

## **Global Antibribery Policy**



First Issued on March 31, 2013; restated and re-issued effective July 1, 2018



## SONOVA'S COMMITMENT TO ETHICS



**W**e at Sonova know it is in the best interest of our customers, consumers, employees, business partners and the company if we all work together to conduct business in an ethical way. We will not bribe anyone, whether private business person or government official, to win or retain business and we expect the same integrity of those we work with. We will keep accurate books and records and we work together to uphold the ethics standards of Sonova.

### A.1 PURPOSE AND SCOPE

This Global Antibribery Policy (“**Policy**”) explains Sonova’s rules with respect to ethical conduct in business, in particular preventing bribery and corruption in our business dealings; and it provides guidance on how to act in a variety of situations. This Policy asks you to remember in all your business dealings to act with integrity, that is, to do the right thing for the right reason, true to one of Sonova’s core values, namely that we will act with responsibility. The Policy will not be able to provide answers to all ethical dilemmas that you may encounter—your own personal values will help you find the way, and Sonova’s Global Compliance Department is here to support you in any way necessary.

This Policy applies to all Sonova entities on a worldwide basis (“**Sonova Group**”) and to all of its employees, its directors, and its officers. If you are or want to be a Sonova business partner—for example a distributor, consultant or supplier—we will need you to commit that you, too, will comply with the principles underlying this Policy.

Throughout the world, international conventions and laws prohibit bribery and corruption. Often, these laws focus on the prevention of bribery in interacting with government officials or “public officials,” but many countries also prohibit corruption in connection with private commercial transactions. These laws, or laws like them, may apply in your country. And as you know from the Sonova Group Code of Conduct, we must, and we will, follow the laws of the countries in which we do business, including anti-bribery laws.

And please remember: while this Policy governs our actions with respect to preventing bribery, if the laws in your country are stricter than this Policy, you must comply with those laws. If, however, the laws in

PHONAK

unitron

HANSATON

AB Advanced Bionics

AudioNova

your country are silent on an issue, or this Policy states a clear, stricter rule than the laws of your country, you must follow this Policy or request a review of the situation by the Global Compliance Department.

Finally, this Policy is administered by the Global Compliance Department and you may contact its members for any questions you may have.

[Compliance@Sonova.com](mailto:Compliance@Sonova.com)

## A.2 SONOVA AND THE HEALTHCARE INDUSTRY

On a daily basis, we interact with health care professionals in a variety of roles and settings. These include audiologists and acousticians, professors, surgeons, Ear Nose and Throat specialists, or researchers. We may, for example, interact with them when they assist us in improving our products, or when they provide feed-back on them, or in training users on our products. These medical or Healthcare Professionals may be considered to be "government officials" under the laws of many countries, which means that particularly stringent antibribery laws apply to them. We must take particular care that our interactions with them do not create the impression that we use improper methods to influence these professionals to purchase, use, prescribe and/or recommend our products. That is why we will address in this Policy topics such as donations, gifts or hospitality, or agreements with such Healthcare Professionals for consulting services as in each of these interactions we must ensure that they occur for a true business need and in a proper setting.

The general rule you should remember is that we must strictly **separate** our sales activities from our engagement of these Healthcare Professionals for legitimate services to the company; we must **document** properly their services to us; we must not pay them more than the **fair market value** of their services; and we must be **transparent** about our collaboration with them (we call these four principles the "**Four-Leaf Clover Principles**").



## A.3 DEFINED TERMS USED IN THIS POLICY

Throughout this Policy, when you see a capitalized term, a specific meaning has been assigned to it. The terms are described at the end of the Policy where you can easily look them up.

## B. THE CORE OF THIS POLICY: WE WILL NOT BRIBE NOR BE BRIBED, NOR USE OTHERS TO BRIBE FOR US

**N**o employee or person who acts for Sonova in any capacity may offer or provide a Bribe to any person, whether that person is in the private sector or a Government Official. It is also prohibited to try to do the same through third parties, such as agents or distributors. At Sonova, we will therefore reject any requests for a Bribe. Conversely, we will also not request, accept, or initiate bribes ourselves.

## C. SPOTLIGHT ON SPECIFIC SITUATIONS

**T**his section provides guidance on various types of interactions with Healthcare Professionals and business partners who may interact with Healthcare Professionals on our behalf.

### C.1 GIFTS, HOSPITALITY AND ENTERTAINMENT

**Gifts and Hospitality:** We will not pay for nor accept gifts or hospitality (such as meals and travel) or payment of expenses that are not reasonable and appropriate under applicable law. In order to help you understand what is and is not permitted, [Sonova's Standard Operating Procedure \(SOP\) 1, "Gifts, Hospitality, Travel"](#), provides basic rules on this topic. Stricter rules, including outright prohibitions, may apply depending on the recipient (for example, in connection with meetings with Government Officials) under applicable laws and regulations. A particular area of concern here is entertainment which in all cases requires express approval from the Global Compliance Department.

**Sunshine Legislation:** In some countries (for example in the U.S. and France), manufacturers must report any gifts, hospitality and entertainment provided to Healthcare Professionals. Sonova complies with these requirements.

The thresholds and principles issued by Sonova will guide our interactions with Healthcare Professionals but also provide guidance for non-Healthcare Professional business interactions.

### C.2 DONATIONS, EDUCATIONAL & RESEARCH GRANTS, FELLOWSHIPS, AND SPONSORING

**Donations:** From time to time, Sonova may wish to support legitimate charities and charitable causes. This is permitted if the recipient and the cause are appropriate, the donation is permitted under applicable law, and you have received the requisite approval under Sonova's Delegation of Authority. Please note that Sonova does not make donations to political parties.

**Sponsoring:** In addition to supporting charitable causes, Sonova may from time to time provide funds for non-charitable endeavors to combine supporting a worthy cause with image enhancement. All such support is subject to the Delegation of Authority and must be properly documented.

**Educational Grants and Fellowships; Research Grants:** Sonova may from time to time consider supporting educational institutions either by supporting an appropriate scientific cause generally related to audiological research ("**Educational Grant**") or by supporting the further education of a Healthcare Professional ("**Fellowship**"). Sonova may also support from time to time scientific research that could ultimately lead to improved user experience or patient outcomes in the form of Research Grants. Such support must comply with guidance issued by the Global Compliance Department and be permitted under, and be made in compliance with, applicable law.

Nothing in this Policy prohibits the granting of *bona fide* discounts/rebates. However, discounts/rebates may be subject to restrictions under applicable law as regards their form and/or amount.

Congress Marketing Support: As part of ensuring that Sonova's products are appropriately publicized, Sonova may participate in congresses or events, or support distributor-organized events where in exchange for a financial or in-kind contributions, Sonova receives space and opportunity to exhibit products, prominently to place its trademarks in event brochures, or other relevant marketing opportunities. These activities are permitted after reasonable due diligence in order to ensure that the event in question is legitimate, the mutual considerations are in balance and the activity is permitted under applicable law.

### C.3 ENGAGING HEALTHCARE PROFESSIONALS FOR CONSULTING SERVICES

Healthcare Professionals help Sonova to improve the quality of our products and may lead to better user experience. We may engage Healthcare Professionals as consultants, providing meaningful *bona fide* services, including research, participation on advisory boards, presentations at trainings, and product development. The Four-Leaf Clover Principles explained above apply to any engagement of a Healthcare Professional and this is further described in [SOP 2, "Interactions with Healthcare Professionals."](#) Please note that **each contractual, non-sales relationship entered into with a Healthcare Professional must be registered with the Global Compliance Department.**



### C.4 ENGAGING OTHER THIRD PARTIES FOR SALES & OTHER ACTIVITIES ; DUE DILIGENCE

Sonova is not only responsible for its own actions but when it engages third parties to act on its behalf or to distribute its products, for example, Sonova may also be held responsible for the actions of these third parties. It is therefore only wise that we make sure that our business partners share our commitment to ethics. To this end, Sonova has a formal approval ("due diligence") process for specific categories of business partners whose activities represent a high risk, namely: independent sales agents, distributors, non-Healthcare Professional consultants, customs agents, certain logistics partners and other categories, as necessary. This Due Diligence Process for non-HCP business partners is further described in [SOP 3, "Engaging Business Partners"](#) which also addresses certain exceptions. **Each due diligence submission requires review and approval by the Global Compliance Department and each engagement of an approved business partner requires a written agreement.**

## D. BOOK KEEPING AND USE OF CASH

**A**ccurate Books. Sonova maintains complete and accurate financial records, ensuring that all transactions are properly, accurately and truthfully recorded; Sonova further maintains an adequate system Internal Controls System. Under no circumstances will Sonova tolerate records which do not truthfully reflect the business transactions in question, let alone any accounting entry based on such record. Sonova will not tolerate off-the-books transactions or funds under its control which are not truthfully and completely recorded in its books (so-called "slush funds"). All accounting records, expense reports, invoices and other business records must be retained, reported

and recorded in line with applicable law and regulations. It is prohibited to circumvent or evade Sonova's internal accounting controls, or attempt to do so.

**Cash:** Petty cash is permitted only for the purchase of ad hoc expenses, such as food or drink, or office supplies. Petty cash boxes should contain only negligible sums (around CHF 100) and must be reconciled on a monthly basis. We will not utilize cash equivalents (e.g., vouchers) for any reason.

We will not use nor accept cash for business transactions other than in the retail context, up to reasonable limits to be communicated from time to time, but in any event no higher than permitted under applicable law. Any exceptions must be brought to the attention of the Chief Financial Officer ("**CFO**") and the Group General Counsel ("**GGC**") and any such payments are unauthorized unless the CFO and GGC exceptionally approve them.

**No Facilitation Payments:** Sonova does not permit making facilitation payments. Facilitation payments are defined as payments made to secure or accelerate performance of a legitimate action by a Government Official and made outside of the ordinary course of business. An example would be a payment to a customs official to accelerate clearing of Sonova goods through customs.

## E. SPEAKING UP: REPORTING POTENTIAL VIOLATIONS

**E**ach one of us is responsible for ensuring that Sonova meets its commitment to high ethical standards. You are therefore obliged to report it if you believe you see an actual or potential violation of this Policy. You may not always be sure whether something is a violation, but if you believe so in good faith, or are not sure, please report it and consult with the Global Compliance Department about it.

How can you report a violation? There are many ways: (i) to your line management, (ii) to Global Compliance; (iii) to the Legal Department, or (iv) the Ethics Helpline (phone numbers are available on the Intranet). The Ethics Helpline also allows for anonymous reporting in the countries where this is permitted.

We encourage you to speak up clearly and whenever necessary. Sonova will not retaliate against individuals who in good faith report (believed) violations.

## F. RESPONSIBILITIES

**E**thical behavior in business is the personal responsibility of each any and every person associated with the Sonova Group, irrespective of rank or position. In addition, the following specific responsibilities apply:

### F.1 THE MANAGEMENT BOARD

The Management Board of Sonova maintains a culture of integrity for the Sonova Group, leads by example and provides adequate resources to support the Sonova Group's Compliance Program.

#### Compliance Hotline

Our Compliance Hotline enables employees around the world to call confidentially to voice concerns related to potential violations of the Code of Conduct or other policies and regulations. 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. The Compliance Hotline can also be used by third parties.



Country	Phone Number
China	10-800-711-0748 or 10-800-110-0692
Canada	(866) 447-5045
Germany	0800-180-3417
Switzerland	0800-56-3263
USA	(866) 447-5045
Vietnam	(704) 521-1168
From other countries	+1 866 447 5045

## F.2. LOCAL MANAGEMENT

The Managing Directors, General Managers or, as the case may be, local/regional Heads of Sales & Marketing and Controllers of the Sonova Group companies are responsible for the implementation of any necessary local policies and processes and, under the direction of the Global Compliance Department, for the monitoring and enforcement of compliance with this Policy.

The country organizations may suggest the appointment of an individual to act as 'Compliance Champion,' and Global Compliance shall review and approve this appointment based on the seniority, experience and qualification of that individual. The Compliance Champion may then act as local coordinator of Compliance Trainings and will liaise with the Corporate Global Compliance team on an ongoing basis.

## F.3 . LEGAL DEPARTMENT / GLOBAL COMPLIANCE

The Global Compliance Department provides training and tools to support the implementation of this Policy, monitors compliance with its terms and addresses any violations together with appropriate other functions. The Legal Department supports the processes outlined in this Policy, and renders legal advice in connection with this Policy.

### Compliance Helpdesk

For general questions and advice regarding the Sonova Group policies, please contact us

by email to: [compliance@sonova.com](mailto:compliance@sonova.com)

by calling: +41 56 928 3232

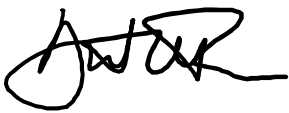
## F4 . ENFORCEMENT OF THE POLICY

Violations of this Policy would be a serious matter potentially affecting Sonova's reputation and therefore all of us. Sonova will investigate any credible allegations regarding a breach of this Policy. [SOP 4, "Handling Cases for Suspected Ethics or Sonova Code of Conduct Violations"](#) describes the process of investigating alleged breaches. Sonova will appropriately sanction employees or business partners, as the case may be, if it turns out that the Policy has been breached.

Conversely, Sonova recognizes the dedicated support of this Policy by the Sonova family and encourages each and every one at Sonova and beyond to work together in bringing its principles to life in our daily work.

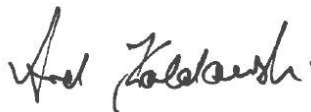
Stäfa, April 1, 2018

AUTHOR:



Antje Petersen Schmalnauer

APPROVED BY:



Arnd Kaldowski



## DEFINITIONS

**Bribery:** the Cambridge English Dictionary defines bribery as the act of “giving someone money or something else of value, often illegally, to persuade that person to do something you want.” For purposes of this Policy, it is prohibited to bribe private individuals as well as public officials. A few examples of Bribery are: (1) inviting a delegation of public officials and their spouses to a factory visit in Switzerland; (2) inviting a delegation of public officials to a factory visit in Switzerland with a side trip to Paris; (3) offering an internship to the son of the head of a tender commission where the company is bidding for the tender; (4) selecting a vendor who promises to “throw in” an iPad for personal use if selected; or (5) paying money to a customs official to clear wrongly labelled goods through customs.

**Congress Marketing Support:** a commercial transaction where Sonova attends an industry or scientific event, such as a congress or conference, or supports a distributor marketing or training event where Sonova can showcase its products and purchases a support package that may consist of exhibit space, inclusion of Sonova's logo(s) in the program, and similar marketing tools.

**Donations:** providing financial means or in-kind contributions to an organization with charitable or comparable status without compensation in return.

**Due Diligence:** Sonova's process for vetting certain types of business partners.

**Educational Grant:** financial support provided to educational institutions either by supporting an appropriate specific scientific cause or generally related to audiological research.

**ENTs:** Ear Nose and Throat specialist physicians.

**Entertainment:** activities that are purely non-business related, such as sporting events, touristic activities, cultural events and the like.

**Facilitation Payment:** a payment made to secure or accelerate performance of a legitimate action by a Government Official and made outside of the ordinary course of business.

**Fellowship:** support of an HCP for further extended training in an audiology-related or ENT medical field.

**Global Compliance Department:** the Sonova professionals in the Sonova Legal Department engaged in administering and managing Sonova's Global Compliance Program. If authorization by the Global Compliance Department is required under rules issued under this Policy,

such authorization may be given by a member of the department who is at least at manager level.

**Government Official:** employees or representatives of government entities, international non-governmental organizations, and any person with the responsibility to allocate or expend government funds. Also included in the definition of Government Officials are HCPs working in, having privileges or being otherwise affiliated with a public health care facility, institution, university or hospital. An HCP is considered to be affiliated with an entity if he or she is employed by, has staff privileges with, or is otherwise in a position directly or indirectly to influence purchasing decisions by the entity. Depending on applicable law, physicians or health care professionals acting in a purely private commercial practice but whose patients are insured by government supported programs may be considered to be Government Official.

**Healthcare Professional (HCP):** any individual who practices generally in a medical field and is in a position to purchase, prescribe, acquire or recommend, or make decisions for, Sonova's products, or to influence such decisions. In many jurisdictions, professionals working closely with such Healthcare Professionals with decision making powers, such as nurses, may also be considered to be HCPs. Depending on the jurisdiction, an HCP may be considered to be a Government Official under applicable anti-bribery laws.

**Hospitality:** when Sonova provides meals or refreshments to third party business partners.

**Legal Department:** collectively, Sonova's global legal department, including the corporate legal department in Stäfa as well as the local legal departments outside of Switzerland. If authorization by the Legal Department is required under this Policy, an attorney member of the department is entitled to provide such authorization.

**MD:** the managing director or general manager of a Sonova business unit, company or other unit.

**Payments:** any and all compensation, including payments and reimbursement for personal and professional services, meals, travels, grants, sponsorships, fellowships, research grants, clinical studies, professional meetings, product training, medical education, research funding, product development services, in-kind services, advertising, promotion and marketing expenses or support, and royalties or other payments for transfer of documented intellectual property.

**Red Flags:** circumstances that strike you as unusual and may be a sign that the business partner is not reliable.

**Research Grants:** as defined by Medtech Europe, the provision by or on behalf of Sonova of funding, of products, equipment, and/or in kind services to any organization that conducts research which is made for the sole, restrictive purpose of supporting the development or furtherance of *bona fide*, scientifically valid and legitimate research by the recipient the purpose of which is to advance medical, scientific and healthcare knowledge, medical technologies and/or clinical techniques designed to improve patient outcomes.

**Sponsoring:** financial support for a worthy, non-charitable cause for image-enhancement for Sonova corporate or product brands.

**Third Party:** anyone that is not an employee, director or officer of Sonova, and any entity that is not Sonova or one of its affiliates.

**Third Party Organized Procedure Training:** means a type of Third Party organized educational event that is primarily intended to provide Healthcare Professionals with information and training on the safe and effective performance of one or more clinical procedures in circumstances where the information and training concern:

- Specific therapeutic, diagnostic or rehabilitative procedures, namely clinical courses of action, methods or techniques (rather than the use of medical technologies); and
- Practical demonstrations and/or training for HCPs, where the majority of the training program is delivered in a clinical environment.

**Value:** includes Payments, gifts, cash, consulting agreements, charitable contributions, grants or fellowships made at someone's request, and any other personal or business advantage.