

Sonova Group Supplier Principles (‘SGSP’)

Released by the CEO of Sonova Holding AG on April 2007

1. Objective

At Sonova Holding AG and its affiliates (“Sonova”), we have set high standards for the way we conduct business in areas from social and corporate responsibility to sound business ethics, including compliance with all applicable laws and regulations. Sonova Group employees are bound to the Sonova Group Code of Conduct. They behave according to accepted ethical principles when interacting with colleagues, customers, suppliers, business partners and shareholders.

In turn, we expect the same commitment from our suppliers. The objective of the Sonova Group Supplier Principles (“SGSP”) is to define the standards of governance and practice that must be adhered to by all suppliers conducting business with Sonova.

2. Scope

The Sonova Group Supplier Principles apply to all suppliers with whom Sonova have a contractual relationship, including contractors, suppliers of goods and services, co-packers and joint-venture partners (“Suppliers”). It is a prerequisite for doing business with Sonova that any Supplier complies with these SGSP.

Even though Sonova acknowledges that legislation and cultural patterns vary across the world and that Suppliers consequently operate under different circumstances, these Sonova Group Supplier Principles set out the basic requirements any Supplier must comply with. In cases where the law in question is more comprehensive than these SGSP, current law applies. In cases where these SGSP are more comprehensive than the law in question, these SGSP apply.

3. Principles

The Working Environment

The Supplier shall ensure a healthy and safe working environment where the sources of noise and air pollution are under control. Applicable laws and regulations for a good working environment, including the safety and health of the employees, must be complied with. Factory facilities must be well maintained and kept in clean condition.

The Supplier shall especially:

- Ensure that indoor production and work areas have adequate air circulation.

- Constantly increase safety in production by ensuring sufficient light in the areas used for – as an example – moulding, printing and finishing activities.
- Protect the employees against noise and air pollution by mandatory use of protective equipment against damages to hearing, sight, respiratory passages etc. The protective equipment should be made available by the Supplier free of charge.
- Ensure the health of the employees by protecting the employees against the risks involved in performing their work.
- Give reasonable access to drinking water and toilet facilities. Sanitary conditions should be satisfactory and kept clean.
- Keep well-stocked first-aid kit available in each production unit for medical reasons.
- Make it possible to exit the facility from inside.
- Place well-functioning fire alarms and fire extinguishers in each production unit.
- Store dangerous and/or toxic substances safely in locations that are adequately ventilated and ensure that handling of these materials is safe. Waste from use of dangerous and/or toxic substances should be treated in accordance with applicable law.

Basic Working Conditions

The Supplier shall treat all his employees with respect and dignity and shall ensure all applicable laws and regulations.

The Supplier shall especially:

- Not use child labor. The term “child” refers to any person employed under the age of 15, or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is greatest. The use of legitimate workplace apprenticeship programs, however, is supported by us.
- Not use forced labor, regardless of its form, or involuntary prison labor. Physically abusive disciplinary practices will not be tolerated.
- Not use illegal workers.
- Not tolerate harassment or discrimination on the basis of sex, race, color, religion, age, ethnic or national origin, marital/parental status or sexual orientation.
- Respect the legal rights of employees to join or to refrain from joining worker organizations, including trade unions.
- Comply with applicable law regulating hours of work. If no current law applies, Sonova stipulates max. standard working hours of 10 hours per day and 50 hours per week. Working hours must be organized in such a way that the employee can plan his own leisure time. In each 7-day cycle the employee is entitled to at least one day off.
- Comply with the current law concerning wages, compensation for overtime and payment procedures. The employees are entitled to at least a statutory minimum wage or the standard rate in the industry.

Environmental Friendly Production

The Supplier shall operate in a manner that is protective of the environment. At a minimum, the Supplier shall follow all environmental laws and regulations. The Supplier shall gradually promote environmentally friendly production. Waste, wastewater and energy consumption are important elements in environmentally friendly production. The Supplier must therefore be able to handle his

waste, including waste from toxic substances, in a satisfactory way. The Supplier is recommended to use the international standard ISO 14001 as a starting point and a basis for his work.

Subcontractors

If the Supplier retains subcontractors to perform work on the goods or their component parts, the Supplier will only use subcontractors that will adhere to the requirements of these SGSP.

Ethical Dealings

The Supplier shall conduct his business in accordance with the highest ethical standards. Suppliers must strictly comply with all laws and regulations on bribery, corruption and prohibited business practices.

Communications and Record Keeping

The Supplier must make the Sonova Group Supplier Principles and other relevant information available to employees in the local language in an accessible way.

The Supplier shall maintain documentation necessary to demonstrate compliance with these Sonova Group Supplier Principles and must provide Sonova with access to that documentation upon Sonova's request.