

Sonova Group Code of Conduct

1. Objective

The Code of Conduct aims to secure the sustained long-term success of the Sonova Group through appropriate conduct of its employees.

The Code of Conduct also provides a framework for how employees are to behave within the company on a day-to-day basis. In particular, it gives practical guidance and rules if employees are confronted with unfamiliar situations and a “healthy common sense” shall apply.

The guiding principle is that we conduct ourselves as loyal, motivated, honest individuals who accept responsibility for our own actions.

2. Validity

The Code of Conduct is binding for all employees within the Sonova Group. This Code of Conduct applies to all employees of the Sonova Group, its subsidiaries and any contractors or vendors performing work for the Sonova Group or any of its subsidiaries.

3. Conduct in our Work

We focus on our employees

Our employees are the lifeblood of Sonova. We share relevant information and work together with our counterparts across the group. We believe in treating each other with respect and fairness at all times and we value the differences of diverse individuals from around the world.

We are committed to increasing the value of the company in a sustainable way

As a listed company we align our strategy and its implementation with the interests of our customers, employees and shareholders. However, increasing the value of the company in a sustainable way also means taking the interests of government authorities, the community and the environment into account. We are fair in pursuing our interests and we win people over with persuasive reasoning.

We adhere strictly to applicable laws and binding standards

As a minimum, all employees must comply with the laws, rules and regulations applicable in the countries in which we operate as well as rules and regulations released by the company.

We are continuously looking for positive ways to set ourselves apart from the competition

Customers are always comparing us with our competitors, which means that the search for new, sustainable ways to distinguish ourselves from the competition must be a spontaneous, day-to-day reflex for all of us.

We are innovative

We never are satisfied with existing solutions. We continuously look into the future and explore new ways of improving the quality of life, especially of individuals with hearing impairment. As a company, we are always asking ourselves how we can create new and better value for our customers. As individuals, we ask ourselves how we can, for example, structure our workflow more efficiently. For it is only when all of us continuously search for ways to make improvements in our work, no matter how small they are, that we will be successful in our goals.

We are a performance and target-oriented company

At Sonova we foster a performance and target-oriented culture. Only when we commit ourselves fully to the purpose of our work, can we achieve our true potential and profit from the intellectual and social capital of other members of the interdisciplinary teams.

We protect our intellectual property

Our intellectual property helps us deliver the amazing solutions that separate us from our competition and make us one of the leading companies in our industry. Intellectual property is a company asset found in the creative ideas that lead to innovations and advancements in our products and technology. We think of it most commonly as our inventions, patents, trademarks and copyrights.

Any intellectual property we develop while doing our jobs for the Sonova Group belongs to the company. We must be alert in identifying it, taking appropriate steps to protect it, and making sure it is used only for the benefit of the Sonova Group.

We protect and value company property

As an employee of the Sonova Group you are provided with access to certain company property such as computers, mobile phones, voicemail, email, pagers, printers, copy machines, faxes, etc. It is your duty as an employee to use company property for company business only and not for personal benefit or gain. If you have questions about the appropriate use of company property, speak with your manager immediately or see our internal Sonova IT Policies.

We keep relevant information confidential

The Sonova Group has a wide variety of confidential information that is not known or available outside the company and would be valuable to our competitors. Some examples include technical know-how, research and development data, manufacturing methods, cost figures, business plans and strategies, employee information, customer lists, financial information and software source codes. These are significant assets of the company.

We must take proper steps to protect this kind of information and may not disclose it to people outside the company, except in approved business transactions. The company will vigorously pursue any unauthorized disclosures of confidential information. Our obligation to protect the confidentiality of information continues even after your employment with the Sonova Group ends.

We respect the proprietary rights of others

We respect the intellectual property rights of others and do not obtain confidential information of other parties by improper means or disclose such information without authorization.

We prohibit insider trading

The freedom of the members of the Board of Directors, the Management Board and of some additional employees to deal in shares or options of Sonova Holding AG is restricted by laws. These laws prohibit persons from trading in securities on the basis of non-public, material information. They also prohibit passing on such information to anyone else. We share a common interest in prohibiting insider trading liability and keeping such information confidential. More details can be found in the internal Sonova Insider Trading Policy located on our intranet.

4. Conduct towards our customers

We inspire our customers

Customers only renew their trust if we exceed their expectations. We want to surprise them! We want our customers to tell their friends about the positive experience they have had with the Sonova Group.

We keep our promises to customers

We can only keep our promises to our customers if we keep our promises to each other. What do we do if something goes wrong despite our best efforts?

- We are honest and say as early as possible that we cannot keep our promise.
- We try to make a new promise based on the changed circumstances.
- We do our utmost to ensure that everything goes right the second time around.

We want our customers to feel that we take them seriously

We don't teach our customers, we listen to them. The customer wants something. It is up to us:

- to understand precisely what the customer wants,
- to fulfill his/her needs as best as possible,
- and – why not? – even exceed his/her needs, for example with an additional idea?

We continue to help each customer until his/her issue is solved

The Sonova Group doesn't let its customers down. If we have passed the issue on:

- we find out the current status after a certain amount of time,
- we escalate if there are problems,
- we continue to monitor the situation until we are convinced that everything is all right.

We conduct our business fairly and do not tolerate bribery

We conduct our business fairly, relying on the merits of our products, services and employees. It is not appropriate, and may be illegal, to try and influence a customer or supplier to make a business decision in Sonova Group's favor by offering a payment or unusual gift. Even if not illegal, such payments may create the appearance of impropriety and damage the company's reputation.

5. Conduct towards our competitors

We are committed to fair competition

Our customers have legitimate business interests. So do we. May the best company win. Customers should benefit from this rivalry, which is why the competition should be fair. We are open about our interests and represent our standpoint confidently and honestly vis-à-vis our customers.

6. Conduct towards the public

We inform the public and local communities in a timely and accurate way

As a listed company we have a responsibility to disclose our financial results and other significant corporate information in a timely and accurate way. At the same time, we are subject to strict rules regarding all such disclosures. It is our policy to make full, fair, accurate, timely and understandable disclosure in reports and other documents available to the public.

All company related information provided to the public shall be coordinated with the Investor Relations Department.

We observe the laws and regulations of the countries in which we operate

We will not engage in actions that might lead to a violation of laws, nor will we, through inaction, allow such laws to be broken. Any exception is totally unacceptable, even if based upon conduct or local customs. We will follow and cooperate with requests of local or governmental authorities and or organizations.

7. Conduct towards the environment

We care about the environment

We recognize our obligation to carry out all of our activities in a manner that preserves and promotes a safe and clean environment. While conducting our activities, we take into consideration the efficient use of energy and materials, the minimization of adverse environmental impact and waste generation, and the safe and responsible disposal of residual wastes.

8. Conduct towards our suppliers and business partners

We respect the interests of our business partners

Generally speaking, our business partners have a commercial, long-term interest in the business relationship with the Sonova Group. We respect this and work to create a win-win situation.

However, we also expect “best practices” from our business partners in terms of product, price and service. We expect our business partners and suppliers to comply not only with laws and internationally established business rules, but also to take their social and environmental responsibility seriously, at a minimum according to our Sonova Group Supplier Principles.

We use caution when accepting or giving gifts and items to and from our business partners

Occasionally when dealing with business partners and suppliers we are offered unusual gifts and/or entertainment-related items. It is the policy of Sonova Group that we not accept or give items above a low nominal value. Items of nominal value such as a fruit basket or notepad are acceptable. Gifts should in no way construe the acceptance of a vendor or business relationship. If you have questions about whether or not you should accept or give a gift, consult with your manager.

9. Conduct towards our employees and colleagues

Our leadership is professional, respectful, open and courageous

Being a leader means accepting and delegating responsibility and giving employees enough room to make mistakes. This requires courage. Leadership means defining shared goals and then achieving them. Leadership means fostering and supporting talent independently of personal preferences. Leadership also means practicing equal opportunity. And, above all, leadership means treating employees as individuals who are responsible for their own actions. That is respect.

Executive managers are inquisitive when they encounter new ideas, different kinds of people and changes in their environment, and they recognize opportunities. That is openness.

We continuously develop our own qualifications as well as those of our staff

As one of the leading companies in our industry, we are on the lookout for qualified newcomers. Professional training is extremely important to us. We offer trainees and university graduates career opportunities that are in line with their needs. We give our employees the opportunity to continuously enhance their qualifications by providing them with challenging tasks, feedback and targeted further training. We are aware that every individual is ultimately responsible for maintaining and further developing his/her own qualifications.

When it comes to our employees, we take our social responsibility seriously

For us, social responsibility is broadly defined. We provide adequate insurance protection. To the extent that it is possible from an operational perspective, our company also wants to integrate disadvantaged individuals. We don't want to let down employees who are in the midst of a crisis. We seek to avoid redundancies whenever possible and give extensive support to those affected by job cuts in their search for a new career direction. We enhance our employees' awareness of health issues.

We pay fair and competitive salaries

Fairness is a must. Employees of the Sonova Group are fairly paid. Our compensation system takes into account an individual's function, the market and his/her performance. The total compensation is therefore not only internally justifiable but also competitive with other companies.

We inform and communicate in an active and reciprocal manner

Information and communication stimulate motivation and create transparency. For us, the principle of reciprocity applies to both managers and employees. Actively gathering information and passing it on is part of our communication culture.

We avoid conflicts of interest

Employees must be loyal to the Sonova Group. Each employee identifies personal interests that could come into conflict with the interests of the Group at an early stage, and implements appropriate measures. Examples of conflicts of interest include working directly or indirectly for a competitor of Sonova Group, contracting of relatives, acting as a member of a Board of Directors for a competitor or partially owning or having a stake in a company that competes directly or indirectly with Sonova Group. If you have questions about whether a relationship is in conflict with your employment at Sonova, speak with your manager immediately.

We foster cultural diversity in the company

The diversity of ethnicity, languages, races, religions, health status and cultures is reflected in our company. We foster this diversity because it guarantees proximity both to the community and to our customers.

We respect the personal integrity of our employees

We prevent bullying and sexual harassment by observing relevant rules and consistently punishing violations. Our policy is to provide a work environment free from harassment. Although "harassment" most frequently refers to sexual harassment, workplace harassment may also include harassment based upon a person's race, religion, national origin, gender, sexual orientation, gender identity, age, physical disability, or any other inappropriate or illegal action. Sonova prohibits harassment in any form, whether physical, verbal, or non-verbal.

You are encouraged to report instances of harassment to your manager or, as appropriate, to your local Human Resources Manager. Your report will be kept confidential to the greatest extent possible, and no complainant or witness will suffer retaliation because of a report made in good faith.

We encourage the exchange of ideas

Knowledge management translated into daily work life means efficient knowledge transfer in a flat hierarchy. Our management encourages the exchange of ideas, a prerequisite for innovative hearing solutions.

10. Conduct towards our line managers

We follow the instructions given by our line managers

The company can only function if employees follow the instructions given by their line managers. If there are compelling reasons not to follow these instructions, we seek open communication with our line manager, ideally with a constructive idea. Once the decision has been made, we carry it out loyally.

We escalate problems that could damage the Sonova Group

If we become aware of minor or major abuses that could damage the Sonova Group, such as unresolved customer problems, unused savings potential, non-compliance with laws or unpursued ideas for innovation, we inform our line manager so that the situation can be remedied or escalated further. This information is provided in a helpful manner, ideally accompanied by a good idea for how to fix the problem.

11. How to get help

With an understanding of the ethical aspects and issues raised in our Code of Conduct, it is easy to know right from wrong. If the question involves a matter of law, our course is clear and unambiguous – we follow the law. Sometimes, questions can not be answered in a straightforward manner. It is impossible to prepare in advance for all possible problems. The best course of action is to understand the method of approaching and solving difficult problems.

These are the steps to keep in mind and questions to ask. If you are unsure what to do in any situation, seek guidance before you act.

1. **Gather the relevant facts.** It is hard enough to find answers with all the relevant facts. It is not possible to reach the right answer without them.
2. **What specifically am I being asked to do?** This should allow you to focus on the specific issue you are faced with, and what alternatives you may have.
3. **Clarify your responsibility.** Many situations we face involve shared responsibility. Are the other parties informed? By getting others involved and airing issues, a good course of action usually comes to light.
4. **Is it fair?** If a course of action seems unfair, examine why it seems unfair and who might be harmed. Is it a customer? The company's interests? Other employees?
5. **Discuss the problem with your line manager.** This is the basic guidance for most situations. In most cases, your line manager will have a broader perspective, and will appreciate being brought into the decision-making process before it is too late.
6. **Further assistance is available.** In the rare case where it may not be appropriate to discuss an issue with your manager, address it locally with your Human Resources Manager first and, if you are still not satisfied, with the managing director of your group company afterwards.
7. **Get in contact with our compliance contact point.** If all other contacts are also not appropriate, you may contact the Legal Department. Your anonymity will be protected. As a last resort, you may contact the Sonova Compliance Hotline, which is available all day, every day. The Sonova Compliance Hotline numbers are the following:

China 10-800-711-0748 or 10-800-110-0692

Canada (866) 447-5045

Germany 0800-180-3417

Switzerland 0800-56-3263

United States (866) 447-5045

Vietnam (704) 521-1168

From all other countries please dial +1 866 447 5045

12. The Code in your language

The Sonova Code of Conduct is also available in the following language versions.

عربي

हिन्दी

漢語

日本語

Dansk

Polski

Nederlands

Portuguese

Français

Русский

Deutsch

Español

Italiano

Tiếng Việt

www.sonova.com/codeofconduct

The English version is the governing text.