



CORPORATE POLICY: Sonova People Policy

Valid from: 01 September 2021

Owner: Group General Counsel



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CORPORATE POLICY: Sonova People Policy

Our Sonova [Code of Conduct](#) (the “Code”) establishes founding principles, who we are and how each of us does business, every day. A founding principle of our [Code](#) is how we treat our employees, contractors, individuals and third parties in our value chain. The purpose of this Sonova (“the Company”) People policy (“People Policy”) is to set clear rules regarding our interactions as a company and as employees towards colleagues and other individuals, in particular in respect of human rights, our role in ensuring a work environment free from discrimination and harassment and fostering diversity and inclusion.

The People Policy is informed by relevant internal and external expertise and provides a global framework for the Company’s endeavor to respect human rights in all our business activities.

A. INTRODUCTION

A.1 SCOPE

The People Policy applies to all operations of the Company globally, including those of its subsidiaries and applies to all of the Company’s employees and managers, including also part-time, temporary and contingent workers. The Company’s commitment to respect human rights also extends to all individuals throughout Sonova’s value chain. The Company uses its relationships with suppliers and business partners to encourage and promote the respect of human rights.

A.2 PURPOSE

The Company recognizes that Sonova’s business wherever it is conducted may potentially have an impact on human rights through its own operations or through business relationships along the value chain.

This People Policy formalizes and specifies the commitment of the Company to support and respect human rights for all people, as set out as a founding principle of our [Code](#), including acting in compliance with laws pertaining to freedom of association, as well as laws prohibiting forced, compulsory and child labor, human trafficking and discrimination. This People Policy particularly affirms our commitment to provide our employees with a work environment that is safe and conducive to a good job performance, free from discriminatory practices, harassment and inappropriate conduct of a harassing nature, including but not limited to sexual harassment.

A.3 INTERNATIONAL REFERENCE FRAMEWORK

The Company is committed to maintaining high standards of business ethics and integrity in accordance with the law, as well as with recognized human rights and labor standards as outlined in international human rights frameworks such as the:

- Universal Declaration of Human Rights (UDHR)





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- United Nations International Covenant on Civil and Political Rights
- United Nations International Covenant on Economic, Social and Cultural Rights
- International Labor Organization (ILO) - Core Labor Conventions
- United Nations Guiding Principles on Business and Human Rights (UNGPs)
- OECD Guidelines for Multinational Enterprises
- OECD Due Diligence Guidance for Responsible Business Conduct
- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas

Furthermore, Sonova is a signatory to the UN Global Compact and its [Ten Principles](#) since 2016

The Company complies with applicable laws and regulations in all locations where it conducts business. In case of conflict between applicable laws and this Policy, the more protective of human rights applies. Sonova encourages its suppliers and business partners to also follow these standards and principles.

B. KEY FOCUS AREAS

The Company is committed to respecting internationally recognized human rights and does not attribute more importance to one human right over another. However, for the implementation of this People Policy, the Company prioritizes those rights that are most salient to our business, as determined below and adapted - as required - based on human rights risk and impact assessments conducted in accordance with the UNGPs.

The Company recognizes that the evaluation of the severity of potential impacts may change and that other issues may grow in importance over time. We may therefore regularly reevaluate the key issues based on further assessments and regular dialogues with internal and external stakeholders, including but not limited to government representatives, customers and patients groups.

For the purpose of this People Policy, the Company has identified the following key focus areas.

B.1 HUMAN RIGHTS

What is guiding us: The general commitment of the Company to respect human rights is defined in our [Code](#) and must be followed by each and every employee. Human Rights topics are governed and managed by this People Policy as well as function-specific standards, including the [Sonova Group Supplier Principles \(SGSP\)](#), to cover all relevant aspects, including also fair working conditions, professional practices and responsible supply chain management.

What we do: In alignment with the United Nations Guiding Principles on Business and Human Rights (UNGPs) and in addition to the above principles, the Company is deploying on a global basis, a Human Rights Due Diligence framework as described in [Schedule 1](#) throughout the



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business to assess, identify, prevent and mitigate actual and potential adverse human rights impacts across the value chain.

This framework - based on internationally recognized human rights and labor standards, including but not limited to the UNGPs - requires the Company to continuously take steps to identify, address and mitigate human rights risks and impacts, embedding responsible business conduct, tracking and communicating performance and, as legally possible, granting potentially affected people access to a grievance and remediation process, as further described below.

B.2 RESPECTING EACH INDIVIDUAL AND ENSURING A SAFE WORK ENVIRONMENT

B.2.1 Safe from discrimination

The individuality of our employees is valued as a key success factor for the Company. Through a shared commitment to an open and inclusive culture, we treat all people with fairness and respect at all times and we value the different perspectives of diverse individuals around the world.

The Company does not tolerate discrimination or harassment in the workplace based on, but not limited to personal characteristics such as nationality, race, ethnicity, color or origin, gender or sexual expression or identity, appearance, age, religion, disability, political opinion or any other subject that may be protected by law.

B.2.2 Safe from harassment

The Company does not tolerate any form of harassment. Harassment is an unwelcome conduct or hostile environment (at work, whether on-site or off-site, at work-related events or online) which makes a person feel offended, humiliated and/or intimidated. Harassment may be physical, verbal and non-verbal. Examples of prohibited conduct include, but are not limited to:

- Making, sending, forwarding racial, ethnic, or otherwise discriminatory or derogatory images, comments or jokes;
- Displaying on Sonova premises or assets, written or graphic material that denigrates or shows hostility or aversion toward a person or group because of any characteristic protected by law.

B.2.3 Safe from sexual harassment

B.2.3.1. Principle. The Company does not tolerate any form of sexual harassment, being unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature. Such behaviors are considered sexual harassment when:

- The offensive behavior creates an intimidating, abusive, or hostile work environment, or interferes with work performance.
- An employment decision regarding an employee is made because of the employee's response to the offensive behavior (*quid pro quo* harassment).

Anyone can be affected, regardless of their gender or the gender of the harasser. What matters is that the sexual conduct is unwanted and unwelcome by the person against whom the conduct is directed.

Discrimination in the workplace means being treated differently or unfairly on the job because of a personal trait or characteristic.

Protected characteristics may include: nationality, race, ethnicity, color or origin, gender or sexual expression or identity, appearance, age, religion, disability, political opinion

Harassment is an unwelcome conduct or hostile work environment which makes a person feel offended, humiliated or intimidated.



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B.2.3.2. Sonova has therefore no tolerance for unwanted sexually harassing conduct, including, but not limited to:

- Inappropriate touching, stroking, kissing, fondling or other unwanted intentional physical conduct.
- Offensive sexual flirtations, advances or propositions or inquiries into another's sexual experiences or preference.
- Unwanted social invitations for dates or physical intimacy.
- Verbal abuse of a sexual nature and sexually oriented comments, teasing or jokes.
- Sexually degrading words used to describe an individual
- Offensive visual conduct such as leering or making sexual gestures.
- Sexual favoritism which includes an employee granting an employment benefit or opportunity based upon another employee's receptiveness to sexual advances.
- The use of job-related threats or rewards to solicit sexual favors.
- Displaying or sending sexually explicit or suggestive material or sexually-suggestive gestures.

Harassment is prohibited whether it takes place within the Company's premises, online or outside, including at social events, business trips, trainings or conferences.

B.2.3.3. Applicability and reprimand. Sexual harassment is prohibited whether it takes place within the Company's premises or outside, including at social events, business trips, trainings or conferences. Anyone, including employees, clients, customers, contractors or visitors who sexually harasses another person in the context of the Company operations will be reprimanded in accordance with this People Policy or other applicable local Company policies

B.3 DIVERSITY & INCLUSION

B.3.1 Principle

We foster diversity and inclusion (D&I) at Sonova and respect the personal integrity of our employees. The diversity of languages, background, ethnic origin, culture, beliefs, character, ability, thinking style, gender identity and/or sexual orientation is supported and reflects our stakeholders and the communities in which we operate.

As an employer, we do not discriminate against our employees. We value diversity as an important key to our success. We provide equal hiring, development and advancement opportunities and recognize the importance of creating an environment in which all employees feel safe, valued, included, and empowered to do their best work, realize their full potential and bring great ideas to support our customers and businesses.

We recognize that each employee's unique experiences, perspectives and viewpoints add value to our ability to deliver the best possible medical devices, services and support to our customers, consumers, patients and business partners.

The Company is committed to work towards ensuring diversity and inclusion in our operations across the various dimensions of social and cultural identity, physical and mental abilities and by practicing inclusivity in how we work with each other.



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B.3.2 Our diversity and inclusion priorities

B.3.2.1 Governance. To ensure the establishment and execution of the Company D&I priorities, a global D&I Council, chaired by the Company's CEO with representatives from regions and key topics, is established.

The global D&I Council sets targets, ensures accountability for target achievements, ensures that the necessary resources are in place and regularly monitors our progress.

B.3.2.2 Targets. We set diversity and inclusion objectives and measure our progress toward achieving them, as well as ensure alignment with strategic business objectives.

We monitor, whenever appropriate and legally permitted, the different diversity dimension of the workforce such as age, gender and background.

B.3.2.3 Hiring and development. We stand for equal opportunities, diversity and inclusion in the workplace in all our operations.

We foster an environment that attracts and retains the best talent, mitigates biases, and encourages the contribution of diverse ideas, backgrounds and perspectives to build the best team.

We create opportunities for training, development and progress, helping and encouraging our employees to develop their full potential.

B.3.2.4 Training. We train managers and other employees about their rights and responsibilities under this People Policy.

We train our employees and people leaders on D&I and the mitigation of bias. Furthermore, we train colleagues in their respective functional context on how to embrace diversity and contribute to an inclusive Sonova culture in their specific roles.

B.3.2.5 Communication. We drive active and transparent communication on D&I to foster an inclusive culture, encourage role model behavior. We emphasize the high relevance of diverse and inclusive teams as a core element of our values and business strategy.

C. VALIDITY

This People Policy comes into force on the effective date listed above and remains valid until further notice. It shall be reviewed regularly and be kept up to date with best practices, and respective laws and regulations.

D. RESPONSIBILITY

The ultimate responsibility of this People Policy lies with the Chief Executive Officer. The Group General Counsel bears the responsibility for implementation and keeping this Policy updated. This People Policy is reviewed and amended as required including to reflect changed business processes, regulatory requirements as well as political and societal expectations.



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E. COMMUNICATION AND IMPLEMENTATION

The Company will ensure that this People Policy is disseminated to all relevant persons. It will be included in the employee handbook. All new employees must be trained on the content of this People Policy as part of their induction into the Company, and employees in employment at the time this People Policy is rolled out for the first time, will be required to take part in an onboarding training.

Every year, the Company will require its employees to take a refresher training course on the content of this People Policy included in the Code of Conduct training. All relevant Company employees need to be aware of this People Policy, understand it and adhere to it. It is the responsibility of every manager to ensure that all his/her employees are aware of and properly trained on the People Policy.

This People Policy is made publicly available on the Company corporate website for the Company's external stakeholders, suppliers and business partners. It is also made available on the Company's internal communications channels in numerous languages.

F. REPORTING, SANCTIONS, & NON-RETALIATION PRINCIPLE

F.1 REPORTING AND INVESTIGATION

Any person victim or witness of a violation of the present People Policy including in case of discrimination or harassment, is strongly encouraged to report the observed incident.

- The Company's Speak Up hotline is one of the ways that we strongly encourage affected persons and witnesses to voice concerns related to potential violations of this Policy.
- Reporters can also speak with their manager, a representative of the Human Resources department or a member of the Legal and Compliance department.

The Speak Up hotline is confidentially answered by trained professionals, independent from Sonova. Reports are forwarded to Sonova with strict confidentiality requirements for further investigation.

Under the direction of the Group General Counsel, allegations will be investigated by the Head of Group Compliance, or another senior member of the Legal and Compliance or Human Resource Departments, experienced in the conduct of investigations.

F.2 NON-RETALIATION PRINCIPLE

Anyone who has a concern can freely speak up, without fear of retaliation. Every person reporting in good faith an alleged violation of the present People Policy will be protected from retaliation by the Company or its employees.

F.3 SANCTIONS AND DISCIPLINARY MEASURES

Anyone who has been found to have violated the current People Policy may be liable to any one or more of the following sanctions: verbal or

When a situation arises that may violate this People Policy, you are encouraged to tell us about it.

Scan or click the QR Code below with any device to go to the Speak Up form or find the local Speak Up phone number:





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written warning as reported in the employee file, adverse performance evaluation, reduction in wages, transfer, demotion, suspension and/or termination in addition to any other legal remedies.

The nature of the sanctions will depend on the gravity and extent of the violations of the present Policy. Suitable deterrent sanctions will be applied to ensure that such incidents are not treated as trivial. Certain serious cases, including physical violence, will result in the immediate termination of the harasser, and the Company may decide to file criminal complaints as well, if appropriate.

G. APPROVAL

The present People Policy has been presented to Sonova Holdings AG Board of Directors and formally approved on 12 May 2021.



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SCHEDULE 1: SONOVA HUMAN RIGHTS DUE DILIGENCE FRAMEWORK

This People Policy outlines the Company's commitment to conduct Human Rights Due Diligence ("HRDD") throughout its business to assess, identify, prevent or mitigate actual and potential adverse human rights impacts across the value chain. The Company's HRDD framework is aligned with the UNGPs. The HRDD framework follows the below six steps as required by the UNGPs.

A. COMMITMENT

This People Policy outlines the Company's commitment to support and respect human rights and guides the implementation of the HRDD framework in the Company.

B. ASSESS ACTUAL AND POTENTIAL IMPACTS

In order to assess actual and potential human rights impacts, the Company regularly conducts human rights risk assessments and identifies its salient human rights issues in line with the UNGPs. The Company commits to conducting enhanced due diligence through human rights impact assessments (HRIA) in high risk areas. This includes the consultation of and meaningful engagement with potentially affected groups or their representatives.

C. CEASE, PREVENT OR MITIGATE ADVERSE HUMAN RIGHTS IMPACTS

Based on the human rights risks and impacts identified and in consultation with relevant stakeholders or their representatives, the Company defines and implements appropriate measures to cease, prevent or mitigate adverse human rights impacts across the value chain.

D. EMBED AND INTEGRATE RESPECT FOR HUMAN RIGHTS

A regularly updated human rights roadmap, outlining key measures, targets and responsibilities is approved by the Management Board and implemented and monitored by Group Legal and Compliance. To the extent possible and relevant, human rights-related prevention and mitigation measures are integrated into the Company operations, training programs, policies, management systems and decision-making mechanisms.

E. TRACK AND COMMUNICATE PERFORMANCE

The implementation of the human rights roadmap is tracked based on appropriate qualitative and quantitative indicators and feedback from relevant internal and external stakeholders. This monitoring is used to inform and support continuous improvement and to ensure the effectiveness of the Company's HRDD framework. The Company will communicate as required the progress and further actions of the HRDD framework in its publicly available Corporate Responsibility Report to account for how human rights issues are addressed by the Company.

F. ACCESS TO GRIEVANCE AND REMEDY AND THE FUNDAMENTAL PRINCIPLE OF NON-RETALIATION

The Company maintains an internal compliance helpline and an anonymous Speak Up system that allows any affected person or witness to effectively report allegations of violation of this Policy and anonymously raise concerns, without fear of retaliation as described in the People Policy to which this Schedule is attached.

Such channels continue to be used to report potential human rights issues. When adverse human rights impacts are uncovered due to the Company's business activities and relationships, the Company is committed to taking timely and transparent action to remediate in a fair and equitable manner in line with the UNGPs.



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Rule Name	Sonova People Policy
Effective Date	01 / 09 /2021
Level in Rules Hierarchy	Policy level 2
Scope and target group	All Sonova employees, worldwide
MB Designation	Chief Executive Officer
Rule Owner	Group General Counsel

References to further applicable documents:

TQM Code	Name	Location
NA	Sonova People Policy	OneSonova

Version control

Version	Description of change / content	Written by/on:	Approved by/on:	Released by Owner on
1.00	Original release	Xavier Schops 30.04.2021	Board of Directors 12.05.2021	Franz Brand 01.06.2021