

SONOVA GROUP

Code of Conduct





A message from the CEO

Dear Colleagues,

I assume that many of you feel the way I do: it is a joy to contribute to and work towards our joint vision of a world where everyone enjoys the delight of hearing and therefore lives a life without limitations. Our commitment to this vision unites us at Sonova. It aims to inspire us and at the same time makes us accountable for conducting our business activities in line with the high standards that we have set for the company.

Our Code of Conduct constitutes our business and our individual obligations; it sets the tone for this company. The Code has been established to provide guidance and supports us in maintaining the highest standards of ethical conduct. In every business unit and in every market, all our employees are in charge of instilling these values and ensuring that we all respect and adhere to the principles laid out in the Code of Conduct.

This Code of Conduct has guided this company for a long time. I ask that you re-read it from time to time and apply its principles consistently to your work and the way you do business.

Our Code can only work as a foundation of our business ethics if we keep it alive and present, and if we observe it. If you were to encounter situations

at Sonova where you in good faith believe that the principles in our Code have not been lived or observed, please let us know. Talk with your line manager, with the Compliance or Legal Departments, the Compliance hotline – or me. We want all of us to be able to be transparent and to be heard. Speak up!

Leading with ethics and integrity is a significant opportunity for our company – one that can differentiate us in our industry, makes us a company everyone feels invited to work at, and supports us in growing our revenues along with our reputation. We all must be role models for corporate integrity. With your help, we are confident that our values and reputation will be upheld long into the future. Let's all work together to ensure that Sonova is the best company it can be.

Thank you for your commitment.

Arnd Kaldowski
Chief Executive Officer Sonova



Objective

With this Code of Conduct we aim to secure the sustained long-term success of the Sonova Group through appropriate conduct of every employee.
The guiding principle is that we act as loyal, motivated, honest individuals who accept responsibility for our own actions.

Validity

This Code of Conduct is binding for and applies to all employees within the Sonova Group, its subsidiaries and any contractors or vendors performing work for the Sonova Group or any of its subsidiaries. Certain subjects covered by this Code of Conduct may be further detailed in specific guidelines. Failure by employees to follow the Code of Conduct may result in disciplinary action up to and including dismissal.



Corporate social responsibility

We care about our responsibility

The Sonova Group fosters a world where every hearing loss has a solution and all people equally enjoy the delight of hearing. We pursue this goal with innovative technology, service-oriented dedication and by accepting responsibility for all of our actions. We are committed to doing business in a sustainable and socially and environmentally responsible manner. While conducting our activities, we take into consideration the efficient use of energy and materials and the safe and responsible disposal of residual wastes.



Conduct in our work

We adhere strictly to applicable laws and binding standards

Employees are expected to know and follow the law of each relevant market in which Sonova does business. Adherence to all laws and regulations in the countries in which Sonova operates, and to this Code of Conduct as well as to all relevant policies and guidelines is a condition of employment for every employee.

We respect and follow antitrust and competition laws

Competition laws and antitrust laws exist to ensure free and open competition in the market place, a principle that Sonova fully supports.

Examples of prohibited conduct include but are not limited to:

- Agreements with competitors to fix prices, restrict sales or allocate territories;
- Exchange of confidential information with competitors;
- Agreements with distributors/resellers to fix resale prices as well as certain
- other resale restrictions in relation to territories and/or customers;
- Abuse of market dominant position.

We protect our intellectual property

Our intellectual property helps us deliver the unique solutions that differentiate 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, technology and services. We think of it most commonly as our inventions, patents, trademarks and copyrights.

The intellectual property we develop 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 etc. Unless otherwise specified, company property may be used for legitimate company business only and not for personal benefit or gain.

**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 the employment with the Sonova Group ends.

This does not prohibit you from disclosing or discussing personal, confidential information with others, so long as you did not come into possession of such information through access which you have as part of your formal company duties.

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 keep data secure and comply with data privacy

We protect confidentiality and integrity of data, including the data of employees and customers, by technical and organizational means. We adhere to the applicable data protection regulations.

**We prohibit insider trading**

Insider trading laws prohibit persons from trading in securities on the basis of non-public, material information which could, if it became public, affect the stock price. They also prohibit passing on such information to anyone else. The same restriction applies to trading in the stock of other companies using confidential information which an employee has received in the course of employment. We share a common interest in prohibiting insider trading, thereby protecting the reputation of the company.

We use e-mail, internet and social media appropriately

The use of the business tools of e-mail, internet and social media may have legal implications for the company and the employees personally. The content of the e-mails and documents we create and the data we access over the internet must always be appropriate. E-mail, internet and social media must not be used to access or disseminate illegal, offensive, disruptive or potentially discriminating content such as pornographic or obscene material. Unless otherwise specified, e-mail, internet and social media shall be used for legitimate business purposes only.

Conduct towards *our customers*

We put customers first

Customers are at the center of our business. 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 and want our customers to feel that we take them seriously. We continue to help each customer until his/her issue is solved.

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 in every country, such payments may create the appearance of impropriety and damage the company's reputation.

No improper payments (bribes, kickbacks, or other payments for illegal purposes) shall be made to government employees or officials, customers, or others. This prohibition applies not only to direct payments, but extends also to indirect payments made in any form through consultants or other third parties.

We comply with international trade regulations and export controls

Depending on the destination and on the nature of our products the export of our products is subject to export control regulations and trade sanctions. These restrictions either prohibit trade, prohibit an export, require a license or the notification of authorities. Non-compliance with international trade regulations expose individuals as well as the company to substantial fines, denial of export privileges and imprisonment (in the case of individuals).



Conduct towards *our competitors*

We are committed to fair competition

Our competitors 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.



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. Only the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) and persons specifically designated by the CEO or the CFO may speak to the public on behalf of the company.

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. 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 to and from our business partners

Occasionally when dealing with business partners and suppliers we are offered gifts and/or entertainment-related items.

It is the policy of the Sonova Group that we do not accept or give items above a nominal value as further detailed in specific guidelines. Gifts should in no way construe the acceptance of a vendor or business relationship.



Conduct towards *our employees and colleagues*

We consider our employees as key to our success

Our employees are the lifeblood of Sonova. We share relevant information and work as a team 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 avoid conflicts of interest

You're expected to do your job for the benefit of Sonova, its customers, and its shareholders. A conflict of interest occurs when your private interests interfere in any way, or even appear to interfere, with the interests of Sonova as a whole. A conflict of interest can arise if you take actions or have interests that may make it difficult for you to perform your company work objectively and effectively.

Examples of conflicts of interest include working directly or indirectly for a competitor of the Sonova Group, contracting of relatives, acting as a member of a Board of Directors for a competitor or – either by the employee or by immediate family members – partially owning or having a stake in a company that competes directly or indirectly with the Sonova Group.

We foster diversity in our company

The diversity of languages, ethnic origin, religions, health status and cultures is reflected in our company and represents our global customer base. We foster this diversity as an important key to our success.

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 ethnic origin, religion, national origin, gender, sexual orientation, gender identity, age, physical disability, or any other inappropriate or illegal action. Sonova prohibits harassment and discrimination in any form, whether physical, verbal, or non-verbal.

Be sensitive in the way you approach your colleagues and respect individual privacy at all times.

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.



How to get help

Although this Code of Conduct provides a framework, it cannot cover all possible situations. If the question involves a matter of law, our course is clear and unambiguous – we follow the law. Employees are encouraged to report suspected violations immediately. 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 come to the right conclusion 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 raising 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 a basic guidance for almost all situations. Your line manager will have a broader perspective and will appreciate being brought into the decision-making process before it might be 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 the matter cannot be resolved, with the Managing Director of your Group company.
- 7 Get in contact with our compliance contact point.** If all other contacts are also not appropriate, you may contact the Legal Department. As a last resort, you may contact the Sonova Compliance Hotline, which is available all day, every day. The Sonova Compliance Hotline number for your country can be found on the Sonova Code of Conduct intranet page:
<http://collaboration.sonova.com/orgunits/ch-ph-reg-pol/Pages/code-of-conduct.aspx>



Sonova Compliance Hotline

Our Compliance Hotline enables employees around the world to call to voice concerns related to potential violations of the Code of Conduct. Independent specialists answer the calls and forward reports to the appropriate person in the Sonova Group for further investigation. Employees can later ask for follow-up information.

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.

Phone Number

China:	10-800-711-0748
Canada:	(866) 447-5045
Germany:	0800-180-3417
Switzerland:	0800-56-3263
USA:	(866) 447-5045
Vietnam:	(704) 521-1168
Other countries:	+1 866 447 5045

The Code in your language

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

عربي (Arabic)

Italiano (Italian)

漢語 (Chinese)

日本語 (Japanese)

Nederlands (Dutch)

Polski (Polish)

English (English)

Português (Portuguese)

Français (French)

Русский (Russian)

Deutsch (German)

Español (Spanish)

हिन्दी (Hindi)

Tiếng Việt (Vietnamese)

www.sonova.com/codeofconduct

The English version is the governing text.

Approval

This Sonova Code of Conduct was approved by the Sonova Board of Directors on 23 August 2012 and was slightly revised in November 2013 to resolve inadvertent variations in translation. It replaces the Sonova Code of Conduct of 2008.

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