



Corporate Social Responsibility

CSR policies

Introduction

In a market, such as the hearing industry, where the amount of hearing impaired consumers is increasing each year, we feel a social responsibility, along with our desire, to revolutionize hearing aid components. The better our components perform, the more we can help create a positive experience for the hearing aid users and even help to reduce the stigma of wearing hearing aids.

Sonion's Corporate Social Responsibility (CSR) vision is: *to balance innovation and commercial success with our global social responsibility to our customers and at Sonion locations throughout the world. This vision ensures that we are morally and ethically performing to the highest standards of business and personal responsibility.*

Sonion incorporates CSR into the organization through several processes by which to run a sustainable and successful business.

We have outlined five areas within Sonion's CSR which we consider to be highly relevant:

- ☉ Legal Compliance
- ☉ Labor & Human Rights
- ☉ Environment, Health and Safety
- ☉ Community Responsibility
- ☉ Financial Responsibility

In order to monitor CSR in Sonion we will publish an annual report that evaluates our efforts as well as state our future focus areas.



Corporate

Social

Responsibility

Legal Compliance



At Sonion, we comply with legislation and moral standards in the jurisdictions in which we operate. Violation of domestic or foreign laws, rules and regulations may compromise competitive market forces, damage democratic institutions and impede efforts to reduce poverty. All Sonion employees are therefore expected to abide by the letter and spirit of all applicable laws and regulations, as well as cooperate with any reasonable demands made in a government audit or investigation.

Compliance Program

What is Compliance?

When a company and its employees meet the requirements of accepted practices, legislation, prescribed rules and regulations, specified standards, or the terms of a contract.

It is highly important to Sonion that our employees are aware of the Sonion procedures, policies and regulations as well as the moral and legal standards in our industry.

We have structured the CSR policy, the Code of Conduct and other Sonion policies under an overall „Sonion Compliance Program” which will keep employees informed about Sonion procedures, policies and regulations. This Compliance Program is intended to also support Sonion employees when dealing with the different issues they may come across in their daily work.

Confidentiality especially plays a significant role throughout the Sonion organization. Being part of the hearing industry which constantly evolves in more innovative directions, it is vital for us to be able to carry out classified research and development in order to maintain our growth and success.

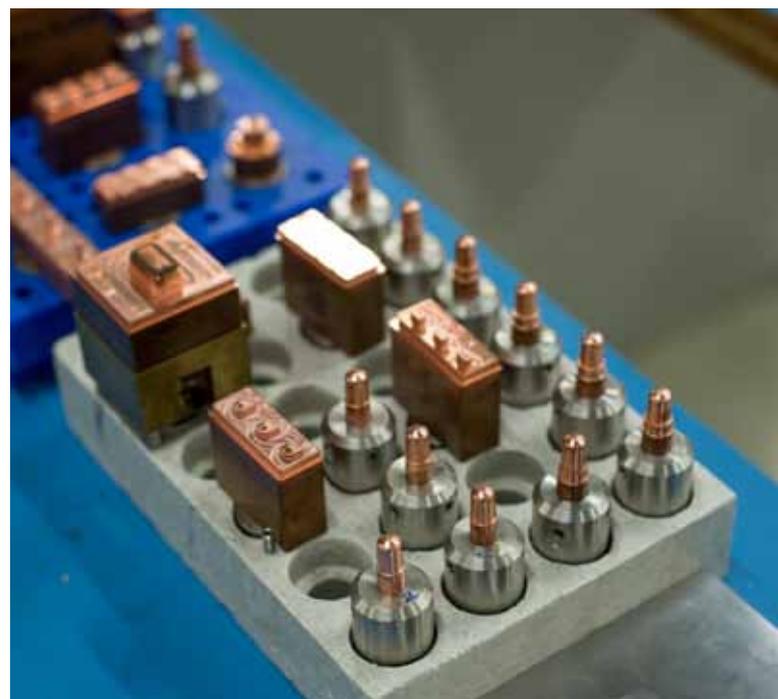
Maintaining an honest and competitive business

At Sonion we are committed to a fair and unrestricted competition. Sonion will refrain from the following:

- ☞ To fix prices in collaboration with competitors
- ☞ To make rigged bids (collusive tenders)
- ☞ To establish output restrictions or quotas
- ☞ To share or divide markets by allocating customers, suppliers, territories or lines of commerce

Anti-Corruption

Sonion complies with the anti-corruption laws of every country in which we do business. Sonion will under no circumstances whether directly or through intermediaries, offer bribes, nor will we accept offers of any such inappropriate payment from others. ‘Kick-backs’, secret commissions and similar payments are strictly prohibited.



Labor & Human Rights

At Sonion we believe that it is crucial to comply with labor and human rights in order to uphold a healthy work environment with attractive conditions for all employees. We aim at providing equal opportunities for personal development, fair treatment and employee welfare at all Sonion locations.

- ☉ Freedom of association and the effective recognition of the right to collective bargaining
- ☉ Elimination of all forms of forced or compulsory labor
- ☉ Effective abolition of child labor
- ☉ Elimination of discrimination in respect of employment and occupation

We expect our suppliers and contractors to also abide by the four labor principles.

Human rights

Sonion under no circumstance accepts breaches of human rights within the organization. Nor will we accept it from our business partners. Sonion particularly looks to the four labor principles from the ILO Declaration of Fundamental Principles and Rights at Work:

Fair compensation

At Sonion, employees are compensated according to standards set by government, collective bargaining agreements, or based on national salary statistics and job classifications. We also comply with the local legal requirements and generally accepted standards regarding employment benefits like health insurance and pension.



Labor & Human Rights

Working conditions

Apart from complying with each country's national standards for working conditions at Sonion we support the Work Life balance of our employees. It is our firm conviction that an attractive working environment improves the well-being, motivation and performance of our employees. A motivating workplace also attracts new candidates.

To support the development and motivation of our employees we employ the following initiatives:

- Individual Annual Appraisal and KPI meetings
- Relevant individual competency development
- An annual satisfaction survey for all employees to give feedback which is used for improvement initiatives.

Sonion is an international organization with facilities in Europe, China, USA, the Philippines and two facilities in Vietnam. We provide excellent attractive working conditions at all our facilities, specializing in training and supporting day to day needs of all our employees. Our production facilities in Vietnam and the Philippines showcase our efforts in training, which enables employees to perform their duties in excellent working conditions.

Overall, we benefit from a broad spectre of cultural and professional competencies.



Diversity & Inclusion

As an international organization, we recognize the value of a diverse work force that brings varied experiences, ideas and innovation to the work place. Sonion creates an inclusive work place that equally evaluates all candidates for available positions. We support equal opportunities for both males and females in all positions and job titles within Sonion, including management. We also look toward an equal balance of males and females in the board of directors with the goal of including 25% female board members within the next 4 years.

Environment, Health & Safety

At Sonion we utilize our resources to care for our surroundings and for the health of our employees. This is also noticeable in the development among Hearing Aid manufacturers, who are restricted in the use of materials used for components in Hearing Aids.

Within Environment, Health and Safety (EHS), Sonion is compliant to the local Occupational Health and Safety standards at all our locations.

ISO certificates

Clear work procedures and responsibilities are essential in attaining quality assured results, The Sonion Quality policy therefore complies with ISO 9001 at all facilities and ISO 14001 at Sonion production facilities.



ISO 9001 is an International Standard for Quality Management Systems that provides a company with a set of principles to ensure a common-sense approach to the management of its business activities.



ISO 14001 is the International Standard for Environmental Management Systems (EMS) that concerns: prevention of pollution, compliance with legislation and continual improvement of the EMS.

LEAN6σ OUR WAY OF IMPROVEMENT

At Sonion, we incorporate different methodologies within the LEAN approach to continuously optimize our work methods and collaboration internally.

Moreover, our locations effectively share knowledge with each other and implement best practices in production as well as in the administrative functions. For instance teams from the Philippines are trained in Vietnam prior to line installations or during ramp up of new production lines.

Within LEAN in Production we apply the following methods:

- Kaizen
- 5S
- SKB
- Six Sigma

Within LEAN in R&D we apply the following methods:

- Rapid Learning Cycle
- LAMDA

Environment, Health and Safety at our Production Facilities

From designing components and preparing for mass production, to the production of our products, we work hand in hand with sustainable processes.

In the selection of materials for our products we comply with the following standards:

- Ⓢ The Restriction of Hazardous Substances Directive (RoHS)
- Ⓢ The Regulation on Registration, Evaluation, Authorization and Restriction of Chemicals (REACH)
- Ⓢ Halogen Free
- Ⓢ Biocompatibility
- Ⓢ Conflict Minerals

At our production facilities, we have procedures in place for decreasing spills of material, reusing material and further a decrease in the general use of power and water. We monitor the air around and within our facilities, to make sure that we do not harm either the environment or the health of our employees.

Furthermore, we support the health and safety of our employees in both the Philippines and Vietnam through several initiatives including continuous training and awareness about safety procedures, as well as annual health checks. We have defined preventative actions regarding severe production breakdowns in our factories and directions for getting up and running post-breakdowns. Specifically, our Risk Management Policy deals with these areas.



ROHS
2011/65/EU

REACH



**CONFLICT
MINERALS**



**HALOGEN
FREE**



Environment, Health & Safety

Community Responsibility



As well as complying with the legal standards at our local sites, Sonion supports the local communities. Specifically, we have created a considerable number of workplaces in the Philippines and Vietnam, from which we train many of the employees to be able to carry out a job in a production facility.

Furthermore, by running our operations in the Philippines and Vietnam we create a ripple effect in their respective societies. As we import or export goods; make use of external services,

or attract people to work for Sonion, we influence factors like the national economy, the national employment rate and households. In the Philippines, the effect from employing one person at Sonion results in creating 3 more jobs in their country.

Sonion donates funds each year to contribute to local communities. We also like to support wherever we can. For example we have donated superfluous technical equipment to technical schools in Vietnam.



Environment, Health & Safety

Financial Responsibilities

At Sonion we develop a viable business which continuously increases the economic value adding of the company. Our financial responsibility is to offer transparency towards our shareholders.

Our policies regarding Financial Responsibility have two main objectives:

- to ensure that economic and commercial decisions are based on accurate financial data.
- to deliver an annual report for the shareholders with a transparent, true and fair picture of the Sonion business in accordance with the International Financial Reporting Standards (IFRS).



About Sonion

Since 1974, Sonion's components and solutions have contributed to improving the quality of life of the hearing impaired. We do this by developing, manufacturing and providing solutions with our products to our customers, who manufacture hearing aids, in-ear ear-phones and hearables/wearables.

Sonion's comprehensive product portfolio is a culmination of our dedication to micro-miniaturization, improving performance and exceptional quality. Our highest priority at Sonion is to support our customers in every aspect, from the initial concepts, to design and then to mass production.

Sonion is a growing force of 5000 committed employees working from sites in Denmark, Poland, the Netherlands, USA, China, the Philippines and Vietnam.

