reader, you too can help people hear again. The Hear the World Foundation is an officially recognized Swiss foundation which has precisely defined objectives and transparent processes, and can therefore assure all donors that 100% of their support goes into our project work. Sonova bears all the administrative costs of the foundation. Donations to the Hear the World Foundation are tax-deductible in Switzerland.

The **bank details** for donations are:
UBS AG, Zurich
Account name: Hear the World Foundation
Account number: 230-477384.01U
IBAN: CH12 0023 0230 4773 8401 U
SWIFT: UBSWCHZH80A

037-0810-02.2018-05/Equipie/FO Printed in Switzerland © Hear the World Foundation. All rights reserved.



ANNUAL REPORT 2017/18

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On the cover picture: Thanks to his new Phonak hearing aids, Edgar can finally hear better again: he lost his hearing as a result of a severe case of malaria.

Project: ABC Hearing Clinic and Training Center in Malawi – building up resources from Malawians, for Malawians. You can find more information about the project on **page 16**.

Cover page: Silvio Gerber, Filmgerberei

OUR

ENGAGEMENT



MISSION

Initiated in 2006 by Sonova, the leading provider of hearing solutions, the Hear the World Foundation supports aid projects across the globe to help disadvantaged people with hearing loss, especially children, to improve their hearing. The foundation provides financial resources, the latest hearing technology, and expertise to prevent and treat hearing loss.



VISION

Our vision is a world in which

- everybody has the chance to experience good hearing;
- a hearing aid is not seen as a taboo;
- hearing is cherished and protected, and
- people with impaired hearing enjoy equal opportunities.



SUSTAINABILITY

Our claim for project support: our resources should be utilized in the most effective way and have a long-lasting, positive effect on the lives of disadvantaged people with hearing loss.

This is why we primarily support projects that benefit **children** with hearing loss, because they still have their whole lives ahead of them. Our support enables them to hear, to learn to speak, to develop at the appropriate pace for their age, to have better opportunities in school and, in future, in their careers, and to live a life without limitations.

We also support the **parents of these children**, as they play the most significant role in the development of their children. We invest in **training** employees on the ground as well so that in the future, they can guarantee professional all-round audiological care without our help.

Preventing hearing loss is also a concern for us. We use our campaigns and projects around the world to make the general public aware of the importance of good hearing and protecting our hearing.



INTRODUCTION

TOGETHER FOR BETTER HEARING



DEAR READERS,

Noises are ingrained in everyday life. We take them for granted – loud and quiet noises, muffled and sharp sounds. They're all part of our world. However, if these sounds were to diminish or we lost our hearing completely, our lives would change drastically. This is why the Hear the World

Foundation has set itself the goal of advocating better and conscious hearing, above all helping those who are affected by hearing loss.

As the leading provider of hearing solutions, Sonova's vision is to create a world in which everybody can enjoy the benefits of hearing and live without limitations. The Hear the World Foundation, a Sonova corporate foundation, is turning this vision into reality for people in need: for over ten years, the Hear the World Foundation has been giving hope to children and their parents by way of access to audiological care, hearing solutions and speech therapy.

Mahatma Gandhi once said, "Be the change you wish to see in the world," and this is the motto that we too want to follow with our aid projects. We want to change lives. The lives of disadvantaged people, particularly children, with hearing loss throughout the world. In just one day, our work with #HearLebanon changed the lives of a further 100 children in the long term. This was only possible thanks to the great commitment and invaluable backing of Sonova employees who have actively supported the foundation again this year (p. 22).

We had the pleasure of experiencing one of the year's highlights on June 24: donations of CHF 400,000 were raised at the Hear the World Charity Gala, attended by foundation ambassador Marc Sway and superstar and Hear the World ambassador Bryan Adams, who put on a pro bono concert

(p. 26). Thanks to these donations, children with hearing loss in slums around the South African cities of Pretoria and Cape Town will receive hearing aids. We are also planning to provide children with cochlear implants in Vietnam.

In August, we visited our long-standing project partner, the ABC Hearing Clinic in Lilongwe, Malawi. From as early as 2011, we have been supporting the #HearMalawi project by providing hearing solutions, financial resources and professional training. The support of the Hear the World Foundation has also meant that the clinic, which was under the management of an Australian organization during the development phase, has been run entirely by a Malawian team since the end of 2017. That is why we are dedicating the cover story of this annual report to this project, which is an impressive example of what can be achieved with targeted and sustainable foundation work (p. 16).

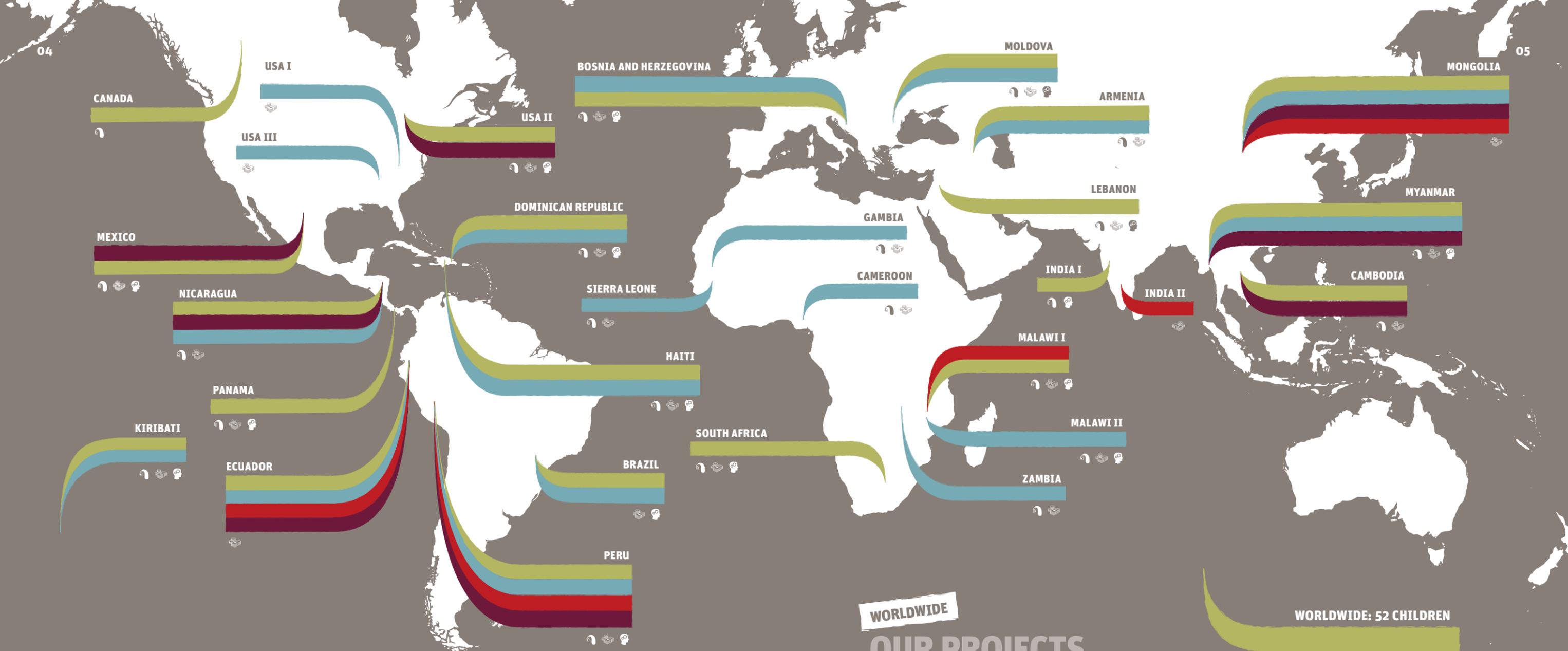
As you can see, we boast an eventful year filled with plenty of highlights. All in all, we supported 25 projects in 26 countries and donated more than 1,660 hearing solutions. This helped to not only improve the lives of these people in the long term, but to improve the lives of their families too.

However, there's still a lot to do when it comes to implementing our vision of a world in which everybody has the opportunity to enjoy good hearing. That's why we are making an extremely motivated start to this next year and would be delighted if you actively supported us in making our vision a reality.

Yours sincerely

Lukas Braunschweiler

President of the Hear the World Foundation



WORLDWIDE

OUR PROJECTS 2017/18

25 projects in 26 countries

WORLDWIDE: 52 CHILDREN

Our support



Technology
Provision of hearing solutions



Funding
Financial support



Expertise
Training for projects



hear-the-world.com/projects

PROGRAM FOR CHILDREN

TRAINING OF EXPERTS

PREVENTION OF HEARING LOSS

PROGRAM FOR PARENTS & FAMILIES

HEARING LOSS IS UNDERESTIMATED

34 million children across the world have moderate to profound hearing loss – prevention could stop 60 percent of all hearing loss¹.

80 percent of these children live in low- or middle-income countries and often have no access to audiological care. The consequences, especially for children with untreated hearing loss, are serious: not hearing means they live in isolation, they cannot learn to speak, they have problems at school, and their job opportunities are severely limited.

“Hearing is actually key to spoken language. Being able to hear helps children feel they belong and allows them to interact with the world.”

Apryl Sweat, director of Global Sales and Market Development at Advanced Bionics, and member of the Hear the World Foundation Board

Early diagnosis and treatment are extremely important. This is why the Hear the World Foundation supports aid projects throughout the world that use the latest hearing technology and speech therapy to give children the chance of developing properly and achieving their full potential. They thus have better prospects – the chance of a life without limitations.

OUR PRINCIPLES

As an independent foundation, sound governance is essential for the Hear the World Foundation. We view this as the greatest level of transparency with regard to strategy, goals and funding activities, and the highest standard of professionalism. This is why we adhere to requests for support that are clearly defined and selection criteria for projects that are communicated transparently. We use the funds entrusted to us as efficiently as possible for the purpose of the foundation. Sonova covers the foundation's administrative costs, with 100 percent of donations being used to help people with hearing loss.

¹ WHO, 2018



Apryl Sweat, a member of the Hear the World Foundation Board, carries out hearing screenings for a project in Lebanon.



FOCUS

PROGRAMS FOR CHILDREN

Providing audiological care for children is at the heart of our work, allowing them to develop at an appropriate rate for their age.

For example, the Hear the World Foundation has been supporting the Special School for Children with Hearing Impairment and Late Deafness in Chisinau, Moldova, since 2016. Around 100 children with hearing loss from socially disadvantaged families attend this school. In order to enable the children to hear better, the Hear the World Foundation has donated wireless microphone systems and hearing aids to the #HearMoldova project. This lets the children hear their teachers better.

> 1,660

HEARING AIDS WERE DONATED, ENABLING MANY CHILDREN TO HEAR BETTER

Daniela, a student at the Special School for Children with Hearing Impairment and Late Deafness in Chisinau, can hear better again thanks to her new Phonak hearing aids.





FOCUS

PROFESSIONAL TRAINING

By training up local specialists, the Hear the World Foundation invests in audiological care that won't rely on foreign aid in the long term.

Since 2016, the Hear the World Foundation has supported the Sorocaba Association for Hearing Impaired Children (Apadas) in Brazil. Over the last few years, Apadas has developed into a center for reference for fully pediatric audiological care, thanks to the support of the Hear the World Foundation. Apadas now aims to establish a network of further points of contact in Sorocaba, a region east of São Paulo, which would provide further training to around 70 pediatric audiologists. This means that with the #HearBrazil project, all children in the region should be guaranteed access to audiological care.

>220

SPECIALISTS HAVE BEEN GIVEN TRAINING

Apadas employee Paula Rodrigues Gutierrez trains local specialists in all-around pediatric audiological care in Sorocaba, Brazil.





FOCUS

PREVENTION OF HEARING LOSS

Take advantage of every opportunity to prevent hearing loss! Studies show that 60 percent of all hearing loss in children could have been avoided through prevention.

Since 2015, the Hear the World Foundation has been working as a prevention partner of Swiss concert promoters. Within the scope of a partnership with abc Production, the foundation provides free earplugs to visitors at all abc Production concerts.

>500,000

EARPLUGS WERE HANDED OUT



Sonova employees and Hear the World volunteers Feifei and Katrin encourage concert goers to protect their hearing.

CARACOL O
COCLEA



FOCUS

PROGRAMS FOR PARENTS & FAMILIES

Parents have an important role to play in the speech development of their children.

In 2016, together with its partner World Wide Hearing Foundation, the Hear the World Foundation initiated a hearing screening campaign in schools in Peru, with the aim of testing the hearing of 30,000 children within two years. In the first year, volunteers from the #HearPeru project screened more than 10,000 children and organized parents' evenings to inform parents about hearing health and prevention. At events for the parents of children with hearing loss, parents don't just find out about how to use hearing aids, but they also learn about measures that promote the speech development of their children.

93%

**OF PARENTS OF CHILDREN
WITH HEARING LOSS**

consider communication with other parents as the most valuable help.

At an interactive parents' evening at this school in the Peruvian city of Lima, parents learned about hearing health.

FROM MALAWIANS – FOR MALAWIANS

With an annual per capita income of USD 372, Malawi is one of the poorest and least developed countries in the world. In the years working with EARS Inc., the Hear the World Foundation has greatly contributed to setting up the country's first audiological clinic. In 2017, thanks to several years of development aid, the clinic could be handed over to local management.

At first, all he can hear is a muffled sound, but then a few words emerge from the bubbling. Little Edgar laughs loudly, then even louder. He can hardly believe that he can hear again. Finally, after two long years!

Back then, Edgar became ill with malaria, a life-threatening illness that's transmitted by mosquitoes and is widespread in countries south of the Sahara. This is also the case in Malawi. What many people don't know is that drugs like quinine can help to treat malaria, but can also have a harmful effect on the inner ear and in particular the sensory cells of the organ responsible for hearing and balance if an incorrect dosage is administered. However, in contrast to newer drugs, quinine is cheap and is usually the first choice for the treatment of malaria in many places. That is why it's fairly unsurprising that in Malawi, malaria is considered as one of the main causes of hearing loss, along with untreated otitis media and noise-induced hearing loss.

But Edgar was very lucky: not just because his grandfather John wondered why his grandson no longer reacted when he was called and was getting increasingly worse in school. It was also John who suspected that this had something to do with his hearing and took Edgar to visit the ABC Hearing Clinic. The family couldn't afford a hearing aid for Edgar. Edgar is one of six children to push through. That's why it was a double stroke of luck as they learned that the Hear the World Foundation would provide the hearing aids and Edgar would be treated for free at the ABC Hearing Clinic.



Partners: ABC Hearing Clinic and Training Center
Place, time period: Malawi, since 2011

Our support:



The ABC Hearing Clinic team regularly travels across the country to visit schools, clinics, and refugee camps, treating those patients who can't get to the clinic in Lilongwe.



MALAWI'S FIRST AUDIOLOGICAL CLINIC

Let's start from the beginning: lacking resources, developed infrastructure and sufficient education, Malawi is heavily dependent on foreign aid. This is why the Hear the World Foundation has been working in Malawi since as early as 2011. During its years working with the Australian organization EARS Inc., the foundation has played a crucial role in setting up the ABC Hearing Clinic and training center in Malawi's capital city, Lilongwe. The clinic, whose grand opening was celebrated in 2013, was the country's first audiological clinic at the time. It now has all the modern equipment required to accurately diagnose hearing loss and professionally fit hearing aids. Ear molds can be manufactured at its own laboratory on site. The necessary specialists are given practical training at the clinic as part of a highly recognized degree. Ten young, highly motivated audiologists currently work at the clinic, and another six are in training. Each year, the team examines around 2,000 people and fits more than 400 hearing aids, something that allows children like Edgar to be helped on the ground thanks to the latest technology and the most up-to-date expertise. After undergoing audiological examinations, Edgar received his first hearing aids at the ABC Hearing Clinic. His delight at this new world of sounds even infects the audiologist Tiwa, who patiently makes the adjustment despite the intermittent – and quite common – power cuts. "I'm so happy and thankful that Edgar can hear again!" says John. "We now sincerely hope that his performance at school will improve again too."

INFO

WHAT IS NEWBORN HEARING SCREENING?

Newborn hearing screening is used to test the hearing of babies shortly after they are born. The screening only takes a few minutes, is completely pain free and quickly shows whether the baby's hearing is working perfectly or if further hearing examinations are required.

EARLY DETECTION – THE KEY TO SUCCESSFUL TREATMENT

Hearing screening programs have been carried out on newborn babies at the ABC Hearing Clinic since early 2017. This test serves to detect congenital hearing loss at an early stage. "The goal is to identify hearing loss in babies as early as possible and provide audiological care as quickly as possible. This is a milestone for healthcare in Malawi," explains Ora Bürkli, member of the Hear the World Foundation Board. Audiologist Kamuzu is responsible for newborn screenings. He is dedicated, patient and caring, and advises the parents of children who have been diagnosed.

"The goal is to identify babies with hearing loss as early as possible and provide audiological care as quickly as possible."

Ora Bürkli, member of the Hear the World Foundation Board

Another milestone was reached in August 2017 when representatives of the Hear the World Foundation visited the project: an agreement on newborn hearing screening was concluded with the largest clinic in Lilongwe. To make this happen, the foundation donated an OAE machine (otoacoustic emission machine). A further two OAE machines are also intended to contribute to establishing newborn hearing screening in other clinics too. This way, pediatric audiological care in Malawi can be significantly improved thanks to early detection of hearing loss.

Hearing loss can be identified as soon as possible thanks to newborn hearing screening programs.



Edgar's grandfather John suspected hearing loss and took Edgar to the ABC Hearing Clinic, where he was given hearing aids.



TREATMENT EVEN IN THE MOST REMOTE AREAS

The ABC Hearing Clinic team also regularly travels across the entire country to visit schools, clinics, and refugee camps, treating those patients who cannot get to the clinic in Lilongwe and who otherwise would not have access to audiological care. For example, once a month they make the journey to the city of Kasungu, that is around two hours away. Children and family members wait patiently in front of the St Andrew's Hospital, in the shade of the corrugated tin roof. Most of them heard about the audiological care by word of mouth and have traveled many kilometers on foot or by bike. The team begins the first examinations early in the morning and works through until 5 p.m. After this time, the hospital closes and the people who are still waiting are first in line the next day.

A CLINIC RUN BY MALAWIANS, FOR MALAWIANS

In the future, the ABC Hearing Clinic team aims to work even more independently. In 2017, the Australian management team decided to take a back seat and handed over the reins to a local management team – the Hear the World Foundation will continue to provide support in the form of funding, equipment, and expertise.

Training local experts is crucial to ensuring high-quality and sustainable audiological care in Malawi. "We are Malawians. Nobody understands Malawians as well as we do. That is why we are delighted that we can now take care of our own people ourselves," says Fletcher Chisalipo, an audiologist at the ABC Hearing Clinic. Fletcher's enthusiasm for audiology and the work of the ABC Hearing Clinic is clear to see. He completed a Master's degree in Audiology at the University of Manchester, financed by the Hear the World Foundation. An investment that is paying off. Ultimately, the aim of the support is to contribute to allowing the audiological expertise to remain in the country and come to fruition, ensuring sustainable and high-quality care in Malawi with local experts.



"We are Malawians. Nobody understands Malawians as well as we do. That is why we are delighted that we can now take care of our own people ourselves."

Fletcher Chisalipo, an audiologist at the ABC Hearing Clinic



hear-the-world.com/en/malawi

Laureline van Damme supported the Hear the World Foundation as a volunteer on the #HearLebanon project.



SONOVA

EMPLOYEE ENGAGEMENT

“I’ve always wanted to be actively involved. Just donating money isn’t an option for me – you never know where it really goes. Through the Hear the World Foundation I’ve been able to help people with what I’m good at: my job.”

Laureline van Damme, audiologist at Sonova in Belgium

\$ FUNDRAISING
Sonova employees raised over CHF 18,000 for the foundation in the 2017/18 financial year!

📅 1,056 DAYS

👤 1,860 EMPLOYEES

🚩 19 COUNTRIES



hear-the-world.com/employeeengagement



GIVING HOPE

MARC SWAY SINGING WITH CHILDREN

In 2017 the Swiss musician and Hear the World ambassador, Marc Sway, visited the #HearBrazil project. His objective: to help disadvantaged children with hearing loss develop their speech through music. He spent time singing with a group of children to stimulate their sense of hearing and encourage them to improve their language skills while having fun.

His active engagement is of great value to this project. Because proper speech development will enable these children later to go to school and be more assertive at work and will give them a better chance of living independently.

As a Hear the World ambassador he also improves public awareness of the importance of good hearing and the consequences of hearing loss. In this he is following the example of over 100 celebrity ambassadors, including Plácido Domingo, Cindy Crawford, Eros Ramazzotti, Bruce Springsteen, Kate Moss, and Tina Turner.

Marc Sway makes music with children with hearing loss in Brazil to help them with their speech development.

**FUNDRAISING****CHF 400,000
FOR CHILDREN**

The Hear the World Charity Gala in Zurich in June 2017 was a complete success: it featured two exclusive pro bono concerts by Hear the World ambassadors Bryan Adams and Marc Sway, and generated the staggering amount of over CHF 400,000 in proceeds. This will support two more aid projects, which will enable many more disadvantaged children to hear.

“These donations will allow us to provide audiological care for many disadvantaged children and enable them to hear and speak,” says Lukas Braunschweiler, CEO of Sonova and president of the Hear the World Foundation. The CHF 400,000 puts the Hear the World Foundation in a position to support two more aid projects: in South Africa the foundation is donating hearing aids for disadvantaged children with hearing loss from the townships, and in Vietnam the foundation is giving cochlear implants to disadvantaged children with profound hearing loss, to enable them to hear.

Bryan Adams gave an exclusive pro bono concert at the Hear the World Charity Gala.

STRONG PARTNERSHIPS

The Hear the World Foundation relies on having strong partners to fulfill its aspiration of providing children with hearing loss in low-income countries with the same audiological care as children in higher-income countries. These partners provide the foundation with funding or with products other than the Sonova AG brands Phonak, Unitron and Advanced Bionics, offering preferential terms.



Audioscan systems are used to objectively verify whether hearing aids have been fitted properly. Audioscan has been supplying the Hear the World Foundation with these devices at preferential prices since 2015. Projects in Mongolia, Ecuador, and Lebanon benefited from this partnership during the current financial year.

“Making a lasting difference is important to us at Audioscan and we believe in the approach the Hear the World Foundation takes in meeting that challenge.”

Jim Jonkman, president of Audioscan

“One of our goals at Otometrics is to bring professional equipment and training to remote and disadvantaged regions. Together with the Hear the World Foundation, we can do exactly that.”

Kim Lehmann, president and CEO of Otometrics, a division of Natus



VARTA Microbattery, one of the biggest manufacturers of batteries in the world, has been supporting all the Hear the World projects with free hearing aid batteries since 2010. Because even the best hearing aids are useless without working batteries. In 2017/18 it provided over 180,000 single batteries for projects across the world.

“Our goal is to fill every hearing aid with energy and life, giving people the gift of hearing day after day.”

Torsten Schmerer from VARTA Microbattery



Otometrics, one of the world's leading manufacturers of hearing and balance testing equipment, supports the Hear the World Foundation by offering preferential terms for devices that diagnose hearing loss and for professional fitting. In 2017/18 projects in Armenia, Malawi, the Dominican Republic, and Peru benefited from this valuable partnership.

Jackson Mann, the founder of Vibes, and his team helped the Hear the World Foundation with screening schoolchildren in November in Lima, Peru.



Vibes, the manufacturer of hi-fi earplugs, has been supporting the Hear the World Foundation by donating part of its revenue since 2016.

The donations in 2017, which came to more than CHF 25,000, funded audiological equipment and additional hearing aids for the #HearPeru project. In November the Vibes team visited the project and helped the Hear the World Foundation with hearing screenings for schoolchildren.

ORGANIZATION

The Hear the World Foundation Board consists of people in the Sonova Group who, through previous involvement, have become committed to the aims of the foundation. The Advisory Board ensures the foundation remains independent: it consists of experts from audiology and is responsible for evaluating projects, proposing suitable

FOUNDATION BOARD

LUKAS BRAUNSCHWEILER (PRESIDENT)
CEO Sonova

SARAH KREIENBÜHL
Former Group Vice President, Corporate HRM and Communications, Sonova

ORA BÜRKLI-HALEVY
Vice President, Global Audiology, Phonak

JEAN ANNE SCHNITTKER
Audiologist, Research and Development, Sonova

APRYL SWEAT
Director of Global Sales and Market Development, Advanced Bionics

OFFICE

ELENA TORRESANI
Director Hear the World Foundation

LOUISE KABEN
Program manager Hear the World Foundation

LAURA MENG
Program manager Hear the World Foundation

ones to the Foundation Board for release of funds from the foundation. The members of the Advisory Board are volunteers. Expenses are paid as incurred. Every two years three Sonova employees are also given the opportunity to work on the Advisory Board as employee representatives.

ADVISORY BOARD

PROF. DR. RICHARD SEEWALD
Professor emeritus at the National Center for Audiology, University of Western Ontario (CA)

DR. BEATRIZ NOVAES
Professor at the Faculty of Human and Health Sciences at the Catholic University of São Paulo (BR)

DR. JERRY L. NORTHERN
Professor emeritus at the University of Colorado School of Medicine (USA)

DR. MED. DOROTHE VERAGUTH
Chief physician at the Audiology Clinic for Ear, Nose, Throat, and Facial Surgery at the University Hospital of Zurich (CH)

PROF. DR. PATRICIA ROUSH
Professor at the Department of Otolaryngology at the University of North Carolina and director of Pediatric Audiology at the University of North Carolina Hospitals in Chapel Hill (USA)

SONOVA EMPLOYEE REPRESENTATIVES ON THE ADVISORY BOARD

EDIE GIBSON
Clinical specialist, Advanced Bionics (USA)

LINDSAY ROBERTS
Audiologist, Phonak (USA)

JILL VON BÜREN
Community manager, Sonova (CH)



SITE NOTICE

MAY 2018

CONCEPT AND TEXT
Hear the World Foundation

DESIGN
Equipe AG
CH-8005 Zurich
www.equipe.agency

PHOTOGRAPHERS
Silvio Gerber, Filmgerberei
Christoph Höhmann
Tamara Pinco
Aaron Tator
Hear the World Foundation

ADDRESS FOR CORRESPONDENCE
Sonova AG
Laubisrütistrasse 28
CH-8712 Stäfa
Telephone: +41 58 928 01 01
info@hear-the-world.com
www.hear-the-world.com



Report of the statutory auditors on the limited statutory examination to the Board of Hear the World Foundation

Zug

As statutory auditors, we have examined the financial statements of Hear the World Foundation, which comprise the balance sheet, operating statement, statement of changes in equity and notes, for the year ended 31 March 2018. As permitted by Swiss GAAP FER 21 the information in the performance report is not required to be subject to the statutory auditors' examination.

These financial statements prepared in accordance with Swiss GAAP FER, Swiss law and the foundation's deed and internal regulations are the responsibility of the Board. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on Limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of foundation personnel and analytical procedures as well as detailed tests of foundation documents as considered appropriate in the circumstances. However, the testing of the operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements do not give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER. Furthermore, nothing has come to our attention that causes us to believe that the financial statements do not comply with Swiss law and the foundation's deed and internal regulations.

PricewaterhouseCoopers AG

Sandra Böhm
Audit expert
Auditor in charge

Claudio Berchtold
Audit expert

Zürich, 19 April 2018

Enclosure:

- Financial statements (balance sheet, operating statement, statement of changes in equity and notes)

PricewaterhouseCoopers AG, Birchstrasse 160, Postfach, CH-8050 Zürich, Switzerland
Telefon: +41 58 792 44 00, Telefax: +41 58 792 44 10, www.pwc.ch

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ANNUAL FINANCIAL STATEMENT

BALANCE SHEET AS OF MARCH 31

(in Swiss francs)	2017/2018	2016/2017
Assets		
Current assets		
Cash and cash equivalents	505,921	251,241
Accrued income & Prepayment	808	0
	506,729	251,241
Total assets	506,729	251,241
Liabilities		
Current liabilities		
Accrued liabilities	4,308	7,000
	4,308	7,000
Capital of the organization		
Paid-in capital	500,000	500,000
Free capital	2,421	(255,759)
	502,421	244,241
Total liabilities	506,729	251,241

OPERATION STATEMENT FOR THE PERIOD APRIL 1 TO MARCH 31

(in Swiss francs)	2017/2018	2016/2017
Income		
Income from donations	3,779,075	2,729,406
Total income	3,779,075	2,729,406
Expense		
Technological support for projects abroad	(2,770,657)	(2,147,561)
Financial support for projects abroad	(460,096)	(257,377)
Professional support for projects abroad	(168,009)	(142,451)
Technological support for projects in Switzerland	(98,514)	(63,730)
Financial support for projects in Switzerland	(11,877)	(27,988)
Professional support for projects in Switzerland	0	(4,814)
Administrative expenses	(11,177)	(10,220)
Other operating expenses	(565)	(329)
Total expense	(3,520,895)	(2,654,470)
Result for the year before allocation to the capital of the organization	258,180	74,936

STATEMENT OF CHANGES IN CAPITAL

(in Swiss francs)	Paid-in capital	Free capital	Capital of the organization
As of 01.04.2016	500,000	(330,695)	169,305
Change		74,936	74,936
As of 31.03./01.04.2017	500,000	(255,759)	244,241
Change		258,180	258,180
As of 31.03.2018	500,000	2,421	502,421

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS OF MARCH 31, 2018

1 GENERAL INFORMATION ABOUT THE FOUNDATION

The objective of the Foundation is to provide global education on hearing, with the aim of helping to prevent hearing loss. The Foundation also provides technological, financial and professional support to groups, public facilities and private individuals to prevent hearing loss or to improve the lives of those with hearing loss.

According to the Foundation charter, the initial paid-up capital of CHF 500,000 does not have to be maintained. All capital is available to the Foundation Board for grants.

The Foundation Board consists of the following persons:

- LUKAS BRAUNSCHWEILER
- SARAH KREIENBÜHL
- ORA BÜRKLİ-HALEVY
- JEAN ANNE SCHNITTKER
- APRYL SWEAT

The business operations of the Foundation comply with the articles of association dated December 4, 2006, and the Foundation's rules of procedure dated December 4, 2006.

PricewaterhouseCoopers AG served as auditors for the fiscal year. Their selection for the following year has been confirmed. Their mandate is based on legal regulations and generally accepted accounting principles.

2 ACCOUNTING AND REPORTING PRINCIPLES

The annual financial statements are prepared in accordance with the accounting principles under the Swiss GAAP FER Framework, core FER and Swiss GAAP FER 21 in order to provide as reliable an assessment as possible of the Foundation's financial position, results of operations and cash flows.

The financial statements contain comparatives and have also been prepared in accordance with Swiss Law. There are no employees.

3 VALUATION PRINCIPLES GOVERNING INDIVIDUAL ITEMS IN THE ANNUAL FINANCIAL STATEMENTS

Cash and cash equivalents include cash in an account held with UBS Switzerland AG in Zurich. Accrued liabilities contain the audit fees.

4 FINANCIAL ASSETS AND EXPLANATIONS REGARDING ASSETS AND LIABILITIES

The Foundation does not have any fixed assets. Its assets comprise the Foundation's capital, which is deposited in a current account. The capital was deposited with UBS Switzerland AG at an average interest rate of 0.00% and is available on a daily basis.

5 GRATUITOUS (FREE) SERVICES

All resources required for the governance, management and administration of the Foundation and all of the Foundation's communication activities were provided by Sonova and its group companies free of charge and funded by them where necessary. This included, for example, resources in communications and administration amounting to the value of around CHF 391,000 (previous year CHF 430,000). To quantify the investment, annual expenses are calculated times the annual salaries including social security benefits. Additional resources of Sonova AG were provided in accounting and logistics services. These amounts were not recorded in the operation statement.

6 TRANSACTIONS WITH RELATED PARTIES

Technological support was provided mostly by Sonova AG, Unitron Hearing GmbH and Advanced Bionics AG. Technological devices are charged to the Foundation at production cost but are reported in the income statement at the list price for Swiss audiologists. The difference between production cost and list price is reported as a donation.

In total, Sonova Group provided non-cash benefits worth CHF 2,718,708 (previous year CHF 2,055,592).

7 PROFESSIONAL SUPPORT

By training project partners, Sonova Group employees conduct professional support for the Foundation. The service hours are multiplied with the median salary of Sonova Headquarter Staefa and added to the respective travel costs. They are accounted for as donations, as the foundation is not charged for these donations by Sonova Group.

8 EVENTS AFTER THE BALANCE SHEET DATE

No material events occurred after the balance sheet date.

9 ACTIVITIES OF THE FOUNDATION DURING THE FISCAL YEAR

The Foundation Board determines the resources to be awarded and their allocation during budgeting. These resources were distributed as follows during the financial year:

	2017/2018		2016/2017	
	CHF	in %	CHF	in %
Technological support for projects abroad	2,770,657	79%	2,147,561	81%
Financial support for projects abroad	460,096	13%	257,377	10%
Professional support for projects abroad	168,009	5%	142,451	5%
Technological support for projects in Switzerland	98,514	3%	63,730	2%
Financial support for projects in Switzerland	11,877	0%	27,988	1%
Professional support for projects in Switzerland	0	0%	4,814	0%
Administrative expenditures	11,177	0%	10,220	1%
Other operating expenditures	565	0%	329	0%
	3,520,895	100%	2,654,470	100%

As of the balance sheet date, no support contributions from projects were outstanding.

10 PERFORMANCE REPORT

The performance report, containing information on the purpose, governing bodies and work of the Foundation, forms part of the Foundation's annual Activity Report. The most recent Activity Report was published in May 2017.