



## Code of Conduct

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# The Sonion Code of Conduct

We present a guidance for all Sonion employees to comply with

Dear Colleague,

The success of the Sonion Group is based on our joint efforts towards maintaining a healthy business and strong customer relations. The foundation for our positive development would simply not exist without the daily support and dedication from all employees; members of the "Sonion Team". Yet, in order to carry on our good work and successful developments we need to always be aligned on how to conduct ourselves towards each other and our customers. Our integrity and ethical behavior are crucial for our internal culture as well as the reputation we build with our customers and other business relations. You and I are personally responsible for supporting the business of the Sonion group.

The Sonion Code of Conduct is a reflection of who we are and what we stand for in Sonion. Please use this document as a guiding principle for your actions in all aspects relating to Sonion.

Thank you,

The Executive Management

**The Code of Conduct** is intended to be a central guide and reference for Sonion employees in support of day-to-day decision making. It is meant to clarify Sonion's vision, values and principles, linking them with standards of professional conduct.

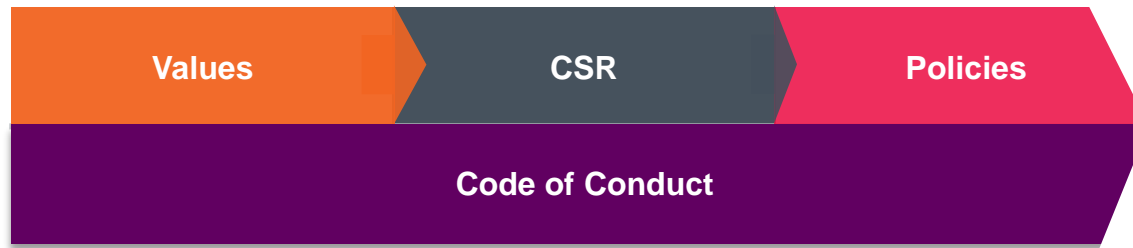
**The Code of Conduct** is also a tool to encourage discussions of ethics and to help Sonion employees in dealing with the ethical dilemmas, prejudices and gray areas that are encountered in everyday work.

# Sonion Compliance Program



*The Code of Conduct is included in the Sonion Compliance Program which embraces the Values, the Corporate Social Responsibility and the Global and Local Policies in Sonion.*

## The Compliance Program



### Values

#### SUPPORT THE CUSTOMER

In Sonion, we always put the customer first.

#### OPEN MINDS

Crucial for ability to innovate, learn and develop, as well as utilize our competences.

#### NON-COMPROMISING BUSINESS ETHICS

We support a free and fair competition and maintain our Corporate Social Responsibility.

#### INNOVATION MAKES THE DIFFERENCE

Innovation is the key to our business and competitive advantage.

#### OPEN COMMUNICATION

We believe that it is important to keep an honest and open dialogue in which we are not afraid to disagree.

#### N-JOY TEAMWORK

We must be proactive, cooperative and positive in teamwork with customers and colleagues.

### CSR

Sonion's CSR Vision: 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.

#### CSR Initiatives:

- ❖ We only employ people over 18 years
- ❖ We support the 4 ILO labour principles.  
1) Freedom of association, 2) Elimination of forced or compulsory labor, 3) abolition of child labor, 4) no discrimination
- ❖ Our production in Vietnam and the Philippines recycle waste and continuously decrease the use of power and water.
- ❖ We train our production employees from Vietnam and the Philippines in safety, health and environment on a yearly basis

### Policies

Whereas the CSR policy is our overall responsibility, we have defined Global and Local policies on specific relevant areas.

### Code of Conduct

Guiding rules which help us act in accordance with our Values, CSR and Policies.

# How to use the Code of Conduct

The Code of Conduct guides our daily actions. If in doubt ask your manager for guidance.

## About the Code of Conduct

- Sonion employees are expected to comply with the Code of Conduct and with national regulations or standards - even when they are stricter than the Code of Conduct.
- In case of breaches of the Code of Conduct, the Executive Management in Sonion is responsible for following up and taking disciplinary action. Disciplinary actions should be proportional to the severity of the breach.
- Even though the Code of Conduct is comprehensive, it is impossible to cover all situations that may arise in our day-to-day operations. Therefore, you are always expected to use your common sense and ask your manager for guidance, if you are not sure how to act in a given situation.

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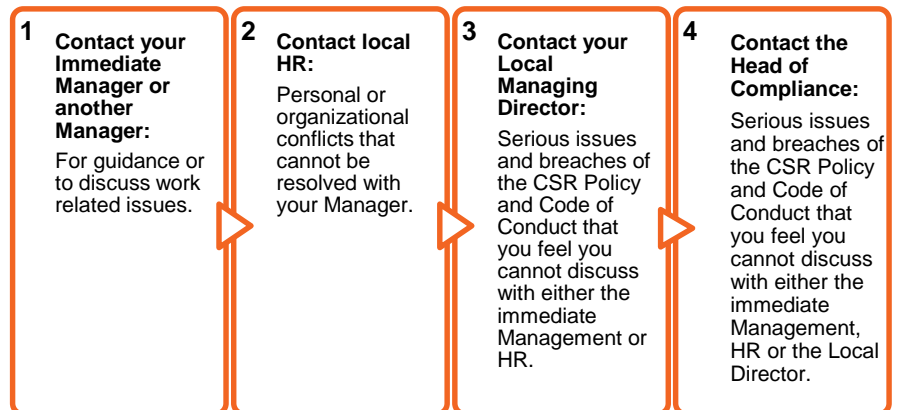
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## How to Raise a Concern

One of the cornerstones and values in Sonion is open and honest communication. We believe that in order to keep a high integrity and continuously improve our work in the organization as well as with our customers, there needs to be openness about matters that might not support the success of Sonion.

Thus, if you feel the need to discuss a work related issue, please do not hesitate to contact your immediate Manager or another Manager. If you think a concern will not be properly addressed within the hierarchy, you can approach your local HR department. Any serious issues and breaches of the CSR policy or Code of Conduct, including legal, serious financial or reputational risks, should be reported to your Local Managing Director, or the Head of Compliance.



# Customers and Society

It is our greatest ambition to support the increasing need for hearing aids around the world. We begin with putting our customers first.

## Sonion's Responsibility:

- Our customers are the foundation for our business. Therefore, we put our customers first.
- Our employees must act with professionalism and not jeopardize the integrity of our customers and other business relations.
- We keep our promises towards our customers.
- We treat our customers and external partners with respect, dignity, fairness and courtesy.
- Sonion wishes to be an active and supportive member of the local communities in which we conduct business and will as such involve ourselves in relevant local issues.
- Donations for societal causes are provided without expectation of receiving any advantages in return.

## What you are expected to do:

- Always put the customer first.
- Always keep your promises towards the customers.
- Never promise too much.
- Always treat Sonion customers and other business relations with respect.
- Always act in a professional manner towards customers and other business relations.
- Keep deadlines and promises to customers and other business relations.
- Immediately contact your immediate manager or another manager if you have any concerns or encounter any issues relating to our customers.
- Never disclose proprietary or confidential information about customer projects to other customers.

**“I have dinner with a customer after work hours. How should I conduct myself?”**

**– Even though you are seeing a customer outside of Sonion and after work hours, you are still to act professional and beware not to make statements that can be damaging to either Sonion or our other customers.**

# Free competition

We wish to maintain an honest and competitive business and support fair and unrestricted competition.

## Sonion's Responsibility:

- At Sonion we are committed to fair and unrestricted competition. In particular 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
  - To accept corruption and bribery. 'Kick-backs', secret commissions and similar payments are strictly prohibited.
- We always include two account responsible employees in tendering and handling contractual agreements with customers, cf. our authorization rules.
- Business decisions taken by our own employees are not influenced by gifts or entertainment from business partners.
- All incidents of fraud are thoroughly investigated and appropriate disciplinary actions are taken.

## What you are expected to do:

- Never restrain competition through agreements, arrangements or understandings that restrict competition and never bid for contracts and tenders independently in agreement or arrangement with our competitors.
- Never exchange competitively sensitive information which may lead to coordination of competitive behavior, or can affect prices or pricing practices.
- Always make sure that two account responsible employees are included in contract or price negotiations with customers and suppliers, cf. our authorization rules.
- Ensure that you do not engage directly or indirectly in fraud against Sonion, any of our customers, business partners, or government entities.
- Refuse to pay any bribes, including small amount bribes.
- Only accept gifts or other advantages of a token value from customers or business partners. Ask your manager, if you are in doubt.
- Only offer gifts or other advantages of a token value to customers or business partners and other arrangements of a reasonable cost.
- At dinners which include several employees from Sonion the employee with the highest rank should have his/her manager approve the cost of the dinner.
- Always involve your immediate manager, another manager or the executive management if issues that may affect competition are brought up by competitors, authorities, customers or other business partners.

**“I recently met an old friend who now works for a competitor. During the conversation, he volunteered some information about their pricing strategy and future pricing trends. I quickly told him this was an inappropriate conversation and walked away. Was I overreacting?” – You did the right thing. If you find yourself in a meeting where competitors are discussing pricing strategy, you should leave immediately. Even if you don't use the information, there may be a perception that you are participating in activities prohibited by competition laws. In addition, you should report the incident to your Manager as soon as possible.**

# Openness and teamwork

**Sonion is to be a workplace of openness when it comes to our communication, our collaborations internally and our general approach to people and the tasks at hand**

## **Sonion's Responsibility:**

- We believe that the best solutions come from working together with colleagues, customers and external partners.
- We take pride in the diversity of our workforce and view it as a competitive advantage to be nurtured and expanded.
- Effective teamwork requires relationships, respect and sharing.
- Employees are offered the opportunity to develop the competencies that are necessary to achieve the expected results.
- We support a balance between work and private life.

## **What you are expected to do:**

- Contribute to the working environment with a positive attitude
- Respect differences and diversity in your colleagues and promote a positive, motivating and inclusive work environment.
- Proactively share your knowledge and experience with others and be open to their ideas and perspectives as well.
  - Offer and ask for feedback to promote learning for yourself as well as for your colleagues.
  - When working in teams be open and constructive about concerns and project challenges.
- Always do your utmost to keep your deadlines and deliver quality work.
- Take an active part in the development of your professional skills and competencies.
- Raise a concern if you or your colleague are continuously under a workload that creates a misbalance between the work-life balance.

**“In the project team I am currently working in, there is an employee who is often late to our meetings and seldom properly prepared. What should I do?”**  
– *You should approach your colleague and address your concerns. If you are uncomfortable in doing so, please discuss your concern with the Manager of your coworker .*



# Laws, standards and policies

At Sonion, we comply with internal policies as well as legislation and moral standards of the jurisdictions we operate in.

## Sonion's Responsibility:

- Our employees must be familiar with, and act in compliance, to relevant local and international laws as well as the CSR policy, the Code of Conduct in Sonion and other Sonion policies.
- All employees must sign a confidentiality agreement and other internal Sonion policies at appointment in Sonion.
- Security policies and procedures are in place to protect and prevent the unauthorized disclosure of confidential information and personal data.
- Publication activities will be undertaken in a responsible and ethical manner, to ensure that all relevant information is communicated clearly and in a timely way.
  - Unless otherwise is agreed upon, it is only the CEO who is allowed to make statements to the press.
- Our employees perform their work in the interest of Sonion without bias or conflicts with their own professional or personal interests.
- We maintain processes and systems to ensure that Sonion's books and records are accurate and sufficiently detailed.

**"I know for sure that a colleague is involved in a kick-back scheme and thereby violating the Sonion Code of Conduct. Am I obligated to reveal this information?"**

**– Sonion would always prefer to hear about serious situations like the one you describe, for you and your coworkers sake. However, we do not wish to force employees to come forward if they feel uncomfortable in doing so. We encourage you to confide the information to a trusted coworker with whom you feel you can share your concern.**

## What you are expected to do:

- Follow Sonion's CSR, the Code of Conduct and other Sonion policies and abide by all relevant local or international laws, regulations and demands.
- Comply with local laws and regulations relating to protection of personal data. Only collect, process, disclose or store personal data if it has a legitimate business purpose and delete it when there is no longer a need to keep it.
- Abide by the terms of the confidentiality agreement you signed by appointment in Sonion and be responsible in the use of confidential information. This includes:
  - Being cautious in use of E-mail, internet, and our IT systems, as described in the IT policy.
  - Keeping IP, trademarks and patents confidential.
  - Always consider whether information is confidential before disclosing it.
- Never engage in any relationship that could create a conflict of interest\* such as transactions involving yourself, a partner, a close relative or a company in which you have business interests. Instantly notify your manager, if you find yourself in a conflict of interest.
- Keep your communication objective and professional in Sonion.
- If you are contacted by the press please direct them to the CEO unless otherwise is agreed upon.
- Never disclose proprietary or confidential information to anyone outside Sonion unless a confidentiality agreement has been signed
- Beware not to make personal statements that can damage Sonion and its employees in the public space. This includes Social media as well.

\*A Conflict of Interest is a situation where a person experience different oppinions of how to go about a matter (e.g. If your private or personal interests collide with those of Sonion)

We strive to uphold a healthy work environment and aim at providing equal opportunities for personal development, fair treatment and employee welfare

## Sonion's Responsibility:

- Sonion ensures proper working conditions for its employees.
- We are committed to maintaining a work environment that is free from harassment and retaliation.
- We respect the confidentiality and privacy of our employees.
- In Sonion we live by the four labor principles from the ILO Declaration of fundamental Principles and Rights at Work:
  - 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
- Our suppliers must comply to four labor principles from the ILO Declaration of fundamental Principles and Rights at Work.
- Our human resources (HR) policies and procedures comply with applicable laws and guidelines.
- Results of the annual appraisal are used to define and improve the work conditions in Sonion.
- Recruitment, acknowledgement and recognition are based entirely on personal abilities, performance, potential and behavior.

## What you are expected to do:

- Perform your daily tasks as described in your job description or as agreed with your manager.
- Keep updated on updates and changes to the local Employee Handbook
- Perform your work without the influence of alcohol or drugs.
- Refrain from exercising harassment or discrimination.
- Do your best to be a good and considerate colleague
- Respect personal and professional privacy in conversations with your colleagues.
- Actively participate in surveys and support solutions to improve the physical and psychological working conditions.
- Contact your manager, another manager or the HR department, to discuss work related issues.

**“Most of the time, my manager and I have a good relationship. But when under pressure, she shouts and personally criticize me in front of my colleagues.”**  
– *Such behavior is disrespectful and could be considered harassment. You should speak with your manager and let her know the impact of this behavior. We all have bad days and can react to pressure, but this is not an acceptable excuse for disrespecting others. If it does not stop, you can seek guidance from HR.*

**We are compliant to the local Occupational Safety, Health and Environment standards at all our locations and strive to have a safe and environmentally friendly production**

## **Sonion's Responsibility:**

- We highly prioritize the health and safety of our employees, both in our production facilities and in all our other locations.
- We strive to have clear work procedures and responsibilities in order to get quality assured results throughout the organization.
- Our Safety, Health and Environmental(SHE) procedures as a minimum comply with applicable laws and regulations.
- SHE considerations are made systematically when establishing new facilities and developing new products and processes.
- We continuously focus on decreasing our daily consumption of water, energy and other resources as well as the use of material.
- We strive to increase recycling of materials.
- Our employees have the working conditions and knowledge that are required to carry out their jobs in a healthy and safe manner, and to minimize the impacts on the environment.
- Results of the Job Safety Analysis are used to define health and safety activities.
- Challenges and successes in handling SHE issues are communicated actively in our yearly CSR Report to inspire and share experiences among our employees, customers and other business partners.

## **What you are expected to do:**

- Read Sonion's CSR policy and understand your part in fulfilling it.
- Understand and follow Sonion's requirements to effectively manage or abide by any significant SHE aspects related to your job.
- Participate in relevant SHE training related to your job.
- Conduct yourself in a safe and prudent manner.
- Take an active part in protecting the environment by minimizing consumption of energy, water and other resources.
- Immediately inform your manager about any actual or potential SHE concerns.
- Learn from mistakes.

**“ A supplier has revealed to me that their company pays bribes to the customs officials in this country in order to get approved entrance of their product supplies.**

**What should I do?”**

**– You should always go to your Manager with serious information like this. Then it is up to the Management to decide how to proceed with the information.**

We make an effort to develop a viable business which continuously increases the economic value adding of the company

## Sonion's Responsibility:

- 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).
- to offer transparency towards our shareholders.

## What you are expected to do:

- Keep your deadlines
- Use Sonion assets with careful consideration
- Support the Sonion business
- If you come across knowledge about irregular market movements or happenings at our customers be sure to inform the Finance departments
- Comply with the authorization rules
- Supply relevant and achievable information to the Finance departments

**“ My manager has asked me to sign a receipt for him. Am I authorized to do this?”**

**– With reference to the authorization rules 2 persons must always sign an expenditure. If the cost on the expenditure only benefits your manager, 2 persons superior to him must sign the expenditure (e.g. a travel request). If, on the other hand, the cost benefits your department (e.g. a book for use of the whole department) you are authorized to be one of the persons signing the expenditure.**