

ESG Report 2023/24

Introduction	199
Message from the CEO	199
2023/24 highlights and recognitions	201
Reporting approach	203
Stakeholder engagement	204
Double materiality assessment	207

ESG strategy and governance	209
------------------------------------	------------

Protecting the planet	213
------------------------------	------------

Serving society	229
------------------------	------------

Advancing our people	236
-----------------------------	------------

Acting with integrity	250
------------------------------	------------

Appendix	268
EU Taxonomy note	268
Basis for preparation	271
Swiss Code of Obligations (Art. 964b) content index	277
GRI content index	278
TCFD content index	281
SASB content index	282
SDG and UNGC content indices	283
Independent assurance report	285



ESG Report 2023/24

Message from the CEO

Dear readers,

As a leading global provider of innovative hearing care solutions, one of our five company values is: We take accountability. This applies to every colleague throughout our company: Together, we take accountability for our impact on society and our planet by striving for continuous improvement every day. I am grateful for the continued contributions of our team on that journey.

Sonova has a long-standing commitment to sustainability and invests in leading environmental, social, and governance (ESG) practices. We are convinced both that it is the right thing to do, and that ESG is an essential contributor to long-term market success. While we acknowledge there is room for continuous improvement, we are proud of our progress to date. Our innovative solutions enable millions of people to enjoy the delight of hearing every day, positively impacting their quality of life, and we intend equally to have a positive effect on our employees, society in general, and the environment.

IntACT, our global ESG strategy, is an integral part of Sonova's business strategy. It is based on four strategic pillars: Protecting the planet, Serving society, Advancing our people, and Acting with integrity. Our defined focus topics for each of the four pillars are underpinned by specific measures, targets, and accountability up to the highest levels of our organization. Sonova has been a signatory of the UN Global Compact since 2016, fully endorsing its ten principles governing human rights, labor, environment, and anti-corruption. Throughout the 2023/24 financial year, we made good progress in implementing our ESG strategy and achieving our ambitious ESG targets.

Progress on Sonova's *IntACT* ESG strategy

On the environmental side, the Science Based Targets initiative (SBTi) officially approved our operations (scope 1 and 2) and our value chain (scope 3) greenhouse gas (GHG) emission reduction targets. As of the 2023/24 financial year, we have reduced our global carbon footprint across scope 1, 2, and 3 GHG emissions by 28% vs. 2019 on a comparable basis, while continuing to grow our business. Although we did not achieve our ambitious four-year target to reduce the total weight of our packaging by 20%, we made significant progress in 2023/24, achieving a reduction of 9% vs. the previous year through specific improvements to transportation and product packaging.

An engaged and energized workforce is crucial for Sonova's business success. We are proud to have maintained consistently high levels of employee engagement over the past years (83% in the 2023/24 financial year, up by one percentage point against the prior year) in a fast-changing and challenging global environment. Our investment in talent development is bearing fruit, with almost two thirds of leadership hires and promotions coming internally from Sonova. Last year, we set ourselves new gender diversity targets: by 2028/29, we aim for our middle management to comprise 50% women, and for our senior management 35%. In the 2023/24 financial year, we

achieved an increase for middle management by 3.5 percentage points to 39.9%, and for senior management by 6.3 percentage points to 28.3%.

We have continued to implement our human rights due diligence framework, including further on-site assessments to evaluate the actual impact of our operations. We have also further strengthened our supplier sustainability assessments and engaged with key suppliers to drive action along the value chain. In terms of product reliability, we achieved improvements for both hearing instruments (+7%) and cochlear implants (+14%), although we did not meet our target of 20% improvement compared to the previous year. We set ambitious targets to spur immediate and sustained action; not achieving some of them further encouraged us to strengthen our investment and execution into reliability and to continue to strive for significant progress.

[External recognition as industry-leading in sustainability](#)

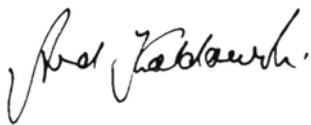
Sonova's industry-leading position in ESG has been confirmed by major sustainability indices and rating agencies. MSCI upgraded our rating to AAA, the highest score, and Sustainalytics placed us second out of over 200 companies in the medical devices sector. Sonova has been included in the Dow Jones Sustainability Index for ten consecutive years, ranking fourth out of 279 companies in the health care equipment and supplies industry. Besides our internal drive, external recognition as well as continuous feedback from our customers and consumers, colleagues, business partners, and other stakeholders, motivates us to keep moving forward.

[Long-standing ESG reporting and external assurance](#)

Sonova has been publishing a dedicated ESG Report as part of the Sonova Group Annual Report for more than ten years. The ESG Report is based on international reporting standards and frameworks, such as GRI, SASB, and TCFD, and sustainability KPIs in the report are assured by the same external auditor as for the financial data. We began these external audits seven years ago to ensure ESG data quality, reliability, and comparability. We advanced our ESG reporting further in the 2023/24 financial year by conducting our first ESG double materiality assessment and progressing towards implementation of the EU Taxonomy and EU Corporate Sustainability Reporting Directive (CSRD). This year, for the first time, Sonova's shareholders will be able to endorse the ESG Report in a non-binding advisory vote at the Annual General Meeting. We strongly believe that transparent and standardized ESG reporting is a crucial tool to measure and demonstrate progress and a catalyst for real change toward a more sustainable economy.

[GRI 2-22](#)

Once again, I extend my sincere thanks to every single colleague who contributes to making Sonova more sustainable every day.



Arnd Kaldowski
Chief Executive Officer

ESG Report 2023/24

2023/24 highlights and recognitions

2023/24 sustainability highlights

Sonova made significant achievements and progress during the 2023/24 financial year.






More than 18,000 employees worldwide (FTEs)	Approved SBTi science-based reduction targets for scope 1, 2, and 3 CO ₂ e emissions	28.3% of our senior management are women
-28% scope 1, 2, and 3 greenhouse gas (CO ₂ e) emissions vs. 2019 ¹⁾	-9% reduction in energy intensity per FTE vs. 2022	39.9% of our middle management are women
More than 500 people leaders trained in mental health first aid conversation since 2022/23	More than 4,000 hearing aids fitted through Hear the World Foundation projects	83% employee engagement score in the annual HearMe survey
97.4% of our employees completed the annual Code of Conduct training on time	Almost 2/3 of our leaders are recruited internally	More than 2,000 active granted patents and design rights owned by Sonova

¹⁾ On a comparable basis. Including Sennheiser, our Consumer Hearing business, HYSOUND, and Alpaca for all years.





2023/24 recognitions, frameworks, and initiatives supported

Sonova has been regularly and continuously recognized by various leading ESG rating agencies, and included in sustainability indices, including during the 2023/24 financial year. Sonova's reporting on our ESG performance is made in accordance with several global reporting frameworks to enhance transparency and comparability.

ESG ratings and indices

 <p>Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA</p>	<p>Member of the Dow Jones Sustainability Indices since 2014; ranked 4th out of 279 companies in the health care equipment and supplies industry in 2023.</p>
 <p>Corporate ESG Performance RATED BY ISS ESG Prime</p>	<p>Rated Prime with a score of B in the 2023 ISS ESG Corporate Rating, placing Sonova in the top 2% of the health care equipment and supplies industry.</p>
 <p>FTSE4Good Index Series</p>	<p>Included as a constituent company in the FTSE4Good Index Series since 2014, ranked in the top 15% of the health care sector.</p>
 <p>MSCI ESG RATINGS AAA</p>	<p>Reached the highest possible rating of AAA (on a scale of AAA-CCC) in the 2023 MSCI ESG Ratings assessment¹⁾.</p>
 <p>CDP DISCLOSURE INSIGHT ACTION</p>	<p>Awarded a CDP score of B in the 2023 climate change rating.</p>

Frameworks and initiatives supported

	<p>Sonova's ESG Report has been prepared in accordance with Global Reporting Initiative (GRI) Standards since 2012/13.</p>
 <p>TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES</p>	<p>Sonova has applied the Task Force on Climate-related Financial Disclosures (TCFD) framework for climate-related risk reporting since 2021/22.</p>
 <p>SASB STANDARDS Now part of IFRS Foundation</p>	<p>Sonova has used the Sustainability Accounting Standards Board (SASB) standard for the medical equipment and supplies industry since 2020/21.</p>
 <p>WE SUPPORT UN GLOBAL COMPACT</p>	<p>Since 2016, Sonova has been committed to the UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labor, environment, and anti-corruption.</p>

¹⁾ The use by Sonova of any MSCI ESG Research LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of Sonova by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

Reporting approach

The Sonova ESG Report aims to provide information about our sustainability approach and performance to all our stakeholders. This report forms part of Sonova's Annual Report together with the [Financial Report](#) and the [Business Report](#), along with sub-reports such as the [corporate governance report](#) and the [compensation report](#). The ESG Report provides information about how Sonova governs, manages, and implements sustainability, as well as performance measures and progress on key ESG targets. This report was published on May 14, 2024, and was approved by Sonova's Board of Directors. It is subject to a non-binding advisory vote at the Annual General Meeting on June 11, 2024.

For questions related to this ESG Report, please contact Sonova, Laubisrütistrasse 28, 8712 Stäfa, Switzerland. Phone: +41 58 928 01 01 | Email: sustainability@sonova.com

Reporting scope

Sonova Holding AG is the ultimate parent company of Sonova. It is a limited liability company listed on the SIX Swiss exchange and is headquartered in Stäfa, Switzerland. Sonova operates through four businesses – Hearing Instruments, Audiological Care, Consumer Hearing, and Cochlear Implants – with multiple brands. The Sonova ESG Report, in alignment with the [Financial Report](#), covers all Sonova subsidiaries where reporting scope is not explicitly mentioned. The list of Sonova's significant Group companies can be found in [note 7.7 List of significant companies in the 2023/24 Annual Report](#). The ESG Report follows Sonova's financial year from April 1 to March 31, with the exception of most of the environmental data in the [Protecting the planet](#) chapter, which is reported by calendar year. Further information can be found in the [Basis for preparation](#) chapter. In the 2023/24 ESG Report, the recently acquired HYSOUND Group is fully integrated into all data.

[GRI 2-1](#), [GRI 2-2](#), [GRI 2-3](#)

Reporting regulations

This report is prepared in accordance with the Swiss Code of Obligations Art. 964b. Information about the relevant disclosures under this article can be found in the [Swiss Code of Obligations \(Art. 964b\) content index](#). We also adhere to the requirements of the Swiss Code of Obligations Art. 964j-l for Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labor. We have determined that we are exempt from the obligations of due diligence and reporting on minerals and metals from conflicted areas. For due diligence and reporting on child labor, we qualify for the exception clause provided in the law, since our human rights due diligence fully aligns with international frameworks. Sonova is actively working towards implementation of the EU Corporate Sustainability Directive (CSRD) and EU Taxonomy. In the 2023/24 financial year, we voluntarily report for the first time on our compliance with Article 8 of the EU Taxonomy Regulation 2020/852, which can be found in the [EU Taxonomy note](#) in the Appendix.

Reporting standards

The Sonova ESG Report 2023/24, in combination with the 2023/24 Business Report and Financial Report, has been prepared in accordance with the Global Reporting Initiative's (GRI) 2021 Standards and Sonova's own developed methodology, and forms an integral part of Sonova's UN Global Compact Communication on Progress. Sonova reporting follows standards and frameworks including the Task Force on Climate-Related Financial Disclosures (TCFD), Sustainability Accounting Standards Board (SASB), and the United Nations Sustainable Development Goals (SDGs) and UNGC 10 principles. Please see our content indices for further information: [GRI content index](#), [TCFD content index](#), [SASB content index](#), and [SDG and UNGC content indices](#).

External assurance

Ernst & Young Ltd (EY) provided limited assurance on selected KPIs presented in this ESG Report. EY is the external statutory auditor for the compensation report, the consolidated financial statements, and the financial statements of Sonova. All audited figures are highlighted in the report with ✓ [Data externally assured \(limited assurance\)](#). Details about the scope for the 2023/24 assurance can be found in the [Independent assurance report](#).

[GRI 2-5](#)



Sonova ESG Report 2023/24

Stakeholder engagement

Sonova strives to keep an open and transparent dialog and seeks meaningful exchanges with our stakeholders. We actively engage through a broad range of communication channels to promote participative and integrated decision-making.

SDG 17.16

Stakeholder groups

Interactions with our stakeholders help us understand their perspectives on our business activities, products, and services, and are vital for our long-term performance. In the 2023/24 financial year, we also interacted with various internal and external stakeholders through the ESG double materiality assessment. Our key stakeholder groups are:

- [Customers and consumers](#)
- [Employees](#)
- [Shareholders](#)
- [Suppliers](#)
- [Academia and opinion leaders](#)

GRI 2-29

Additional stakeholders that are important to Sonova are: the financial community, media, regulators, insurers, competitors, as well as community representatives and NGOs.

Stakeholder engagement

Customers and consumers

Sonova's business model has multiple customer and consumer relationships including business-to-business (hearing care professionals, clinics, and retailers) and business-to-consumer (consumers and patients). To ensure effective interaction, we are using various channels to fit the needs of different customers and consumers.

We greatly value ongoing dialog with our business-to-business customers, which we facilitate through our sales representatives, customer hotline and support, mobile apps, complaint management channels, and customer surveys. Additionally, we further engage through advisory networks, knowledge management and sharing, audiology conferences, and online customer communities. We also offer a broad range of professional training and courses addressing the various specializations in the hearing care industry. We arrange e-learning seminars, road shows, face-to-face training, and provide marketing materials to support and train our customers.

One way we interact with our consumers and patients is through communities. The Phonak Pediatric Advisory Board assists our pediatric product development to support the needs of children with hearing loss through the participation of members including parents of children with hearing loss, researchers, professors in pediatric audiology, and pediatric clinicians. HearingLikeMe.com and HearingJourney™ are other online communities for people with hearing loss, sponsored and managed by Sonova brands. Advanced Bionics has created a community of CI mentors, i.e., customers who share their experiences with potential future cochlear implant recipients. Our Consumer Hearing business seeks consumer feedback and insights through forums such as the Sennheiser Explorers Community. In addition, we leverage digital capabilities to get consumer feedback online through various surveys and interactions, for example through the Sennheiser Smart Control app. We also use various social media channels to engage actively with our customers and consumers.

Employees

We interact with our employees regularly through various exchanges, such as HearMe, our annual employee engagement survey, through the annual performance management and development processes, through so-called Kaizens, via townhalls, and intranet channels to ensure that all voices are heard, and we take appropriate action where required. In the HearMe annual engagement survey, our employees share their feedback on a variety of themes relevant to them and their experience at work. Our performance management processes reinforce a culture of continuous feedback, where employees and people leaders have regular discussions on goals and achievements, intended to foster a culture of collaboration and enhance employee engagement. The development plan process focuses on personal and professional growth and development and provides a dedicated platform for employees to discuss their career aspirations, training needs, and areas for skill enhancement with their people leaders. Every year, Sonova holds over 100 Kaizens – workshops for continuous process improvement – around the world. Leaders and employees come together in cross-functional teams for 3 – 5 days to exchange ideas and to co-create solutions.

Shareholders

At the end of the 2023/24 financial year, Sonova had 26,494 registered shareholders, together holding 54.71% of the total shares. Sonova's Board of Directors represents the interests of the shareholders, setting and overseeing the strategic direction of Sonova. Sonova's Annual Report is published for our shareholders and other stakeholders, and the Annual General Meeting is a forum for discussion and debate where the shareholders have the opportunity to vote, among other things, on the ESG Report, on the Board of Directors, and on the compensation for the Management Board.

Suppliers

Sonova's supplier relationships are governed by the [Sonova Group Supplier Principles](#). They are based on international standards, our requirements, and industry considerations. In addition, we regularly engage with our key suppliers on ESG topics and assess high-risk suppliers through EcoVadis, a global value-chain performance assessment and monitoring tool.

Academia and opinion leaders

Sonova actively collaborates with more than 50 universities and research institutions across the world. We cooperate with research partners by supporting research projects financially and participating in the actual work when appropriate. In addition, we provide support for internships and thesis projects for Master's degree or PhD students. Sonova's experts engage with the research community by presenting and discussing at seminars and conferences, co-authoring scientific studies in journals, and serving as advisors on academic advisory boards and committees.

Financial community

Sonova is publicly listed on the SIX Swiss Exchange and has an open and active information policy of treating all stakeholders alike and, sharing information with all of them simultaneously. We interact with the financial community through various channels and formats, such as roadshows, conferences, and investor meetings, including a regular Investor and Analyst Day. We also engage with investors and rating agencies on the topic of sustainability.

Media

We maintain strong relationships with a wide range of media representatives to ensure transparency, ongoing dialog, and accountability. Our media relations and marketing teams work with top-tier public interest media, financial and economic media, large newswire services, consumer, and technology media, and with trade and specialist media. We aim to ensure fair disclosure of information to all stakeholders, to create awareness of hearing loss and its implications, and to disclose key aspects of Sonova's business and sustainability performance. We proactively publish and distribute press releases, hold press conferences, and respond extensively to requests from journalists.

Regulators

Sonova produces hearing instruments and cochlear implants that qualify as medical devices, requiring us to adhere to stringent safety standards for our customers, consumers, and patients and to provide evidence in support of our performance claims. We engage with regulators by sharing our specialist knowledge in working groups to support the regulators ensuring high quality standards for hearing instruments and cochlear implants.

Insurers

As part of our mission to contribute to better hearing care, we interact with public and private insurance providers worldwide, participating in tender processes and offering our products and services. Sonova interacts with governmental and social institutions including the National Health Service in the United Kingdom and the Department of Veterans Affairs in the United States.

Competitors

We believe that healthy competition drives innovation and process improvements for our customers and consumers. We are committed to fair competition across all our business practices, as defined in Sonova's Global Competition Law Policy. We interact with peers via industry groups, such as the European Hearing Instrument Manufacturers Association (EHIMA).

Community representatives and NGOs

Good relationships with the communities in which we operate and with relevant local and international NGOs are important; we therefore communicate with them regularly on administrative, social, operational, and environmental matters.



Sonova ESG Report 2023/24

Double materiality assessment

Material ESG topics

In the 2023/24 financial year, Sonova conducted a double materiality assessment (DMA), replacing our previous single materiality assessment. Involving over 100 internal and external participants, the assessment covered the Sonova Group with our entire value chain.

We gathered stakeholder insights about our actual and potential impact on the environment and on society (impact materiality), as well as about how our financial performance is, or could be, affected by sustainability issues (financial materiality). The term double materiality assessment reflects this consideration of two different perspectives.

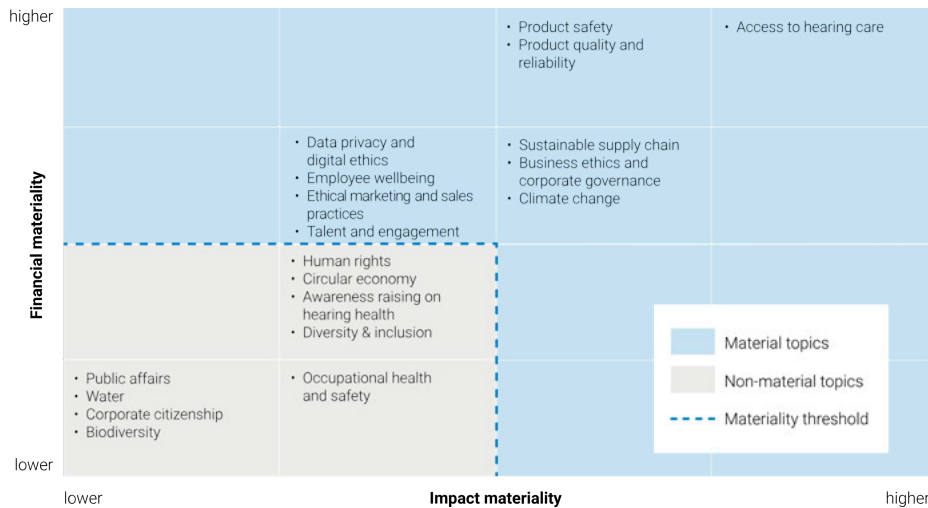
We conducted the DMA by completing the following five steps:

- 1. List compilation:** We compiled a list of ESG topics relevant to the Sonova value chain and business model and identified impacts, risks, and opportunities associated with each topic. Sources included: Sonova Management Board interviews; reporting standards (e.g., the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), the European Sustainability Reporting Standards (ESRS)); international frameworks such as the UN Sustainable Development Goals (SDGs); international regulations, standards, and agreements; best-practice peer benchmarking; investor and analyst reports; and customer surveys.
- 2. Internal and external stakeholder consultations:** We conducted 25 external stakeholder interviews with 38 participants, including customers, suppliers, investors, key partners, public organizations, and NGOs. During seven workshops, we also consulted more than 60 internal stakeholders from various levels, functions, businesses, and geographic regions across Sonova. The quantitative results from these consultations regarding impacts, risks, and opportunities were translated into a first materiality matrix draft. Assessments from internal stakeholders were assigned a 60% weighting and those of external stakeholders were assigned 40%. The scale and scope of positive and negative impacts on society and the environment (and irremediability for negative impacts) were considered for impact materiality; consideration for financial materiality involved the likelihood and size of opportunities and risks. We also asked stakeholders to consider short-, medium-, and long-term impacts.
- 3. Expert calibration and risk mapping:** The first matrix draft was discussed and calibrated with an internal expert panel consisting of senior members of key functions, including R&D, procurement, compliance, and HR. During this step, the matrix was mapped against key risks of Sonova Group, facilitating integration into our overall risk management process.
- 4. Validation:** The Management Board discussed and validated the final double materiality matrix.
- 5. Approval:** The Board of Directors approved the material ESG topics.

GRI 3-1


Ten material topics were identified: most of the changes from last year’s list of material topics are the result of applying a double materiality vs. a single materiality concept, and different clustering and wording of topics. Thus, climate change, employee wellbeing, and ethical marketing and sales practices have been added to the material topics, while diversity and inclusion, and human rights no longer meet the materiality threshold.

The results of the double materiality assessment have informed the structure of this ESG Report while confirming the validity of *IntACT*, our ESG strategy, and its focus areas. They have also provided valuable insights on how we can continue to improve our ESG performance. The material topics and the DMA process will be reviewed or reassessed on an annual basis or based on a larger business change.



Material ESG topics and descriptions

Topic	Description
Access to hearing care	Sonova's ability to broaden access to products and services, through e.g., distribution channels, digital solutions, training of hearing care professionals, and affordable hearing care solutions.
Business ethics and corporate governance	Sonova's adherence to the highest professional and ethical standards, and assurance of best-practice oversight through the Board of Directors and Management Board.
Climate change	Sonova's impact on climate change through greenhouse gas (GHG) emissions generated directly and indirectly, and the management of risks and opportunities as they relate to GHG emissions.
Data privacy and digital ethics	Sonova's strategy, policies, and practices related to management and protection of sensitive, confidential, and/or proprietary information from customers and other stakeholders.
Employee wellbeing	Sonova's contribution to employee health and wellbeing at work and beyond, including physical, mental, financial, social, and purpose-related aspects.
Ethical marketing and sales practices	Sonova's management of the transparency, accuracy, and comprehensibility of marketing statements, advertising, and labeling of products and services, as well as selling practices.
Product quality and reliability	Sonova's offering of products and services that meet customer and user expectations with respect to reliable and effective functioning.
Product safety	Sonova's offering of products and services that do not carry any unintended characteristics that may cause health risks.
Sustainable supply chain	Sonova's management of sustainability across the supply chain e.g., through screening, selection, monitoring, and engagement with suppliers.
Talent and engagement	Sonova's ability to attract, develop, engage, and retain talent through e.g., career path offerings, performance and compensation management, and skills and competency development.



Sonova ESG Report 2023/24

ESG strategy and governance

Vision and values

Our vision is embedded into all our activities: We envision a world where everyone enjoys the delight of hearing and therefore lives a life without limitations. The Sonova core values provide the foundation for our corporate culture and drive all our actions. They are shared with all our employees in every brand and region of our global organization.

GRI 2-6

- **We care:** We care for our employees, customers, and consumers, as well as our shareholders and society.
- **We drive innovation:** We courageously pioneer new ideas and approaches to come up with impactful innovations, to delight customers and consumers.
- **We strive for excellence:** We act with agility. We aim to excel. We are continuously working on improving products, services, processes, and skills, to realize growth.
- **We take accountability:** We deliver on our commitments. We take accountability to provide outcomes in agreed quality and time, always acting with integrity.
- **We build the best team:** We team up. We grow talent. We collaborate with people of diverse backgrounds to win with the best team in the marketplace.

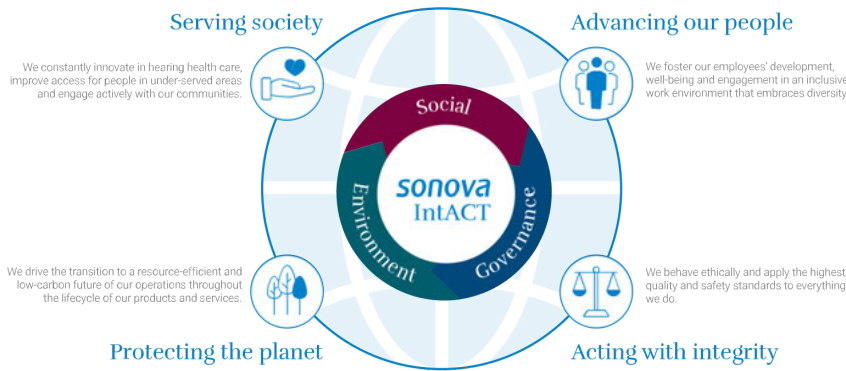
Our commitment to act responsibly and create long-term value for all our stakeholders is defined in our [Sonova Group Code of Conduct](#) and is deeply rooted in our corporate vision, values, and culture. More information about our strategy and our four businesses can be found in the [Strategy and businesses section of our 2023/24 Annual Report](#).

ESG strategy and targets

Sonova's ESG strategy, *IntACT*, aligns our sustainability commitments into four strategic pillars: Protecting the planet, Serving society, Advancing our people, and Acting with integrity. The name *IntACT* emphasizes the ultimate goal – keeping our planet and people intact – and underlines the urgency to ACT.

SDG 12.6

- **Protecting the planet:** We drive the transition to a resource-efficient and low-carbon future of our operations throughout the life cycle of our products and services.
- **Serving society:** We constantly innovate in hearing health care, improve access for people in under-served areas, and engage actively with our communities.
- **Advancing our people:** We foster our employees' development, wellbeing, and engagement in an inclusive work environment that embraces diversity.
- **Acting with integrity:** We behave ethically and apply the highest quality and safety standards to everything we do.



Our sustainability management approach has defined tangible and measurable targets with firm dates for achievement and regularly assessed performance measurements. In the table below, we list our key ESG targets and progress under the four pillars of the *IntACT* strategy. More information about how we manage and govern, as well as our policies, targets, and performance measurements, is provided in the corresponding sections of this ESG Report.

Progress on key ESG targets

ESG target	ESG topic	Progress	2023/24 performance
Protecting the planet			
We reduce scope 1 and 2 greenhouse gas emissions by 78.3% vs. 2019 by 2032.	Climate change	On track	67% reduction in scope 1 and 2 CO ₂ e emissions vs. 2019
We reduce scope 3 greenhouse gas emissions by 32.5% vs. 2019 by 2032.	Climate change	On track	23% reduction in scope 3 CO ₂ e emissions vs. 2019
We reduce energy consumption per FTE by -10% vs. 2022 by 2027.	Climate change	On track	9% reduction in energy consumption per FTE vs. 2022
We reduce packaging waste by 20% vs. 2019 by 2023.	Circular economy	Not achieved	0.1% reduction in packaging weight vs. 2019
We reduce operational waste per FTE by 5% vs. 2022 by 2027.	Waste and pollution	On track	3.6% reduction in operational waste per FTE vs. 2022
We reduce water withdrawal per FTE by 5% vs. 2022 by 2027.	Water	Behind schedule	4.4% increase in water withdrawal per FTE vs. 2022
Serving society			
We increase unit sales of hearing aids in low- and middle-income countries by 50% vs. 2018/19 by 2023/24.	Access to hearing care	Not achieved	48.2% increase compared to 2018/19
We increase lives impacted by the Hear the World Foundation by 10% year-over-year.	Corporate citizenship	Achieved	41.2% increase compared to 2022/23
Advancing our people			
We increase the share of women in senior management to 35% by 2028/29.	Diversity and inclusion	On track	28.3% women in senior management vs. 22.0% in 2022/23
We increase the share of women in middle management to 50% by 2028/29.	Diversity and inclusion	On track	39.9% women in middle management vs. 36.4% in 2022/23
We maintain or improve our annual employee engagement score year-over-year.	Talent and engagement	Achieved	83% engagement rate in 2023/24 vs. 82% in 2022/23
We train >1,000 people leaders on Mental Health First Aid Conversations for Managers by 2024/25.	Employee wellbeing	On track	528 people leaders trained since 2022/23
Acting with integrity			
We improve product reliability rate by >20% year-over-year for hearing instruments.	Product quality and reliability	Not achieved	7% improvement of product reliability rate vs. 2022/23
We improve product reliability rate by >20% year-over-year for cochlear implants (externals).	Product quality and reliability	Not achieved	14% improvement of product reliability rate vs. 2022/23
We conduct at least one human rights impact assessment per year.	Human rights	Achieved	Two audits/impact assessments conducted in 2023/24
We achieve an annual on-time employee Code of Conduct training completion rate of >95%.	Business ethics and corporate governance	Achieved	97.4% on-time completion of annual Code of Conduct training
We conduct assessments of >90% of direct material suppliers with potential high ESG risk by 2023/24.	Sustainable supply chain	Achieved	100% of identified potential high ESG risk suppliers assessed

Key ESG targets as of 2024/25

ESG target	ESG topic
Protecting the planet	
We reduce scope 1 and 2 greenhouse gas emissions by 78.3% vs. 2019 by 2032.	Climate change
We reduce scope 3 greenhouse gas emissions by 32.5% vs. 2019 by 2032.	Climate change
We reduce energy consumption per FTE by 10% vs. 2022 by 2027.	Climate change
We reduce packaging material weight by 20% vs. 2023/24 by 2026/27.	Circular economy
We reduce operational waste per FTE by 5% vs. 2022 by 2027.	Waste and pollution
We reduce water withdrawal per FTE by 5% vs. 2022 by 2027.	Water
Serving society	
We increase unit sales of hearing instruments in low- and middle-income countries by 50% by 2024/25 vs. 2018/19.	Access to hearing care
We increase lives impacted by the Hear the World Foundation by 10% year-over-year.	Corporate citizenship
Advancing our people	
We increase the share of women in senior management to 35% by 2028/29.	Diversity and inclusion
We increase the share of women in middle management to 50% by 2028/29.	Diversity and inclusion
We maintain or improve our annual employee engagement score year-over-year.	Talent and engagement
We train >1,000 people leaders on Mental Health First Aid Conversations for Managers by 2024/25.	Employee wellbeing
Acting with integrity	
We improve product reliability rate by >20% year-over-year for hearing instruments.	Product quality and reliability
We improve product reliability rate by >20% year-over-year for cochlear implants (externals).	Product quality and reliability
We conduct at least one social audit per year.	Human rights
We achieve an annual on-time employee Code of Conduct training completion rate of >95%.	Business ethics and corporate governance
We conduct assessments of >90% of direct material suppliers with potential high ESG risk by 2023/24.	Sustainable supply chain

ESG governance

Sonova has a defined governance structure for managing, improving, and reporting on our ESG performance. The ESG governance structure involves our shareholders at the Annual General Meeting, the Board of Directors, the Management Board and ESG Council, the Corporate Sustainability team, topic owners, and experts as well as local Group company representatives.

GRI 2-12, GRI 2-13, GRI 2-14, GRI 2-16, GRI 2-17



The Board of Directors bears overall responsibility for Sonova’s strategic direction, including ESG strategy, key targets, and performance. The Board of Directors has reviewed and approved the annual ESG Report since the 2021/22 financial year. In the 2024 Annual General Meeting shareholders will, for the first time, be able to endorse the ESG Report in a non-binding advisory vote. The Board of Directors is also responsible for the approval of critical business policies, such as the [Code of Conduct](#) and the [Human Rights Policy](#). The Board of Directors receives a monthly update from the CEO including updates on selected ESG topics, and ESG topics were on the agenda and discussed at most of the regular Board of Directors and committee meetings during

2023/24. During the 2023/24 financial year, critical ESG topics of specific relevance included ESG strategy and target review, the double materiality assessment, reporting and assurance, and progress on implementation of relevant regulations. The Board of Directors receives updates about Sonova's engagement with key stakeholders, including key investors, and also engages directly with them.

Two sub-committees of the Board of Directors, the Audit Committee and the Nomination and Compensation Committee, have specific responsibilities related to ESG. The Audit Committee reviews the performance and effectiveness of our external and internal audits, including the external limited assurance of the ESG Report. Quarterly, the Audit Committee is informed about critical concerns raised via SpeakUp, our internal and external anonymous whistleblowing platform. In the process of selecting potential Board candidates, the Nomination and Compensation Committee considers appropriate representation of ESG capabilities and experience across the Board. In addition, the Nomination and Compensation Committee reviews and approves ESG-related targets linked to the variable compensation for Management Board members. Sonova ensures that members of the Board of Directors are given appropriate introduction, orientation, and continuing training about their responsibilities.

Oversight of Sonova's activities across all material ESG topics lies with the Management Board, in addition to which responsibilities for specific ESG topics are assigned to individual members of the Management Board. ESG progress is regularly reviewed and discussed at Management Board meetings, and ESG targets have been an integrated element of each member's compensation since the 2020/21 financial year. ESG performance objectives represent 10% of the overall variable cash compensation (VCC) for each Management Board member. The performance objectives that must be met to achieve the target VCC are mutually agreed upon at the beginning of the financial year.

The ESG Council consists of the Sonova Group CEO, CFO, GVP Operations, GVP Human Resources Management & Communications, Group General Counsel & Compliance Officer, and the Director Corporate Sustainability; the council meets on a quarterly basis. The purpose of these meetings is to review the monthly development and implementation of Group ESG strategy, including its commitments and targets, and progress on ESG key performance measurements and initiatives, defining measures and assigning responsibility for actions. In addition to the quarterly meetings, the ESG Council members receive frequent updates on key ESG targets and performance development.

Sonova's Corporate Sustainability team, led by the Director Corporate Sustainability, provides expertise on ESG topics to the Management Board, implements and further develops ESG strategy and initiatives across Sonova, monitors progress, prepares quarterly ESG Council meetings, regularly engages with relevant internal and external stakeholders, and closely collaborates with ESG topic owners and functional/business experts, as well as local Group company representatives. These local representatives report data on ESG progress and performance to the Corporate Sustainability team and drive relevant ESG initiatives locally within a specified country or region.

Protecting the planet

We drive the transition to a resource-efficient and low-carbon future for our business and operations throughout the life cycle of our products and services.

SDG 12.2

Sonova’s commitment to reducing our environmental impact is reflected in our [Corporate Environmental Policy](#), which substantiates our dedication to environmentally proactive behavior and defines the company’s environmental management organization, responsibilities, and priorities. These priorities are: to reduce our climate impact while ensuring our resilience to the effects of a changing climate; to become more efficient in our energy usage while increasing the ratio of our renewable energy consumption; to reduce our waste and water withdrawal, along with the use of hazardous substances in our products and processes; and thereby to become a more circular company over time. As in previous years, no fines or non-monetary sanctions were levied against Sonova in 2023/24 for non-compliance with environmental laws or regulations.

We use environmental management systems (EMS), among other tools, to ensure that environmental considerations are taken into account when designing, manufacturing, and servicing products. Five out of our seven key operations and distribution centers have ISO 14001 certified EMS.

In February 2024, we opened our new North American operations center in Mexicali, Mexico, which was designed and built using the LEED (Leadership in Energy and Environmental Design) Standard.

EMS-certified sites

✓ Data externally assured (limited assurance)

Group companies	Group company type	EMS ISO 14001 certified
Sonova AG	Headquarters and operations center	Yes
Advanced Bionics LLC	Operations center	Yes
Sonova USA Inc.	Operations and distribution center	Yes
Sonova Hearing (Suzhou) Co., Ltd.	Operations center	Yes
Sonova Operations Center Vietnam Co., Ltd.	Operations center	Yes
Sonova Consumer Hearing Ireland	Operations center	No
Sonova North American Operations Center, S.A. de C.V.	Operations center	No

In terms of employee coverage, by the end of the 2023/24 financial year, 90% of the employees in key operations sites were covered by the ISO certified EMS. Sonova also strives to continuously improve the environmental performance of non-manufacturing sites by monitoring relevant consumption data and integrating measures to reduce our environmental footprint.

The following chapters cover the different topics of the Protecting the planet pillar of our *IntACT* ESG strategy:

- [Climate change](#)
- [TCFD: Climate-related risks and opportunities](#)
- [Circular economy](#)
- [Waste and pollution](#)
- [Water](#)
- [Biodiversity](#)

Climate change

Strategy, governance, and relevance

At Sonova, we acknowledge our responsibility to combat climate change. Multiple risks such as higher temperatures and extreme weather events related to climate change can negatively impact our business, along with wider society and nature. Our climate strategy addresses both mitigation of the causes of climate change and resilience to its effects, combining effective near-term actions to secure important long-term results. Sonova's climate strategy defines our overall approach to reducing greenhouse gas (GHG) emissions through four types of actions:

GRI 3-3

- **Measure** emissions and continuously improve the data quality;
- **Avoid** emissions by progressively adopting low-impact solutions;
- **Replace** energy sources with renewable ones;
- **Engage** and collaborate with partners along our value chain to reduce our GHG emissions.

Sonova's Board of Directors has ultimate oversight and responsibility for ESG, including climate change. The Board of Directors and its committees receive updates on climate change topics at most of their regular meetings, and also receive a monthly written update from the CEO on overall progress in selected ESG topics, including climate-related matters. On the Management Board level, responsibility for environmental sustainability is assigned to the GVP Operations, who monitors progress on a monthly basis. In addition, the ESG Council reviews progress against key targets, including scope 1-3 GHG emissions reductions and energy consumption. Within each region, dedicated environmental leaders are responsible for regional implementation of measures and discussion of progress with Group companies. This governance structure ensures global coherence in our approach toward GHG emissions reduction while allowing for targeted ad-hoc reduction activities relevant to the differing natures of each business unit.

Policies and actions

Climate action has been at the top of Sonova's environmental agenda for many years, in line with our corporate environmental policy. Key policy principles include continuous monitoring and improvement of our environmental objectives and performance across the Group; training our employees on the content and relevance of the policy while raising awareness on environmental topics; and consideration of environmental sustainability in business decisions and activities (such as product launches), facility construction and modifications, as well as mergers and acquisitions.

Sonova's action plan to reduce energy consumption and scope 1 and 2 emissions include such key measures as further adopting energy efficient practices in our buildings (i.e., by identifying heat and compressed air leakage), improving building automation systems, and optimizing electricity use in heating, ventilation, and air conditioning. We also intend to increase the share of low-emissions vehicles in our company car fleet, install additional charging stations for electric vehicles, further increase the use of public transport, and incentivize the use wherever possible of renewable energy for electricity, vehicles, and heating. In the 2023/24 financial year, we developed site-specific action plans for 30 Group companies and monitored their monthly progress.

Our action plan for scope 3 emissions focuses on purchased goods and services, transport and distribution, and business travel. These categories make up over 80% of Sonova's total scope 3

emissions along our value chain. Stakeholder engagement is the key to driving emissions reductions. We accelerated supplier engagement in 2023, working closely with our suppliers toward our shared goal of less impactful supply chains.

Performance measurements and targets

Energy

Key ESG target:

We reduce our energy consumption per employee by 10% vs. 2022 by 2027.

Last year, we set a new target to reduce our energy consumption per employee by 10% from 2022 levels by the end of 2027. The 2022 baseline value was 6.87 MWh/FTE and the target value was therefore set at 6.18 MWh/FTE. In 2023, we achieved a reduction of 9% compared to 2022, representing an energy intensity of 6.22 MWh/FTE. This substantial reduction is largely attributable to lower heating energy requirements due to mild weather, along with various energy saving initiatives mainly in Audiological Care Group companies. Moreover, overall FTEs have increased with the integration of HYSOUND.

GRI 302-3



Energy audits across Sonova’s key sites

We completed eight energy audits in as many sites during the past year to identify effective energy reduction strategies. The audits led to more than 50 identified measures with a total potential savings of more than 6,000 MWh per year, including both electricity and natural gas savings. Of these measures, eight have been implemented by the end of the 2023/24 financial year, and four are in progress.

Energy intensity

✓ Data externally assured (limited assurance)

MWh relative to million CHF net revenue and MWh relative to FTE¹

	2023	2022 ²	2021 ²
Total energy consumption	110,425	116,793	97,215
Net revenues	3,627	3,738	3,364
FTE	17,757	17,002	15,229
Energy intensity relative to revenues	30.4	31.2	28.9
Energy intensity relative to FTE	6.22	6.87	6.38

¹⁾ For restatements and calculation boundaries information please refer to the [Basis for preparation](#) chapter.

²⁾ 2022 figures do not include HYSOUND. 2021 figures do not include Consumer Hearing business, Alpaca Audiology or HYSOUND.

The total energy consumption of the Sonova Group in 2023 was 110,425 MWh, down 5% compared to the previous year. 54% represented electricity consumption (for buildings and electric vehicles), 25% was for heating (fuel oil, natural gas, biogas, and district heating), and 21% represented vehicle fuel (diesel, gasoline, liquefied petroleum gas, ethanol). Our Audiological Care business represented 53% of Sonova’s overall energy consumption, the Hearing Instrument business accounted for 29%, and smaller proportions – 9%, 6%, and 3% – are attributable respectively to the Cochlear Implants business, shared business functions (e.g., headquarters, operations and repair centers, and other Group companies that perform tasks for multiple business units), and the Consumer Hearing business. The main contributors to the overall consumption decrease have been mild winters which, in combination with energy efficiency initiatives taken both within Audiological Care and larger sites in the Hearing Instruments and shared business functions facilities, reduced Sonova’s heating energy consumption by 21%.

GRI 302-1

SDG 7.3

Total and onsite energy consumption

✓ Data externally assured (limited assurance)

MWh¹

	2023 ¹	2022 ¹	2021 ¹
Total energy consumption	110,425	116,793	97,215
Onsite energy generation¹	2,043	1,603	786
% of onsite energy generation over total energy consumption	1.9%	1.4%	0.8%

¹⁾ Only 2023 data part of the 2023/24 external assurance. For restatements and calculation boundaries information please refer to the [Basis for preparation](#) chapter.

Renewable energy represented 56% of Sonova's overall energy consumption in 2023, increasing by 4 percentage points compared to 2022. Our renewable energy derived from hydro (52%), solar (17%), wind (10%), biomass / biogas (3%), geothermal sources (>1%), and mixed sources (17%) where the renewable energy source detail is not available. We are committed to keep increasing the share of renewable energy in our total consumption.

[SDG 7.2, SDG 9.4](#)

We source 100% electricity from renewable sources following a three-fold approach. Firstly, we invest in onsite electricity generation. 1.9% of our total energy consumption was produced onsite thanks to the solar panels installed at our premises in Alicante (Spain), Ho Chi Minh City (Vietnam), Suzhou (China), and Murten and Stäfa (Switzerland). In absolute terms, onsite energy generation increased by 27% (+440 MWh) in 2023 compared to 2022. Where onsite generation is not yet feasible, Group companies are prompted to locally source certified renewable electricity. In 2023, 39% (23,293 MWh) of the total electricity consumption was sourced locally via bundled certified renewable electricity. Lastly, for all those Group companies where renewable energy is not yet used or available, Sonova purchases unbundled Energy Attribute Certificates, which amounted to 58% (34,317 MWh) of total electricity consumption for the calendar year.

Energy mix

✓ Data externally assured (limited assurance)

MWh¹

	2023	2022 ²	2021 ²
Total energy consumption	110,425	116,793	97,215
Non-renewable energy consumption	49,081	55,814	44,625
Crude oil and petroleum products	23,280	-	-
Natural gas	21,897	-	-
Purchased electricity, heat, steam, or cooling from fossil sources	3,904	-	-
Renewable energy consumption	61,344	60,979	52,590
Share of renewable energy	56%	52%	54%

¹⁾ For restatements and calculation boundaries information please refer to the [Basis for preparation](#) chapter.

²⁾ Breakdown of non-renewable energy sources reported as of 2023.

Sonova's electricity consumption remained stable compared to 2022. Our Audiological Care business consumed the most electricity, followed by the Hearing Instruments business, mainly due to the large footprint of the store network, along with operations and distribution centers. The Hearing Instruments business accounts for 51% of the vehicle fuel consumption, followed by Audiological Care representing 44%.

Energy consumption by business

✓ Data externally assured (limited assurance)

	2023 ¹			2022 ¹			2021 ¹		
	Vehicle Fuels ²	Heating ³	Electricity	Vehicle Fuels ⁴	Heating ⁵	Electricity	Vehicle Fuels ⁶	Heating ⁷	Electricity
Total	22,870	27,902	59,653	21,915	35,301	59,577	18,055	28,416	50,744
Hearing Instruments business	11,713	2,297	18,557	11,142	2,801	19,199	8,273	3,071	18,885
Audiological Care business	9,961	21,814	27,173	9,090	28,426	26,351	8,655	21,316	19,695
Consumer Hearing business	501	504	2,101	359	617	2,172	n/a	n/a	n/a
Cochlear Implants business	684	1,936	6,901	1,315	1,634	6,915	1,114	1,785	7,213
Shared business functions	11	1,351	4,921	9	1,823	4,939	13	2,244	4,952

¹⁾ For restatements and calculation boundaries information please refer to the [Basis for preparation](#) chapter. Only 2023 data part of the 2023/24 external assurance.
²⁾ 2023 sources: 75% gasoline, 25% diesel, <1% liquefied propane gas, <1% ethanol.
³⁾ 2023 sources: 78% natural gas (75% within scope 1, 3% within scope 3 - cat. 8), 14% district heating (scope 2), 6% biogas (scope 1), 1% fuel oil (scope 1).
⁴⁾ 2022 sources: 61% gasoline, 38% diesel, 1% liquefied propane gas, <1% ethanol.
⁵⁾ 2022 sources: 82% natural gas (78% within scope 1, 4% within scope 3 - cat. 8), 12% district heating (scope 2), 4% biogas (scope 1), 1% fuel oil (scope 1).
⁶⁾ 2021 vehicle fuels consumption sources: 70% diesel, 29% gasoline, 1% liquefied propane gas, <1% ethanol.
⁷⁾ 2021 sources: 70% diesel, 29% gasoline, 1% liquefied propane gas, <1% ethanol.

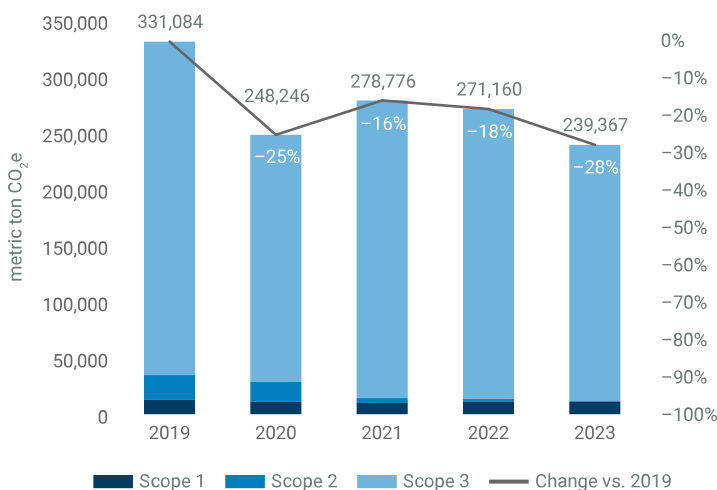
Greenhouse gas (GHG) emissions

Key ESG targets:

We reduce scope 1 and 2 greenhouse gas emissions by 78.3% vs. 2019 by 2032.*
 We reduce scope 3 greenhouse gas emissions by 32.5% vs. 2019 by 2032.*

* Approved by the Science Based Targets initiative (SBTi) in 2023. The target boundary includes biogenic land-related emissions and removals from bioenergy feedstocks.

Total GHG emissions 2019 – 2023



In 2023, the Science Based Targets initiative (SBTi) approved our near-term science-based targets, which guide our GHG emissions reduction efforts: our goal is to decrease our combined absolute scope 1 and 2 emissions by 78.3% by 2032, from 34,747 metric tons of CO₂-equivalents (t CO₂e) in 2019, and by 32.5% for our scope 3 emissions until 2032, from 296,337 t CO₂e in 2019. During 2023, we continued to make progress on our journey towards the decarbonization of our operations and value chain. In 2023, our scope 1 and 2 emissions dropped by 67% (-23,157 t CO₂e)

GRI 3-3, GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4

TCFD-MET-a, TCFD-MET-b, TCFD-MET-c

compared to 2019 and by 16% (-2,194 t CO₂e) compared to 2022. Scope 3, which covers more than 95% of Sonova's overall emissions, decreased by 23% (-68,560 t CO₂e) compared to 2019, and by 12% (-29,598 t CO₂e) compared to 2022. Our total 2023 scope 1-3 GHG emissions amounted to 239,367 t CO₂e, a decrease of 12% compared to the previous year, and 28% vs. 2019. The key reasons for the reductions in scope 1, 2, and 3 GHG emissions compared to the previous years were a decrease of emissions from purchased goods and services, a shift from air to sea and ground freight for large shares of the Consumer Hearing business, increased use of renewable electricity, and reduced heating consumption. Total GHG emission intensity decreased to 66 t CO₂e per million CHF revenues for 2023, compared with 70.5 in the prior year.

GHG emissions – Scope 1-3

✓ Data externally assured (limited assurance)

metric tons CO₂e¹

	2023	2022 ²	2021 ³	2020 ⁴	2019
Scope 1-3	239,367	271,160	278,776	248,246	331,084
Scope 1-2	11,590	13,784	14,372	28,621	34,747
Scope 1	10,889	11,271	9,942	11,256	12,828
Scope 2 (market based)	701	2,514	4,430	17,365	21,919
Scope 3	227,777	257,375	264,404	219,625	296,337

¹⁾ For restatements and calculation boundaries information please refer to the [Basis for preparation](#) chapter.

²⁾ 2022 values restated: scope 2 increased by 240% (+1,775 t CO₂e) due to the integration of HYSOUND.

³⁾ 2021 values restated: scope 2 increased by 49% (+1,453 t CO₂e) due to the integration of HYSOUND.

⁴⁾ 2020 values restated: scope 3 decreased by -10% (-23,578 t CO₂e) due to methodological improvements.

GHG emission intensity

✓ Data externally assured (limited assurance)

metric tons CO₂e relative to million CHF revenue¹

	2023	2022 ²	2021 ²
Net revenues	3,627	3,738	3,364
Total scope 1-2 GHG emissions	11,590	12,004	10,037
Scope 1-2 GHG emission intensity	3.2	3.2	3.0
Total scope 1-3 GHG emissions	239,367	263,560	191,142
Scope 1-3 GHG emission intensity	66.0	70.5	56.8

¹⁾ For restatements and calculation boundaries information please refer to the [Basis for preparation](#) chapter.

²⁾ 2022 GHG emissions do not include HYSOUND and 2021 GHG emissions do not include HYSOUND, Consumer Hearing business and Alpaca Audiology to maintain consistency between net revenues and GHG emissions during these reporting periods.

N₂O and CH₄ emissions from biogenic sources are included in scope 1, while the related GHG emissions are excluded in accordance with the GHG Protocol. Outside-of-scope CO₂e emissions from biogenic sources increased by 21% compared to 2022 due to the proportional increase in biogas consumption. Scope 2 emissions were calculated using the market-based approach in accordance with the GHG Protocol scope 2 guidance. When reported according to the location-based approach, Sonova's scope 2 emissions increased by 4% compared to 2022.

Additional GHG emission information

✓ Data externally assured (limited assurance)

t CO₂e¹

	2023 ¹	2022 ¹	2021 ¹
Total location based scope 2 emissions	18,917	18,196	17,313
Total outside-of-scope emissions	337	279	367

¹⁾ For restatements and calculation boundaries information please refer to the [Basis for preparation](#) chapter. Only 2023 data part of the 2023/24 external assurance.

Scope 1 and 2 GHG emissions

Scope 1 emissions are direct GHG emissions related to company vehicles, stationary combustion (e.g., heating), and fugitive emissions (e.g., from refrigerants), while scope 2 emissions relate to indirect GHG emissions (e.g., from electricity consumption and district heating). Sonova Group's absolute scope 1 and 2 GHG emissions decreased by 16% (-2,194 t CO₂e) compared to the previous year.

In 2023, overall scope 1 GHG emissions decreased by 3% (-382 t CO₂e) compared to 2022, mainly due to the reduction of GHG emissions-intensive heating consumption. Emissions deriving from Sonova's car fleet remained stable (+1%) although there was an increase in the number of kilometers driven and the number of vehicles. Our global car policy limits the CO₂e per km emitted to 95 grams for newly purchased or leased cars. Hybrid and electric vehicles now constitute more than 40% of Sonova's car fleet, compared to about 20% last year and only 8% in 2021.

Throughout the past year, scope 2 emissions declined by 72% (-1,813 t CO₂e) from 2022. The reduction stems mainly from switching to renewable electricity for acquired Group companies, in this case HYSOUND. Since 2022, we also source renewable electricity for our global vehicle fleet. The remaining 701 tons in scope 2 derive from the use of district heating in northern European countries.

Sonova's commitment to operating carbon neutral operations (scope 1 and 2) remains intact. We source 100% renewable electricity and purchase carbon credits to offset the remaining emissions in scope 1 and 2. We have contractual agreements in place until the end of 2025 to support three projects for which carbon credits are generated: hydro power in China, solar power in Vietnam, and forest protection in the Brazilian Amazon. All three projects are either verified by the Gold Standard or VCS (Verified Carbon Standard), two of the world's most widely used verifying bodies for carbon credits.

Scope 1 and 2 GHG emissions¹

✓ Data externally assured (limited assurance)

metric tons CO₂e¹

	2023			2022 ²			2021 ³		
	Scope 1-2	Scope 1	Scope 2	Scope 1-2	Scope 1	Scope 2	Scope 1-2	Scope 1	Scope 2
Total	11,590	10,889	701	13,784	11,271	2,514	14,372	9,942	4,430
Hearing Instruments business	3,748	3,713	34	3,295	3,253	42	2,777	2,728	49
Audiological Care business	6,940	6,301	639	9,461	7,026	2,434	9,588	6,179	3,409
Consumer Hearing business	230	224	6	211	207	4	1,199	261	938
Cochlear Implants business	552	547	5	664	659	5	655	651	5
Shared business functions	121	104	17	154	125	29	153	124	29

¹⁾ For restatements and calculation boundaries information please refer to the [Basis for preparation](#) chapter.

²⁾ 2022 values restated: scope 2 increased by 240% (+1,775 t CO₂e) due to the integration of HYSOUND.

³⁾ 2021 values restated: scope 2 increased by 49% (+1,453 t CO₂e) due to the integration of HYSOUND.

Scope 3 GHG emissions

Sustaining a sharp focus on reducing scope 3 emissions is crucial for Sonova, as our value chain accounts for 95% of our total GHG emissions in 2023. More than 90% of our total scope 3 GHG emissions derive from the following scope 3 categories: purchased goods and services, transport and distribution, employee commuting, and business travel.

Sonova's scope 3 emissions decreased by 12% (-29,598 t CO₂e) in 2023 compared to the previous year. This decrease mainly stems from purchased goods and services, transport and distribution, and fuel-and energy-related activities as a consequence of our reduced energy consumption.

Scope 3 GHG emissions¹

✓ Data externally assured (limited assurance)

metric tons CO₂e¹

	2023	2022	2021	2020	2019
Scope 3	227,777	257,376	264,404	219,625	296,337
Category 1: Purchased goods and services	130,241	155,003	164,669	133,151	168,583
Category 2: Capital goods	2,605	2,124	2,353	1,352	3,073
Category 3: Fuel- and energy-related activities (not included in scope 1 and 2)	7,375	9,284	8,717	7,220	8,076
Categories 4 and 9: Upstream and downstream transportation and distribution	47,992	49,991	54,695	44,986	57,235
Category 5: Waste generated in operations	541	467	630	1,089	1,246
Category 6: Business travel	11,643	12,183	4,363	5,878	23,524
Category 7: Employee commuting	21,079	21,557	21,338	18,229	26,986
Category 8: Upstream leased assets	438	851	1,165	1,280	1,419
Category 11: Use of sold products	2,758	3,041	3,700	4,015	3,588
Category 12: End-of-life of sold products	2,753	2,601	2,677	2,334	2,521
Category 15: Investments	353	276	97	93	87

¹⁾ For restatements and calculation boundaries information please refer to the [Basis for preparation](#) chapter.

Category 1: Purchased goods and services

The largest source of Sonova’s GHG emissions is the procurement of direct and indirect materials and services. In 2023, 57% of scope 3 emissions arose from purchased goods and services. These emissions mainly originate from the procurement of electronic components such as chargers, printed circuit boards, batteries, microphones and receivers, transistors, and packaging. Category 1 emissions decreased in 2023 by 16% (–24,762 t CO₂e) compared to 2022. The majority of the reduction stems from direct material purchases by the Hearing Instruments and Cochlear Implants businesses (–10,773 t CO₂e) and overall Group indirect purchases of materials and services (–9,370 t CO₂e).

Category 4 and 9: Transportation and distribution

Categories 4 and 9 include GHG emissions arising from the transport from supplier facilities to our operations centers, intercompany transportation, and from our distribution centers to audiological care stores (owned and third-party) or other customers. Sonova’s GHG emissions from transport and distribution decreased by 4% compared to 2022. The main driver of the reductions has been the increased use of shipping by ground and sea instead of air. These changes helped us to reduce emissions despite the fact that overall shipping volumes by weight increased by 26% in 2023 vs. 2022. Sonova remains committed to switch to lower-polluting modes of transportation where this is feasible. We continue to work towards further reductions in packaging weight and volume, and are revisiting our global distribution network to shift towards more regional sourcing to reduce transportation distances and enhance our supply chain resilience.

Category 6: Business travel

Category 6 includes emissions deriving from air travel and car allowances. Air travel accounts for 98% of business travel emissions. Compared to 2022, our GHG emissions from business travel decreased by 4% (–540 t CO₂e), representing an overall decrease of 51% (–11,881 t CO₂e) compared to the pre-COVID level of 2019.

Category 7: Employee commuting

Sonova’s GHG emissions from employee commuting slightly decreased by 2% compared to 2022 (–478 t CO₂e). During the 2023/24 financial year, Sonova maintained the hybrid working guidelines for office-based employees that were rolled out across the Group in the 2022/23 financial year. Local commuting options differ greatly from region to region, so localized solutions are essential for minimizing commuting related GHG emissions. Several Group companies have diverse initiatives in place to promote more environmentally friendly commuting. These include financial incentives to use public transport, installment of charging stations for electric vehicles, and awareness campaigns.

TCFD: Climate-related risks and opportunities

The following section is structured to align with the framework recommended by the Task Force on Climate-Related Financial Disclosures (TCFD): governance, strategy, risk management, and metrics and targets.

Governance

The Sonova Board of Directors has ultimate oversight of and responsibility for climate-related risks and opportunities. More information on Board oversight and the role of management is provided in the [Strategy, governance, and relevance](#) section of the Climate change chapter.

[TCFD-GOV-a](#), [TCFD-GOV-b](#)

Strategy

Since the 2021/22 financial year, Sonova has adopted a systematic approach to climate-related risks and opportunities, performing an analysis to identify potentially relevant climate-related risks and opportunities over the short (to 2025), medium (to 2030), and long term (to 2050). This analysis currently covers nine countries in different regions where Sonova has operations and stores. We use two different scenarios in a qualitative and quantitative climate-related scenario analysis to assess potential impact on Sonova’s business and resilience:

[TCFD-STR-a](#), [TCFD-RMA-a](#)

- A high-mitigation i.e., below 2°C warming scenario to assess risks related to the transition to a low-carbon future; and
- A business as usual i.e., 4°C warming scenario to capture the physical risks associated with the intensification of widespread climate hazards.

Sonova used the International Energy Agency (IEA) Stated Policies Scenario (IEA STEPS), the Sustainable Development Scenario (IEA SDS), the Net Zero Emissions by 2050 scenario (IEA NZE), as well as the Representative Concentration Pathway (RCP) 8.5 scenario.

To identify potential physical and transition risks and opportunities across Sonova’s operations and value chain, we interviewed relevant internal stakeholders. Organizing the results of these interviews using the EU Taxonomy’s classification of climate-related hazards (2021), we identified seven physical risks to which Sonova would be most vulnerable. To identify risks and opportunities specific to transition, we screened five areas of interest – policy, legal, technology, market, and reputation – all in the context of the transition to a low-carbon economy. We identified four transition risks and two opportunities as potentially relevant for Sonova, leading to a total of thirteen potential climate-related risks and opportunities.

TCFD – Potential climate-related risks and opportunities

Category	Type	Description	Explanation
Physical risk	Acute	Heatwaves and extreme temperatures	Prolonged periods of abnormally hot weather
Physical risk	Acute	Wildfires	A large, destructive fire that spreads quickly over woodland or brush
Physical risk	Acute	Extreme cold	A spell of cold weather over a wide area
Physical risk	Acute	Heavy precipitation and flooding	The covering or submerging of normally dry land with a large amount of water
Physical risk	Acute	Heavy winds and storms	A violent disturbance of the atmosphere with strong winds and usually rain, lightning, thunder, or snow
Physical risk	Acute	Tropical cyclones	A localized, very intense low-pressure wind system, forming over tropical oceans accompanied by strong rainfall and winds
Physical risk	Chronic	Sea level rise and coastal flooding	An increase in the level of the world's oceans due to the effects of global warming
Transition risk	Policy & legal	Carbon pricing schemes	Carbon pricing schemes for the building sector

Transition risk	Policy & legal	Net zero retrofit requirements	Net zero retrofit requirements for commercial buildings (incl. rented facilities)
Transition risk	Policy	Scope 3 reduction challenges	Lack of stringent policies to constrain suppliers to use low-carbon energy sources, thereby putting our scope 3 target potentially at risk
Transition risk	Policy	Increase in airfares	Potential cost increases for air travel resulting from carbon schemes and more stringent policy requirements
Transition opportunity	Market	Energy savings due to net zero retrofits	Energy savings due to net zero retrofits and consumption of energy from low-carbon sources
Transition opportunity	Market	Electrification of transportation sector	Cost savings due to the electrification of transportation sector as fuel costs increase

As a next step, we performed a country-by-country analysis for the identified potential physical risks by reviewing literature on the latest climate-science and relevant climate policies. This analysis gave us insights into expected changes in risks and opportunities during the medium-term (to 2030) and long-term (to 2050) compared to the baseline period for each country considered. The results showed that the physical hazards in the long-term represent a higher risk than those in the medium-term. The table below therefore highlights the long-term identified changes (2050 vs. baseline).

TCFD – Generic country-level analysis of physical risks (projected change until 2050 vs. baseline)

Country	Heatwaves and extreme temperatures	Wildfires	Extreme cold	Heavy precipitation and flooding	Heavy winds and storms	Tropical cyclones	Sea level rise and coastal flooding
Vietnam	Not relevant	Not relevant	Not relevant	Very high	Not relevant	Low	Very high
United States	Very high	Very high	Low	Not relevant	High	Not relevant	Not relevant
China	Not relevant	Not relevant	Not relevant	High	Low	Low	Not relevant
Switzerland	Very high	Not relevant	Low	Not relevant	Low	Not relevant	Not relevant
Germany	Very high	Not relevant	Low	Not relevant	Low	Not relevant	Not relevant
United Kingdom	Very high	Not relevant	Low	Not relevant	Low	Not relevant	Not relevant
Canada	Very high	Not relevant	Low	Not relevant	Not relevant	Not relevant	Not relevant
Australia	Not relevant	High	Not relevant	Moderate	Not relevant	High	High
Brazil	Not relevant	Not relevant	Not relevant	Moderate	Not relevant	Not relevant	High

¹⁾ The risks are classified based on the projected changes until 2050 vs. baseline: Low = below 10%, moderate = 10-20%, high = 20-30%, very high = above 30%. The baseline period 1976 – 2005 was derived from the Coupled Model Intercomparison Project Phase 5 (CMIP5) data set. Where the supporting literature used different baselines or different future timeframes, we adjusted the baselines and/or the relative change accordingly.

For the transition risks and opportunities, we determined their likelihood and affect on Sonova in the short-term (2025), medium-term (2030) and long-term (2050). The scenarios we used in this analysis are: the IEA STEPS, which projects a temperature increase of approximately 3°C by 2100 based on the current GHG emissions growth rate; the IEA SDS, which predicts global warming to be 1.75°C assuming that strong international policy supports the transition to a low-carbon economy; and the IEA NZE net zero by 2050 scenario. We also reviewed national scenarios, policies, and long-term strategies for each of the countries we assessed. The risks and opportunities were assigned a qualitative rating based on Sonova’s footprint within each jurisdiction and the likelihood that the identified topics would materialize. The matrix below shows the highest risks and opportunities that were identified across all timeframes (2025, 2030, and 2050) and scenarios on which they are based.

The results show a low risk in most cases, except for 1) challenges that Sonova may face in reducing scope 3 emissions, especially for suppliers in China, due to relatively underdeveloped regulatory frameworks that fail to stimulate emissions reductions at the desired rate; 2) potential increases in Sonova’s operating costs from stricter aviation sector policies resulting in higher air-transportation fares; and 3) risks related to carbon pricing schemes in Australia and Brazil. The assessment also identified potential opportunities from governmental incentives and support to further reduce emissions in the building sector.

TCFD – Generic country-level analysis of transition risks and opportunities (combined 2025, 2030, and 2050 scenarios)

Country	Carbon pricing schemes	Net zero retrofit requirements	Scope 3 reduction challenges	Increase in air-fares	Energy savings due to net zero retrofits or electrification of transportation sector
Vietnam	Not relevant	Low	Not relevant	Not relevant	Low
United States	Not relevant	Low	Not relevant	Not relevant	High
China	Not relevant	Low	High	Not relevant	Medium
Switzerland	Low	Low	Not relevant	High	High
Germany	Low	Low	Low	High	Low
United Kingdom	Low	Low	Not relevant	High	Low
Canada	Not relevant	Low	Not relevant	Not relevant	Low
Australia	Very High	Very High	Not relevant	Not relevant	Very High
Brazil	Very High	Not relevant	Not relevant	Not relevant	Not relevant

To better understand how potential physical climate-related risks could affect Sonova’s operations and business in the long-term (2050), we performed a site-level assessment of the four physical risks that scored very high in the country-level assessment. The concrete potential impacts on Sonova are summarized in the table below. The continued execution of Sonova’s omnichannel strategy, which includes increased online sales and service presence, can help to mitigate some of the identified physical climate risks and strengthen resilience. Physical climate risks are also considered when opening new facilities and in the design of our supply chain.

TCFD – Summary of Sonova-specific site-level analysis¹

Potential risk	Country	Potential threat
Heatwaves and extreme temperatures	United States, United Kingdom, Germany, Canada	The frequency and duration of heatwaves are projected to increase significantly, especially in the south and east of the US. Heatwaves may cause higher cooling costs and increase heat stress conditions for employees and consumers. As elderly people are the most common demographic that experiences hearing loss and are also most affected by heat stress during heatwaves, they may not come to the stores, thereby affecting sales.
Wildfires	United States	Average and maximum temperatures during wildfire season are projected to increase significantly, which leads to an increased risk in wildfires that may affect our production sites in California.
Heavy precipitation and flooding	Vietnam	Heavy precipitation is expected to increase substantially in the Ho Chi Minh City region, which may cause supply chain and operational interruptions in our operations center due to flash and sustained flooding.
Sea level rise and coastal flooding	Vietnam	As our operations center in Vietnam is located far inland, the projected sea level rise and coastal flooding is expected to pose no substantial risk.

¹⁾ For this assessment, we used various datasets derived from General Circulation Model (GCM) and simulations conducted under the Coupled Model Intercomparison Project, Phase 5 (CMIP5).

We provisionally quantified the potential financial impact of two of these climate-related risks: increased heavy precipitation and flooding near of our operations centers in Vietnam and China (a physical risk that could cause supply chain and operational interruptions), and increasing air-transportation fares due to carbon schemes and more stringent policies (a transition risk).

Our assessment suggested that the flood risk to our operations centers in Vietnam and China is not projected to increase; moreover, local teams already have precautions in place for potential adverse weather events. The focus of our analysis therefore shifted to the flooding risk to the most critical suppliers for each operations center in Vietnam and China: the results showed that four supplier locations are at risk for river flooding and two supplier locations are at risk of coastal flooding. We calculated the potential financial impact on Sonova based on the suppliers’ estimated forced operational downtime, impact of supply shortage on our stock levels of key components, and revenue impact based on number of days the operations centers would not be able to produce goods. The assessment showed that there is a low risk today, in 2030, and in 2050 – in both the 2°C high mitigation and 4°C business as usual scenarios.

[TCFD-STR-b, TCFD-STR-c](#)

[SDG 13.1](#)

The second risk we analyzed was a transition risk: the potential financial impact of increasing carbon prices on air-transportation cost in Switzerland, Germany, and the United Kingdom: the

three countries where we calculated the highest potential risk. We included both business-related air travel and air freight in our analysis, modelling a range of scenarios based various assumptions about regional carbon price developments, the aviation sector decarbonization path, development of global warming, Sonova's business growth, and our own greenhouse gas reduction pathway. The analysis showed that potential financial impacts from air freight are higher than those related to air travel. We further found that achieving our current science-based target would lower our potential carbon costs by 70% compared to a business as usual trajectory.

Risk management

Sonova uses a variety of methods to identify and assess climate-related risks and opportunities, including desk research, interviews, climate expert advisory, qualitative and quantitative scenario analysis, and financial quantification. We use a phased, risk-based approach and try to focus our efforts on areas with highest potential risks and opportunities. Outcomes from the assessment are presented to relevant internal stakeholders and accountability for mitigation measures is assigned accordingly. The results of the climate-related risk assessment feed into Sonova's overall strategic risk management process together with all other business risks.

[TCFD-RMA-b](#), [TCFD-RMA-c](#)

Metrics and targets

Information on scope 1, 2, and 3 GHG emissions, related risks, as well as climate targets and performance are described in the Performance measurements and targets section of the [Climate change](#) chapter in this ESG Report. To date, Sonova is focusing on climate change mitigation and has not yet set any further public targets related to how we manage climate-related risks and opportunities.

Circular Economy

At Sonova, we support the transition towards a circular economy by optimizing design for recycling, minimizing the extraction and consumption of natural resources, and addressing end-of-life treatment. Thanks to cross-functional efforts, Sonova has fostered circularity by reducing packaging waste, enhancing product reliability, and optimizing servicing processes.

[SDG 12.2](#)

Packaging and distribution

Key ESG target:

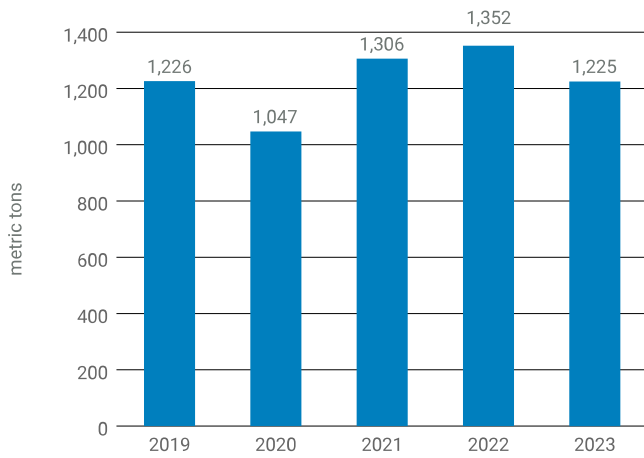
We reduce packaging waste by 20% by weight vs. 2019 baseline* by the end of 2023.

*Includes transport packaging (excl. external distribution centers) and hearing instruments product packaging.

We are committed to reducing the environmental impact of our packaging. Our target was to reduce by the end of 2023 our transport and hearing instrument product packaging waste by 20% by weight compared to our 2019 baseline. We did not meet this ambitious target: overall, we reduced packaging compared to 2019 by 0.1%. Keeping absolute packaging weight flat despite solid business growth over the past four years can be considered a good achievement, and compared to the previous year we made substantial improvements and reduced the total packaging weight by 9.4%. This was achieved by eliminating layers of transportation boxes, standardizing order quantities, bundling shipments, and innovating product packaging for new product lines. We also trialed reusable shipping boxes but have currently put the project on hold due to increased potential CO₂ impact.

We remain committed to reducing our packaging waste and have therefore set a new target: by the end of the 2026/27 financial year, we aim to reduce the packaging waste from our Hearing Instruments product and transport packaging by weight by 20% compared to the 2023/24 financial year. Our continued focus on decreasing packaging weight supports Sonova's ambition to curb greenhouse gas emissions from transport and distribution.

Packaging weight



Packaging

✓ Data externally assured (limited assurance)

metric tons¹

	2023	2022	2021
Packaging weight	1,225	1,352	1,306

¹⁾ For restatements and calculation boundaries information please refer to the [Basis for preparation](#) chapter.



Packaging Kaizen focused on transport packaging

During the 2023/24 financial year we held two week-long cross-functional Kaizen workshops in our operations centers. The focal points of the two workshops were product packaging on one side, and transport packaging on the other. While the product packaging team was able to deliver significant results yet to be integrated across the Group operations, the transport packaging team implemented a reduction in packaging weight by more than half (for the packaging in scope) by eliminating packaging layers, while also reducing costs in the material handling process. The improvements generated by these workshops will be applied at the other Hearing Instruments operations centers through improved packaging solutions.

Product use, repair, and refurbishment

Newly launched standard operating procedures for service have further integrated service and repairs into the Hearing Instruments product development process. We also launched several projects to extend the lifecycle of our products and components e.g., optimizing spare parts usage of electronic modules, extending repair services, testing used devices, and enhancing reliability. Each improvement in product reliability leads to several associated, positive environmental impacts e.g., less material use for replacements, less transportation to our repair centers, and fewer trips by consumers to return devices. As an example, the service rate for the rechargeable Audéo Lumity hearing aid was 17% lower than that of the previous generation Audéo Paradise one year after their respective launches. We have also rolled out proprietary diagnostic equipment across all Sonova Service Centers to test the functionality of our hearing instrument chargers, thereby decreasing the number of chargers that need replacement rather than repair.

We have expanded our rechargeable product portfolio in the 2023/24 financial year. Rechargeable batteries, by reducing the use of disposable batteries, help to conserve precious materials and reduce waste. Since 2016, Sonova’s Hearing Instrument brands have continuously expanded their

portfolios of hearing aids with a lithium-ion rechargeable battery. In the 2023/24 financial year, 63% of total behind-the-ear (BTE) and receiver-in-canal (RIC) hearing instruments sold were rechargeable, representing an increase of 7% over the 2022/23 financial year. Advanced Bionics also offers rechargeable battery options for cochlear implant sound processors.

Rechargeable Hearing Instrument devices
 ✓ Data externally assured (limited assurance)

in %¹

	2023/24 ¹	2022/23 ¹	2021/22 ¹
% of total sold RIC and BTE hearing instruments being rechargeable	63%	59%	56%

¹⁾ Only data from financial year 2023/24 part of the external assurance.

Product end of life

Sonova complies with the EU directive on Waste Electrical and Electronic Equipment (WEEE), which requires such equipment to be returned to the manufacturer for recycling or environmentally friendly disposal. Selected Sonova Group companies in the Audiological Care business offer battery collection programs, which enables consumers to bring their used hearing aid batteries back to the store. The batteries collected are disposed of through officially authorized disposal agents. In 2023, more than three metric tons of batteries were collected at different stores worldwide.

[SASB HC-MS-410a.2](#)

Waste and pollution

We are committed to minimizing the generation of operational waste wherever possible, separating materials to enable recycling, and disposing of hazardous waste in environmentally compatible ways. We also aim to minimize the use of hazardous substances and their impact on the environment and human health.

[GRI 306-2](#)

[SASB HC-MS-410a.1, SASB HC-MS-430a.3](#)

Key ESG target:

We reduce our operational waste per employee by 5% vs. 2022 by 2027.

[SDG 12.5](#)

Our target commits us to reduce the waste generated at our sites by 5% per full-time employee (FTE) by 2027 from the 2022 figure of 213.1 kg/FTE. We intend to achieve this by optimizing and digitalizing processes, reducing packaging in transit between our operations, distribution, and repair centers, and reusing materials where possible.

While we saw in 2023 an increase in the absolute amount of operational waste of 26 metric tons (+1%) to 3,648 metric tons, the waste per FTE decreased to 205.5 kg/FTE (-3.6%). Absolute non-hazardous waste increased due to the integration of HYSOUND; it slightly decreased across the rest of the business.

Hazardous waste increased by 10 tons (14%) vs. 2022, mainly due to changes in the waste labelling policies of waste management third parties and the cyclical replacement of air filters. Sonova complies with legal requirements in countries where we operate to transport and dispose of hazardous waste solely through officially authorized disposal agents. The main categories of hazardous waste substances are solvents such as isopropyl alcohol, washing fluids, acids, oil emulsions, paints, adhesives, soldering paste, and filters.

Waste to be recycled decreased by 2% due to efforts such as transitioning to e-invoicing, repurposing supplier shipping packaging, and food waste reduction. The overall recycling rate decreased to 54%.

Operational waste

✓ Data externally assured (limited assurance)

metric tons¹

	2023	2022	2021
Total waste²	3,648	3,622	2,925
Non-hazardous waste	1,590	1,530	1,415
Incineration with and without energy recovery	617	693	514
Landfill	973	838	900
Hazardous waste	85	75	71
Recycling ³	20	19	16
Incineration with and without energy recovery	33	34	34
Landfill	21	14	13
Other treatments	11	8	8
Recycling waste	1,973	2,017	1,439
Recycling rate	54%	56%	49%
Total waste per FTE [kg/FTE] ⁴	205.5	213.1	192.0

¹⁾ For restatements and calculation boundaries information please refer to the [Basis for preparation](#) chapter.

²⁾ Increase in 2023 vs. previous year mainly due to the integration of HYSOUND.

³⁾ Not included in recycling rate.

⁴⁾ Only 2023 data part of the 2023/24 external assurance.



Environmental Kaizen at Repair Center

In February 2024, employees in our Repair Center for Northern Europe in Warrington, UK, conducted an environmental continuous improvement workshop focused on reducing electronics and electronic equipment (WEEE) waste by optimizing the recycling process for credit returns and repairs, mainly of hearing instrument chargers. This Kaizen workshop resulted in an expected reduction of 74% local WEEE waste, by improved separation of materials.

For the first time, we assessed the global output of air pollutants derived from our facilities and our car fleet (scope 1 and 2 aligned in accordance with ESRS E2 Pollution), in preparation for the implementation of the EU’s Corporate Sustainable Reporting Directive (CSRD). The assessment confirmed that Sonova’s levels of air emissions (SOx, NOx, PM10) are well below the regulatory thresholds outlined in Annex II of the Regulation (EC) No 166/2006 of the European Parliament and of the Council of 18 January 2006 concerning the establishment of a European Pollutant Release and Transfer Register (✓ [Data externally assured \(limited assurance\)](#)).

As a medical and consumer device manufacturer, Sonova takes a proactive approach to evaluating materials in its products and components to assess environmental, health, or safety risks. This evaluation process is continuous and applies to all stages of production. Employees who work with chemicals and hazardous substances, or come into contact with them, are trained annually in their safe handling.

[SASB HC-MS-410a.1](#), [SASB HC-MS-430a.3](#)

[SDG 12.4](#)

Sonova complies with the EU directive on the Restriction of Hazardous Substances (RoHS 2015/863/EU) and with the EU regulation on the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH EC 1907/2006). Sonova’s suppliers are also required to prove their compliance with the RoHS directive and the REACH regulation in their respective processes and supply chains. In accordance with the REACH regulation, Sonova continuously updates the list of substances of very high concern (SVHC) that may be present in products above the regulatory threshold level of 0.1% by weight of the article. By the end of 2023 there were three SVHC substances requiring communication in accordance with the REACH regulation where Sonova AG is the legal manufacturer: 1,3-propanesultone, lead titanium trioxide, and lead. Sonova will continue to ensure compliance with the reporting requirements under the REACH regulation and the Waste Framework Directive (EU) 2018/851 whenever the use of SVHC compounds exceeds the 0.1% threshold.

Water

Although our manufacturing processes do not demand substantial amounts of water, we prioritize minimizing our consumption of fresh water, particularly in regions facing water scarcity. Sonova mainly uses water for sanitary services, building automation systems, kitchens, and garden maintenance. Our conservation initiatives therefore concentrate on monitoring per-capita water usage in larger facilities to pinpoint opportunities for improvement. Sonova’s water withdrawals originate from municipal water supplies or other publicly or privately managed water utilities.

GRI 303-1, GRI 303-3

Key ESG target:

We reduce our water withdrawal per employee by 5% vs. 2022 by 2027.

Our five-year water withdrawal target is to reduce water consumption by 5% per full-time equivalent employee (FTE) from 2022 to 2027. In 2023, Sonova increased its absolute water withdrawal by 9% vs. 2022, reaching 15.0 m³/FTE. This represents an increase of 4.4% over the 2022 baseline of 14.4 m³/FTE. The absolute water withdrawal increase, which occurred despite water reduction initiatives, was primarily due to the acquisition of HYSOUND (not included in the 2022 baseline), along with a defective pump at a key facility, which reduced our greywater recycling capacity. Water reduction measures include installing water-saving faucets at larger sites and enhancing efficient water use in our gardening areas. By 2027, we aim to have decreased our water withdrawal intensity across the entire Group to 13.6 m³/FTE from the 2022 baseline of 14.4 m³/FTE in.

SDG 6.4

Water withdrawal¹

✓ Data externally assured (limited assurance)

	2023	2022	2021
Total water withdrawal	266,194	244,217	202,509
Water withdrawal per full-time employee (FTE)	15.0	14.4	13.3
Total water withdrawal in water-stressed areas ²	8.4%	-	-

¹⁾ For restatements and calculation boundaries information please refer to the [Basis for preparation](#) chapter.
²⁾ Only data from calendar year 2023 part of the external assurance.

During the 2023/24 financial year, we extended our physical water risk analysis to almost all Sonova sites (>99.8% of water withdrawal covered), including our Audiological Care stores. We use the WWF Water Risk Filter based on geographic water-catchment area at basin level and increased the scope of the assessment to the overall water scarcity risk as recommended by WWF. This analysis shows that 8.4% (22,397m³) of our water withdrawal is occurring in regions with high to very-high water stress. The sites with the highest water withdrawal in these areas are located in the United States, Israel, India, China and Spain. This data allows us to prioritize our future water withdrawal reduction efforts.

SDG 6.3

Biodiversity

Sonova’s global activities, products, and services do not have significant direct influence on biological diversity. However, we recognize that formally assessing our impacts and dependencies on this topic is important in the global context of rapidly declining biodiversity and the threats imposed on natural ecosystems. Using the WWF Biodiversity Risk Filter we assessed all owned and leased sites in the 2023/24 financial year for potential biodiversity-related risks. This location-specific analysis showed that less than 0.1% of all assessed sites have potentially increased physical risks from extreme heat, local water conditions, and air conditions. Other environmental risk factors, such as impacts and dependencies on protected/conserved areas, key biodiversity areas, or ecosystem conditions, did not apply to any assessed site.



Sonova ESG Report 2023/24

Serving society

We constantly innovate in hearing health care, improve access for people in under-served areas, and engage actively with our communities.

We envision a world where everyone enjoys the delight of hearing and therefore lives a life without limitation. Commitment to serving our society is at the core of our vision; we do so by enabling access to our products and services, contributing to research and awareness raising, and through our corporate citizenship activities.

SDG 10.2

The following sections provide an overview of our approach in the Serving society pillar of *IntACT*, our ESG strategy:

- [Access to hearing care](#)
- [Hearing loss in the context of health](#)
- [Awareness raising on hearing health](#)
- [Corporate citizenship](#)

Access to hearing care

Sonova’s broad range of products and services makes hearing care accessible and affordable to our consumers at various income levels. Our products and services make a positive impact on millions of lives and as part of our businesses we are committed to further improving access to hearing care. Untreated hearing loss can affect both society and individuals through its social, developmental, academic, and professional consequences, as well as the cognitive health issues to which recent studies suggest hearing loss can contribute. In response, we develop innovative hearing care solutions, accessible to as many people as possible, and help to educate and develop hearing care professionals.

GRI 3-3

Access to hearing care is governed within our businesses and is integrated into our business practices. We do not have a specific policy related to access to hearing care.

Innovative hearing solutions

The hearing care market requires a wide range of hearing solutions and service channels to meet the needs of consumers. Our goal is to offer the most innovative hearing solutions and services available to consumers worldwide, continuously improving speech intelligibility, sound resolution and quality, and ease of use. As part of our innovation process, we filed 52 new patent

SDG 9.5

applications in the 2023/24 financial year across our businesses. By the end of the financial year, Sonova owned in total 2082 active granted patent and design rights.

Patents and design rights

✓ **Data externally assured (limited assurance)**

number of active patents and new patent applications

	2023/24
Number of active patents and design rights	2,082
New patent and design rights applications	52

To support continuous innovation, we have multiple research and development hubs in Switzerland, the United States, and Canada as well as clinical study centers in China, the United States, Canada, and Singapore. We also collaborate through open exchanges and long-term partnerships with universities, research institutions, hospitals, and companies.

Innovation is not limited to our products: it also drives the way we approach the market through our wholesale companies, distributors, and through our omni-channel Audiological Care network. By operating through many channels, we multiply consumers' potential paths to hearing. Sonova's Audiological Care business has more than 3,600 stores and clinics in 20 countries. Sonova continuously extends the digital solutions that bring together healthcare providers and consumers through different stages of the hearing journey. Our various apps include advancements such as health measurements, continuous data monitoring, and statistical analysis of listening situations to enable user-specific fine tuning of the hearing experience, as well as more targeted advice to our consumers.



The family-centered care approach

One of the outcomes of our collaborations with universities and other research institutions is the family-centered care approach. Multiple studies, conducted together with Sonova, have shown that bringing family into the audiology clinic and involving them in the hearing journey offers benefits to the consumer and their family, including increased satisfaction with the service and increased support in the hearing aid user's home environment. Studies also identified benefits to the hearing care professional's patient-provider relationship, including greater trust, better adherence to treatment, and a higher rate of hearing aid uptake.

Accessibility and affordability

Our products and services are available in over 100 countries, and we offer products for every type of hearing loss: from enhanced hearing, through light amplification products and hearing aids, to cochlear implants for advanced or complete hearing loss. Our Consumer Hearing business offers earbuds with enhanced hearing as well as over-the-counter (OTC) hearing aids. OTC hearing aids can be purchased online or across various retail channels in the United States and can thereafter be self-fitted to support easier access and allow people to improve their hearing earlier and at a lower cost.

SDG 3.8

Our digital solutions, which are both built into and support our products, improve access to expert hearing care, particularly in remote areas or where access to hearing care professionals is limited. We enable remote online or app-based hearing screenings in numerous countries, as well as supporting both remote hearing aid fittings and adjustments, and setting adjustments for cochlear implants, linking consumers to their hearing care professional without requiring a face-to-face consultation.

The cost of hearing care, both for products and services, is usually met jointly between the consumer and an institutional reimbursement or insurance scheme. Pricing is therefore highly

dependent on the policies of these schemes. We work closely with the insurers and social or governmental organizations in the countries where we operate, such as the National Health Service in the United Kingdom and the Department of Veterans Affairs in the US, to offer bundled pricing which allows consumers to get the right hearing care support.

Access to hearing care is still a challenge for many people in low- and middle-income countries, as well as for underprivileged social groups in high-income regions. Sonova has therefore set the following target to increase the number of hearing aids sold in low- and middle-income countries.

Key ESG target:

We aim for a 50% increase in the number of hearing aids sold in low- and middle-income countries by 2023/24, compared to 2018/19.

In the 2023/24 financial year, we achieved a 48.2% increase compared to 2018/19, and therefore we did not achieve our target of 50%. We remain committed to further increasing sales in low- and middle-income countries and have therefore extended the target to the end of the 2024/25 financial year.

Sales growth in low- and middle-income countries

✓ Data externally assured (limited assurance)

vs. 2018/19¹

	2023/24 ¹	2022/23 ¹	2021/22 ¹
Increase in number of hearing instruments sold in low- and middle-income countries vs. 2018/19	+48.2%	+48.5%	+44.1%

¹⁾ Only data from financial year 2023/24 part of the external assurance. For scope and restatements please refer to the [Basis for preparation](#) chapter.

We develop dedicated market-specific products, including for underserved markets. Sonova worked with China's largest hospital, the Tongren Hospital in Beijing, to better understand the specific needs of people speaking Sinitic languages such as Mandarin or Cantonese when it comes to hearing loss. The result was a specific prescription formula for the amplification/frequency curve shapes of tonal languages, resulting in hearing aids offering significantly better speech clarity.

Training and education

Sonova is committed to training and developing people worldwide to meet the rising demand for hearing care and support the large population living with hearing loss. The lack of educational infrastructure in many countries hinders efforts to raise the proportion of people who can access hearing care.

SDG 3.C

The Swiss International Hearing Academy (SIHA) is a Sonova Group initiative offering a pioneering blended-learning program in audiology for aspiring hearing-care professionals (HCPs) worldwide. The program is established to further strengthen individuals' expertise and make training available in countries where vocational education facilities are limited or non-existent. The program is offered over six or twelve months, with more than 1,350 hours of study. It includes instructor-led lectures, online modules, self-study, and clinical work. During the 2023/24 financial year, 369 HCPs in low- and middle-income countries graduated and 509 were enrolled in the program. In 2024/25, the SIHA HCP program will also be launched in Spanish to serve Latin America.

SIHA graduates in low- and middle-income countries

✓ Data externally assured (limited assurance)

number of graduates in low- and middle-income countries¹

	2023/24 ¹	2022/23 ¹
SIHA graduates in low- and middle-income countries	369	186

¹⁾ Only data from financial year 2023/24 part of the external assurance. For scope and restatements please refer to the [Basis for preparation](#) chapter.

We have established additional education programs in multiple local markets. For example, in China, where the aging population has rapidly increased the number of people with hearing loss and strained an already under-resourced hearing care system, we have trained more than 2,500 local HCPs through a six-month program. Our Sonova Grand Hearing Institute, a dedicated audiology training center, also offers advanced audiology knowledge and practical skills training to HCPs from our wholesale customers in China. It features soundproof rooms for hearing tests, a fully functioning pediatric diagnostic clinical room, workstations for fitting and evaluating hearing aids, a dedicated lab for ear-molds, repairs, state-of-the-art video otoscopy and otoscopy training tools, cerumen removal, and middle ear analysis testing. In addition, Sonova provides technical support to help address the significant lack of practical knowledge about hearing aid fitting among HCPs. During the 2023/24 financial year, the Sonova Audiology team provided monthly technical and training support sessions for its wholesale customers in China with more than 100,000 attendees.

Since 2019, the Sonova Academy in Dortmund, Germany, has provided comprehensive training and development opportunities to future HCPs in modern training facilities at the cutting edge of science and technology. The Academy offers in-person and eLearning modules which complement the existing training available in Germany. The Sonova Academy cooperates closely with the German Academy for Hearing Acoustics and the German Vocational School for Hearing Acoustics. Participants are trained on theory and practice in hearing studios, seminar rooms, and an earmold laboratory. In 2023/24, our teams trained around 680 participants through online training courses and 775 participants in onsite training courses. The participants completed a total of almost 26,000 individual training modules.

Customer satisfaction

We engage with all our customers, including HCPs and consumers, across all our businesses to gather feedback for process and product improvements. Our consumers can share feedback through various mobile applications as well as through their HCP and retail customer service. For our Hearing Instruments business, we conduct multiple types of customer satisfaction surveys. Feedback for our Phonak brand is collected regularly, and the customer satisfaction index (CSI), based on an annual survey, improved from 73 in the 2022/23 financial year to 75 in 2023/24. Feedback collected on a monthly basis from HCPs provides the Net Promoter Score (NPS). This metric is based on asking respondents to rate the likelihood that they would recommend a company, product, or a service. The 12-month average NPS was 40 in 2023/24, improving from the 2022/23 value of 30.

Customer satisfaction

✓ Data externally assured (limited assurance)

Customer satisfaction¹

	2023/24 ²	2022/23 ²	2021/22 ²
Customer satisfaction index (CSI)	75	73	74
Net promoter score (NPS) ²	40	30	40

¹⁾ For scope and restatements please refer to the [Basis for preparation](#) chapter.

²⁾ For the NPS, only data from financial year 2023/24 part of the external assurance.

Hearing loss in the context of health

There is increasing evidence that untreated hearing loss leads to more social isolation, lower self-esteem, and decreased cognitive abilities. It may also be linked to higher rates of co-morbidities, such as dementia and depression. Treating hearing loss can therefore be a preventative measure for other health conditions. A better understanding of these links may help to improve the development of Sonova's products, services, and distribution.

Untreated hearing loss can have serious consequences for the individuals who experience it and for those around them. These range from negative effects on personal relationships to disadvantages at work and social isolation, which can lead to depression. Especially severe are the consequences for children with untreated hearing loss, as the development of speech and

language is fundamentally dependent on the sense of hearing. Untreated hearing loss also is often associated with academic underachievement, which can lead to lower job performance and fewer employment opportunities later in life. In addition, untreated hearing loss puts a heavy cost burden on society. Direct and indirect costs related to unaddressed hearing loss are estimated at USD 980 billion annually, of which more than 50% are borne by low- and middle-income countries in direct health costs, loss of productivity, and societal costs¹.

Sonova has been supporting and participating in clinical research for decades. The following studies, published in the 2023/24 financial year, were supported by Sonova's research program:

- **ACHIEVE (Aging and Cognitive Health Evaluation in Elders):** Led by the Johns Hopkins Bloomberg School of Public Health, this study was designed to determine if treating hearing loss in older adults reduces cognitive decline over a three-year period. The key findings of the study were that, for older adults at increased risk for cognitive decline, hearing intervention slowed down loss of thinking and memory abilities by 48% over 3 years.
- **ENHANCE (Evaluation of Hearing Aids and Cognitive Effects):** In this study, led by the University of Melbourne Audiology Clinic, participants who received hearing intervention were followed up after three years, after which their performance on cognitive tests was compared to a group of participants who did not use hearing aids. The main findings of the study were that cognition at the three-year follow-up was stable overall for hearing aid users but declined for the non-hearing aid user group.

In light of these results, our Phonak brand has developed the ECHHO (Enhancing Cognitive Health via Hearing Optimization) training program, launched during the 2023/24 financial year, to encourage hearing care professionals to integrate cognitive health into the audiological counselling they give their clients, thereby strengthening understanding of the benefits of hearing technology beyond simply hearing better. The training is offered online, in person, or through a recorded webinar. It covers the relationship between hearing loss and cognition, best practices for integrating cognition into the clinical conversation, and working with clients exhibiting signs of cognitive decline or dementia.

WHO, "World Report on Hearing" (2021)

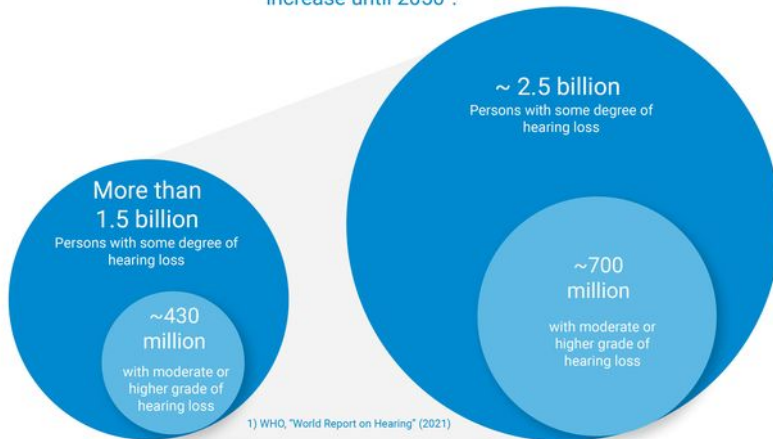
Awareness raising on hearing health

We are committed to raising awareness of hearing health and to addressing stigma related to hearing loss. Raising awareness covers the entire hearing journey, beginning with hearing loss prevention, then accompanying people at the first detection of hearing loss, and progressing to successful treatment with a hearing aid or a cochlear implant. We recognize the need for increased awareness not only among consumers but extending to insurers and distributors as well as society in general. The importance of good hearing, and the consequences of hearing loss, continue to be underestimated: unaddressed hearing loss is among the three largest causes of years lived with disability (YLD) around the globe. According to World Health Organization (WHO) statistics, more than 1.5 billion people, representing 20% of the global population, experience some degree of hearing loss¹. Over 5% of the world's population have moderate or higher grades of hearing loss². Nearly 30 million have profound or complete hearing loss in both ears. The number of people with hearing loss is expected to rise significantly, due to aging populations and continued noise pollution. The WHO estimates that 2.5 billion people will experience some degree of hearing loss by 2050, and over 700 million people will require hearing care due to a moderate or higher grade of hearing loss¹.

¹ WHO, "World Report on Hearing" (2021)

² In 2021, the WHO has adapted its grading system on the severity of hearing loss. The threshold for moderate hearing loss is 35dB in the better hearing ear.

Number of people experiencing some degree of hearing loss is foreseen to increase until 2050¹:



In the 2023/24 financial year, Sonova undertook initiatives and actions through various channels to enhance hearing health awareness. For many years we have offered free online hearing tests, and during the 2023/24 financial year we completed more than 200,000 of these. Almost 1,000 of our Audiological Care business' medical partners took part in virtual events we organized to present the latest research and best practices on tinnitus and cognitive health in the context of hearing loss. We also launched a subscription-based medical app, SilentCloud, aimed at reaching a younger audience with information on tinnitus, hearing protection, and hearing loss. Offering a combination of therapies, the app is a powerful tool for self-paced tinnitus management. Finally, we continue to offer a wide range of products for hearing loss prevention through multiple sales channels geared towards different needs, such as work-related noise, or for hobbies such as music or motor sport.



Engaging children with the Phonak fairy castle

In 2023/24, Phonak New Zealand developed and deployed the Phonak fairy castle. The castle facilitates children's engagement on hearing health and hearing loss in a fun and creative manner. The fairy castle, which is used by hearing care professionals engaging with children at clinics, reflects the five senses, with a special focus on the "hidden sense" – hearing. The castle helps professionals explain the hearing journey to children in a less clinical way and aims to make them more engaged in their journey.

Corporate citizenship

Sonova is committed to being a good corporate citizen, supporting the local communities around our sites and society beyond through the Hear the World Foundation, charitable activities, volunteering, and in-kind and financial donations.

Hear the World Foundation

We founded the Hear the World Foundation (HTWF) in 2006 with the key focus areas of increasing access to hearing care and improving quality of life for children in low- and middle-income countries. Sonova supports these aims by providing funding, expertise, employee volunteers, and hearing solutions.

Key ESG target:

We aim to increase lives impacted by the Hear the World Foundation (HTWF) by 10% year-over-year – focusing on children with hearing loss in low- and middle-income countries.

In the 2023/24 financial year, we surpassed our target by fitting 4,067 hearing aids through HTWF supported projects, compared to 2,880 in the previous year. HTWF supported 13 projects worldwide during the period, providing more than 153,000 hearing screenings for newborns and children. In addition, HTWF facilitated audiological training for 3,064 volunteers and hearing care professionals, and Sonova employees provided almost 1,000 hours of voluntary work. Further information about the activities, goals and impacts of the HTWF in 2023/24 is published in the annual Activity report on the HTWF website.

Hear the World Foundation activities

✓ Data externally assured (limited assurance)

	2023/24 ¹	2022/23 ¹	2021/22 ¹
Fitted hearing aids	4,067	2,880	2,260
% increase compared to previous year	41.2%	21.5%	66.8% ²

¹⁾ Only data from financial year 2023/24 part of the external assurance.

²⁾ The 2021/22 data in comparison with 2020/21 (750 fitted hearing aids) was impacted by COVID-19.

Philanthropic contributions and community engagement activities

Sonova’s philanthropic activity consists of in-kind contributions to HTWF and monetary contributions to HTWF community partners and other humanitarian organizations. In addition, various Group companies engage with local communities through money raising campaigns and volunteering. Sonova has also sponsored hearing-related research projects.



Hearing aids with a second life – hearing aid donation program

Sonova’s Group company Connect Hearing in Canada has operated a hearing aid donation program since 2016, giving a second life to hearing aids provided by our consumers. They are donated for educational use or distribution through charitable hearing aid programs. During the 2023/24 financial year, approximately 4,500 hearing aids collected over the years were reused or repurposed for training new hearing care or other health care professionals.



Sonova ESG Report 2023/24

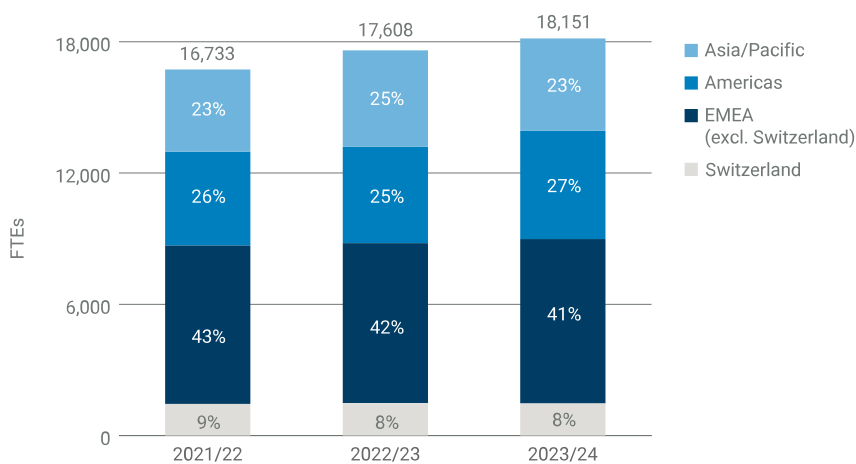
Advancing our people

We foster our employees' development, wellbeing and engagement in an inclusive work environment that embraces diversity.

We acknowledge that our employees are critical to our success: they create the foundation for our innovative solutions and services, they care for our customers and consumers, and help us to reach our business goals. The sections that follow describe the various aspects of the Advancing our people pillar of our *IntACT* strategy:

- [Talent and engagement](#)
- [Employee wellbeing](#)
- [Diversity and inclusion](#)
- [Occupational health and safety](#)

Number of employees



As of the end of the 2023/24 financial year, Sonova had 18,151 employees (FTE), 3.1% more than in the previous year. During this year, several smaller businesses were acquired in EMEA, United States, Americas, and Asia/Pacific. All of these companies acquired are in the business of distributing and servicing hearing instruments. In February 2024, we opened our new operations center in Mexicali, Mexico.

[GRI 2-7](#)

Employees by region

✓ Data externally assured (limited assurance)

FTE (end of period)¹

	2023/24	2022/23	2021/22
Total (regular and fixed-term)	18,151	17,608	16,733
Switzerland	1,469	1,482	1,445
EMEA (excl. Switzerland)	7,514	7,311	7,238
Americas	4,945	4,409	4,285
Asia / Pacific	4,223	4,406	3,765

¹⁾ Employee numbers do not show any seasonal or other temporary fluctuation. For scope and restatements please refer to the [Basis for preparation](#) chapter.

Headcount (end of period)¹

	2023/24	2022/23	2021/22
Total (regular, fixed-term and interns)	19,314	18,692	17,303
Switzerland	1,559	1,585	1,574
EMEA (excl. Switzerland)	8,431	8,175	8,190
Americas	4,979	4,433	3,767
Asia / Pacific	4,345	4,499	3,772

¹⁾ Employee numbers do not show any seasonal or other temporary fluctuation. For scope and restatements please refer to the [Basis for preparation](#) chapter.

Employees by gender

✓ Data externally assured (limited assurance)

% of headcount¹

	2023/24	2022/23	2021/22
Women			
Share of total workforce	66.9	67.3	65.6
Part-time employees	13.4	13.5	13.5
Men			
Share of total workforce	33.1	32.7	34.4
Part-time employees	2.9	2.7	2.8

¹⁾ For scope and restatements please refer to the [Basis for preparation](#) chapter.

84.2% of our total workforce is directly employed by Sonova Group or Group companies; the remaining 15.7% consists of external temporary employees contracted as external consultants, via service agreements, or staff leasing. The main functions that include external temporary employees are IT (22% of all external temporary employees), sales (22%), marketing (14%), and finance (9%).

GRI 2-8

Employees by employment contract

✓ Data externally assured (limited assurance)

% of headcount¹

	2023/24	2022/23	2021/22
Regular	80.1	79.1	79.8
Fixed-term	2.2	2.3	2.6
External temporary	15.7	16.8	15.1
Interns	1.9	1.9	2.4

¹⁾ For scope and restatements please refer to the [Basis for preparation](#) chapter.

Our human resource processes, standard operating procedures, and policies are used globally and implemented locally in line with local regulations and customs. Most employees are directly supported by a local human resource manager. Key performance indicators are reviewed on a monthly basis at global, business, and local level: these include employee turnover rate, recruitment rate, gender diversity, and internal talent for promotions. We conduct internal audits

GRI 2-30

for Group functions and at a Group company level for compliance with local labor laws as well as our own regulations to ensure that we provide best-possible working conditions.

Our commitment to our employees is described in our Code of Conduct, covering key aspects including freedom of association: our employees are free to join any employee association (external employee freedom of association is covered in the Sonova Group Supplier Principles). By the end of the 2023/24 financial year, 24% of our global workforce was covered by collective bargaining agreements. In addition, 16% of our employees are represented by workers' representatives. We are committed to fair compensation, and we assess and take measures at the local level to meet cost of living fluctuations, easing financial pressure on our employees.

We are committed to treating our workforce responsibly. In the event of major reorganizations, we have developed a local implementation plan containing a variety of measures that can be adapted to minimize negative impact. Examples of mitigation measures include early retirements, internal mobility, financial compensation, re-training or outplacement services, case management, extended notice periods, and hardship funds. In the past three financial years, there were no significant job cuts affecting more than 1,000 employees or more than 5% of the total workforce.

Talent and engagement

Strategy, governance, and relevance

Sonova operates in an industry with strong competition and increasingly limited availability of talent. We have therefore developed a proactive approach to attract, develop, and retain talent. Allowing for rapid market shifts, this approach is key to delivering results and reaching our business goals.

GRI 3-3

We attract talent by being the employer of choice through our offerings related to development, fair compensation, and flexibility. We gather feedback from candidates throughout the recruiting process, and we treat it as equally valid whether a candidate joins us or not. We develop talent by encouraging internal mobility and providing an environment where employees can take accountability for continuously improving their skills and owning their career progression. This keeps critical talent within the Group, which helps to sustain our competitive advantage and long-term success. Retaining talent means a continuous effort to improve the working environment, with a focus on employees' productivity and wellbeing. We engage actively with our employees, considering disengagement as a significant business risk: feedback from our global workforce helps us to take timely and effective measures to address their concerns and act on their suggestions.

Policies and actions

Our commitments to our employees are governed by our Code of Conduct. We have further policies and standard operating procedures governing specific aspects of working experience.

HearMe, our annual anonymous survey managed in cooperation with an external provider, asks our global workforce about topics including: strategy and leadership, operational excellence, collaboration, diversity and inclusion, sustainable engagement, and wellbeing. Responsibility for specific issues related to engagement and survey follow-up lies with every people leader. Every team conducts workshops to analyze and discuss the HearMe survey results, agree necessary actions, implement them, and monitor their success. Dedicated Management Board members take responsibility for focus improvement topics in coordination with our established employee engagement steering committee. This year our global actions are focused on improving the effectiveness of decision making, with better prioritization and a focus on customer-centricity.

In the 2023/24 financial year, we held a Kaizen to streamline the recruitment and selection process of top executives, reducing the business risk of having such important positions sit vacant, ensuring business continuity, and improving the candidates' experience with Sonova throughout the recruitment process. We also updated our senior leadership onboarding process with a focus on Sonova culture: we immerse senior leaders in the business so that they develop

business knowledge quickly and form the critical relationships necessary to perform their roles well. This enables new leaders to be effective and agile very soon after onboarding.

Sonova’s performance process includes an annual discussion between employee and people leader, covering competencies, performance, and potential. We strongly encourage leaders to carry out continuous performance and feedback discussions throughout the year, with a minimum of two dedicated meetings. Sonova’s development process includes regular discussions between employees and people leaders on career development. This helps us to reduce the risk of losing specialist knowledge, skills, and experience in vital positions, and improves succession planning by identifying and developing promising internal candidates. This process also enables our employees to take on career opportunities in a new role or location within the company.

SonovaLearning is a group-wide learning platform for all employees with access to a work-related computer. Mandatory training courses on the platform ensure that our employees have what they need to do their work correctly and in compliance with rules and regulations.

Sonova offers a wide range of leadership training, from engaging webinars to immersive workshops and leadership development flagship programs. We use feedback, coaching, and experiential learning to allow participants to reflect on their personal style, to understand and to increase the impact our leaders have on performance, and to plan their continued development. These programs strengthen innovation and performance, improve motivation, and develop engaged teams. Our leadership training portfolio consists of the following programs:

Training program	Audience	Description
Aspiring Leaders	<ul style="list-style-type: none"> • Employees with leadership aspirations • 12–24 participants per cohort 	The Aspiring Leaders program is a two-day program that encourages participants to start thinking about their own leadership brand and about how they can best fulfill and contribute to Sonova’s future.
Leadership Foundations I	<ul style="list-style-type: none"> • Virtual program aimed at all new and mid-level people leaders • 16–24 participants per cohort 	This virtual program, delivered in three four-hour sessions over six weeks, focuses on the basics of essential managerial and leadership skills, such as feedback, coaching, accountability, and delegation.
Leadership Foundations II	<ul style="list-style-type: none"> • Aimed at all new people leaders • Recommended for all people leaders • 12–24 participants per cohort 	The Leadership Foundations program is a 2.5-half-day intensive experiential program focusing on some managerial tools, importance of mindsets, motivation drivers, and awareness that will impact engagement, trust, and change. It also covers how to implement the learning into daily business.
Executive Leadership Orientation	<ul style="list-style-type: none"> • Aimed at all new MB-1 and key positions 	This three-day orientation program is designed to provide participants with a holistic overview of Sonova, and understanding of its strategy and processes, as well as to have direct interaction with MB members.
S.T.A.R.S Leadership Program	<ul style="list-style-type: none"> • Targeting the top 100 leaders globally within Audiological Care business • one year continuous learning program 	The S.T.A.R.S leadership program is designed to boost capabilities in specific areas – customer centricity and analytics, commercial excellence, and organization & people leadership – in a set of online and offline courses, live webinars, and master classes partnering with leading international business schools and external experts (e.g., IMD and RBL Group).
HI Culture Journey	<ul style="list-style-type: none"> • Piloted during the 2023/24 financial year for the top 100 leaders • Two days of onsite training 	The training aims to equip people with tools on how to actively shape the business culture and to understand the shared vision and goals, and how each individual roles contribute to achieving them.
Power Sessions & Webinars for Leaders	<ul style="list-style-type: none"> • Targeting all leaders • 2–4h workshops or 1–2h webinars • Recommended for all people leaders • 8–24 participants per cohort 	Workshops or virtual sessions covering specific leadership topics to support leaders in their daily challenges and responsibilities (e.g., Writing Effective Performance Objectives, Performance Appraisal for Managers, Remote Leadership, Unconscious Bias, Mental Health First Aid Conversations).

Performance measurements and targets

Employee engagement

In the 2023/24 financial year, more than 17,800 eligible employees were invited to complete HearMe, our employee engagement survey. We maintained a consistently high participation rate (92% in 2023/24), which indicates that our employees are open to sharing their feedback and confident that Sonova is acting on it.

Key ESG target: We aim to maintain or improve our annual employee engagement score year-over-year.

Our sustainable engagement score is calculated based on nine questions focusing on how engaged, enabled, and energized our employees are. In the 2023/24 survey, we reached an engagement rate of 83%, improving by one percentage point compared to 2022/23 and reaching our target. Our engagement score is four percentage points higher than the average for the medical devices industry (based on the benchmark data prepared by our external survey provider).

Participation rate

✓ Data externally assured (limited assurance)

% of survey eligible headcount¹⁾

	2023/24	2022/23	2021/22
Employee engagement survey participation rate	92	93	92

¹⁾ For scope and restatements please refer to the [Basis for preparation](#) chapter.

Employee engagement

✓ Data externally assured (limited assurance)

Favorable answers as % of survey eligible headcount

	2023/24	2022/23	2021/22
Employee engagement rate	83	82	83
Women	84	84	84
Men	81	80	81

Talent retention

During the 2023/24 financial year, our total employee turnover rate decreased from 14.7% to 14.3%, and the voluntary turnover rate from 11.3% to 10.3%. We strongly believe that our overall talent retention approach – including initiatives such as wellbeing actions, diversity and inclusion focus, and acting on employee feedback to improve engagement – has contributed to the reduced turnover rate. Sonova is ranked within the top quartile in the medical devices industry for total and voluntary employee turnover rates, based on the most recent benchmark data from an external provider. The average tenure of our people leaders in 2023/24 was 10 years, while the average workforce tenure was 7.3 years. During 2023/24, almost 65% of job openings for all leadership positions (people and project managers) were filled by existing Sonova employees.

GRI 401-1

Employee turnover rates

✓ Data externally assured (limited assurance)

% of FTE¹⁾

	2023/24	2022/23	2021/22
Total	14.3	14.7	17.4
Region			
Switzerland	9.7	8.2	9.5
EMEA (excl. Switzerland)	13.2	14.6	15.3
Americas	18.9	21.5	23.6
Asia / Pacific	12.6	10.4	18.1
Gender			
Women	14.5	14.8	17.8
Men	13.7	14.0	16.9
Age			
under 30 years old	20.1	23.1	20.0
30-50 years old	13.6	13.1	17.7
over 50 years old	11.0	10.6	14.1

¹⁾ For scope and restatements please refer to the [Basis for preparation](#) chapter.

Voluntary employee turnover

✓ Data externally assured (limited assurance)

% of FTE¹

	2023/24	2022/23	2021/22
Total	10.5	11.3	13.1
Region			
Switzerland	6.2	6.9	7.3
EMEA (excl. Switzerland)	10.5	11.4	11.1
Americas	12.7	15.5	18.1
Asia / Pacific	9.5	8.4	14.1
Gender			
Women	10.8	11.4	13.9
Men	9.8	10.4	11.9
Age			
under 30 years old	15.7	18.0	16.6
30-50 years old	10.1	10.2	13.5
over 50 years old	7.2	7.5	8.8

¹⁾ For scope and restatements please refer to the [Basis for preparation](#) chapter.

Internal leadership recruitment rate (ILRR)

✓ Data externally assured (limited assurance)

% of headcount¹

	2023/24	2022/23	2021/22
Total (% of total internal hires to leadership positions)	64.9	66.0	63.8
Women (% of women of internal hires to leadership positions)	64.0	60.3	57.6
Men (% of men of internal hires to leadership positions)	36.0	39.7	42.4

¹⁾ For scope and restatements please refer to the [Basis for preparation](#) chapter.

New hire rate

✓ Data externally assured (limited assurance)

% of new hired headcount¹

	2023/24	2022/23	2021/22
Region			
Switzerland	4.6	5.9	8.1
EMEA (excl. Switzerland)	41.2	48.0	44.4
Americas	41.6	30.7	33.3
Asia / Pacific	12.5	15.4	14.2
Gender			
Women	68.7	67.7	65.5
Men	31.3	32.3	34.5
Age			
under 30 years old	38.2	39.5	40.3
30-50 years old	48.8	47.7	46.7
over 50 years old	13.0	12.8	13.1

¹⁾ For scope and restatements please refer to the [Basis for preparation](#) chapter.

Tenure

✓ Data externally assured (limited assurance)

Average tenure in years¹

	2023/24	2022/23 ¹	2021/22
People leaders	10.0	10.0	10.1
Employees without direct report	6.8	6.7	6.8
All employees	7.3	7.3	7.3

¹⁾ For scope and restatements please refer to the [Basis for preparation](#) chapter.

Learning and development

During the 2023/24 financial year, 99.7% of our employees who have access to a computer in their daily work have a documented development plan in the HR system.

GRI 404-3

Development plan

✓ Data externally assured (limited assurance)

% of employees with a development plan of development plan eligible headcount¹

	2023/24	2022/23	2021/22
Development plan rate	99.7	97.4	97.4
Development plan rate women ²	99.8	-	-
Development plan rate men ²	99.7	-	-

¹⁾ For scope and restatements please refer to the [Basis for preparation](#) chapter.

²⁾ Breakdown per gender only available as of 2023/24.

More than 193,000 training programs were completed on our learning platform during the 2023/24 financial year. We also offered access to Mindtools, an app that provides personal and professional competency development: almost 7,500 employees accessed 49,500 pages and articles. 1,375 employees received more than 16,000 hours of leadership training during 2023/24 through our leadership development program.

Another important development program focuses on Sonova X, our approach to deliver on our strategy. It equips our people with the mindset and principles to solve business challenges, improve work processes, and enrich customer experience. In the 2023/24 financial year, we trained more than 1,500 employees on Sonova X, its principles and tools during more than 6,000 training hours through multiple formats including classroom training, Kaizen improvement workshops, experiential learning, and practical application in real work contexts.

Employee wellbeing

Strategy, governance, and relevance

For Sonova as a global employer, employee health and wellbeing is a priority and is rooted in our company value - We care. Failing to address this topic risks negative impacts on individuals and society alike through stress, conflict, as well as lost productivity and innovation. We are therefore committed to fostering a culture of wellbeing at work, creating the conditions to support our employees to be at their best. Implementing a holistic wellbeing program also benefits Sonova through improved employee productivity, innovation, and ultimately creates value for our customers and consumers. It helps us to attract and retain talent, leads to higher employee engagement and motivation, and allows us to contribute to a healthier society. In 2021 Sonova established a five-pillar wellbeing framework:

GRI 3-3

- **Physical:** nutrition, exercise, sleep, medical care, ergonomics
- **Mental:** relaxation, mindfulness, stress management, resilience, mental health
- **Financial:** financial security, retirement, ancillary benefits
- **Social:** healthy relationships, team spirit, leadership
- **Purpose:** purpose in life and work, beliefs & values, charitable activities



Employee wellbeing at Sonova is led by a Corporate Health Manager and managed through a cross-functional global health team, supported by local wellbeing champions in our Group companies. These wellbeing champions are responsible for implementing global initiatives, complemented by local programs covering the five pillars of our framework.

Policies and actions

Our employee wellbeing framework, founded on a holistic view of wellbeing, has been rolled out to all Group companies through our wellbeing guidelines. These define the minimum standard for wellbeing measures across the five pillars of the wellbeing framework, and provide alternatives and actions for local adoption to fit the needs of employees in each Group Company.

Sonova has a hybrid corporate working guideline that offers office-based employees the opportunity of working partly from home; it has been adopted by all Group companies with office-based employees. Our Group companies are provided with a range of concrete measures to implement as part of an employee wellbeing framework that are tailored to the differing needs of employees in different roles, including manufacturing and distribution, office employees, store and clinic staff, and remote sales representatives. These measures include a shortened standard meeting duration to avoid back-to-back scheduling and provide regular recovery breaks, along with a weekly global four-hour focus time to work with no meetings and no interruptions.

Sonova’s Employee Assistance Program (EAP) provides anonymous counseling services for employees and immediate family members with personal concerns, both at and outside work, which affect wellbeing. In the 2023/24 financial year we increased the number of Group companies offering an Employee Assistance Program (EAP): 92% of our employees now have access to an EAP compared to 73% in the previous financial year.

During the 2023/24 financial year, we continued our strong focus on the topic of mental health and further trained people leaders on Mental Health First Aid Conversations for Managers. We have also provided expanded wellbeing-related activities including online events, training, guides, and communication on the Sonova intranet. We launched a program for people leaders with a guide and training on Meaningful 1:1 Conversations to encourage regular holistic and human-centric conversations with their team members, and the Your Inner Strength program, to equip our people with the knowledge and tools to sustain and increase their resilience.



Enlightening and empowering webinar on andro- and menopause

During the 2023/24 financial year, we organized a webinar focused on menopause and andropause at work with the aim to demystify an often-overlooked topic, foster awareness, increase dialogue, and enlighten and empower our global and diverse workforce. The webinar contained information about both menopause and andropause, including symptoms and their impact on a working environment, as well as a personal story about menopause at work. Around 2,000 of our employees read the article or watched the webinar recording.

Performance measurements and targets

Key ESG target:

We aim to train more than 1,000 people leaders on Mental Health First Aid Conversations for Managers by 2024/25.

During the 2022/23 financial year, we launched the Mental Health First Aid Conversations for Managers training. The training focuses on how leaders can recognize early signs of mental challenges and address them in conversations. Until the end of the 2023/24 financial year, 528 of our people leaders have been trained, meeting our interim target of 50% for the year.

People leaders trained in Mental Health First Aid Conversations for Managers

✓ Data externally assured (limited assurance)

number¹

	2023/24 ¹	2022/23 ¹
Number of people leaders trained in Mental Health First Aid Conversations for Managers	341	187

¹ Only data from financial year 2023/24 part of the external assurance. For scope and restatements please refer to the [Basis for preparation](#) chapter.

HearMe, Sonova’s annual employee survey, includes 16 questions that constitute the Wellbeing index. The questions cover all the pillars of the wellbeing framework – physical, mental, financial, social, and purpose – through topics that include personal accomplishment, workload and stress, happiness, and additional questions related to job satisfaction and recommendation to others. In the 2023/24 survey, Sonova gained one percentage point compared to last year, reaching a Wellbeing index score of 67. This is four percentage points higher in comparison with the average score of our peers in the medical devices industry. The results of the survey are included in the survey follow-up and discussed with each team for further action.

Diversity and inclusion

Strategy, governance, and relevance

Diversity and inclusion (D&I) is an integral part of establishing a work culture representing the full range of stakeholders and communities whom we engage with. This range covers various aspects such as language, background, ethnic origin, disability, beliefs, gender identity, and sexual orientation. Fostering D&I is a business imperative and the right thing to do. It also improves employee engagement, performance, and productivity, as well as customer engagement. Failing to have diverse representation within Sonova leads to risks including reduced innovation, reputational harm, costly levels of turnover, reduced pool of talent, lack of employee engagement, and not meeting the standards of our company values. We are committed to providing equal opportunities throughout the employee experience: from hiring, through development, to advancement. We strive to create an environment in which all employees feel safe, valued, included, and empowered to do their best work and realize their full potential. Our global D&I strategy is built on six pillars:

SDG 5.5, SDG 8.5

- **Governance:** We have a global governance structure with representatives from the main regions in which we operate and from key diversity dimensions.
- **Targets:** We set objectives and measure our progress toward achieving them, while ensuring their alignment with other business objectives.
- **Hiring and development:** We stand for equity, equal opportunity, diversity, and inclusion in hiring and development.
- **Training:** We train our employees and leaders in relevant areas of D&I.
- **Communication:** We drive active and transparent communication about D&I to foster an inclusive culture and encourage role model behavior.
- **Supportive environment:** We strive to make our physical, technical, and cultural work environment inclusive.

Our Global D&I Council governs our D&I actions. Chaired by CEO Arnd Kaldowski, the council has members from each of our regions (EMEA, Asia, Oceania, and Americas). It meets on a quarterly

basis to set targets, establish accountability for achieving targets, ensure that the necessary resources are in place, and monitor progress. We have several regional D&I councils as well as employee resource groups. Regional D&I councils govern regional actions based on circumstances, including region-specific training and celebration of culturally relevant days. Many countries have national councils in place to focus on local D&I initiatives. The employee resource groups include the Global Women's Network and the global OutLoud network which brings together employees from the LGBTQ+ community. Another is the global Hearing Loss Network, which supports the message that hearing loss should not stop anyone from thriving at Sonova, and provides input for increasing inclusivity in our processes and workspaces. On a global level, the topic is led by the Senior Manager Diversity & Inclusion.

Policies and actions

Sonova's commitment to D&I is defined in our global Code of Conduct. We have zero tolerance of discrimination and harassment, and have a defined process to raise concerns and/or incidents and to follow up on them. To spread awareness and knowledge of the importance of D&I, we provide regular training programs across Sonova, including specific regions, worksites, departments, and job functions. Unconscious bias training is an integral part of our onboarding program for new employees as well as our training for all people leaders. Since 2023, we have organized workplace training for people leaders, covering inclusive language, difficult conversations, and microaggressions. During the 2023/24 financial year we further embedded D&I into the onboarding process.

In 2023/24, the employee resource groups arranged more than ten events, including a panel discussion for International Women's Day focusing on female leaders in the Asia/Pacific region, and multiple in person and online forums across the globe in celebration of World Hearing Day. In addition, for the celebration of Pride Month we had panel events and employees joining local pride events. Overall, our employee resource groups have almost doubled in size since they were launched in 2021 with over 550 members in the end of 2023/24.

To further embed inclusion in the work environments and to ensure that everyone can contribute to the conversation, we launched a pilot during 2023/24 to equip all meeting rooms at our office in Murten, Switzerland with our Roger™ wireless communication devices. This allows employees with hearing aids to connect directly to allow for more clarity of sound and amplification. With the success of this pilot, we are looking at extending this initiative across our other sites.



Women's sponsorship program

We take continuous action to meet our goal of having a gender diverse workplace. We established a women's sponsorship program during the 2023/24 financial year. The program underscores our continued efforts to make Sonova an inclusive environment where everyone is enabled to be successful and where talents feel a sense of belonging. The program had 21 sponsorship recipients. Feedback from our sponsorship recipients and sponsors was very positive.

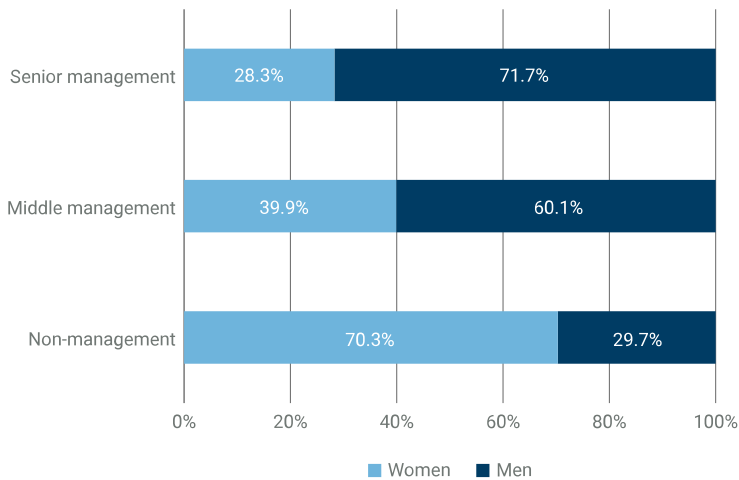
Sonova is committed to equal pay for our employees, regardless of gender, ethnicity, disabilities, or other factors. We are compliant with all local requirements regarding equal pay, and we review pay equality in job evaluations and grading processes to ensure fair compensation. In Switzerland, an externally verified equal pay analysis resulted in Sonova receiving certification from the Fair-ON-Pay Association; maintenance analysis during 2023/24 generated a further improved score. In the United Kingdom, we published the legally required gender pay gap report for our local Group companies. We also provide part-time working conditions, flexible working hours, breastfeeding rooms at facilities in the larger Group companies for employees returning from maternity leave, a discounted day care center at our headquarters in Stäfa, Switzerland, and extended maternity and paternity leave (in Switzerland, Sonova offers maternity leave of 16 instead of 14 legally-mandated weeks and paternity leave of four instead of two weeks). In 2023/24, we implemented our new family bonding leave policy in the US. This includes 8 weeks of leave, regardless of gender, for those who give birth, adopt, or foster a child.

Performance measurements and targets

Key ESG targets:

We want to achieve a 35% proportion of women in senior management by 2028/29.
 We want to achieve a 50% proportion of women in middle management by 2028/29.

Gender diversity across the organization 2023/24



At Sonova, we strive for diverse representation across all levels. At the end of the 2023/24 financial year, three of the nine members of the Sonova Board of Directors were women (33%), as were three of the eight members (37.5%) of the Sonova Group Management Board. The share of women in senior management was 28.3%, and 39.9% in middle management. During the financial year, further measures were implemented, including succession planning, changes to the development plan process, and gender-balanced representation during recruiting.

GRI 2-7, GRI 405-1

Women in management positions

✓ Data externally assured (limited assurance)

% of headcount within respective management position¹⁾

	2023/24	2022/23
Women in senior management	28.3	22.0
Switzerland	29.5	23.8
EMEA (excl. Switzerland)	17.0	6.3
Americas	35.0	37.1
Asia/Pacific	35.0	25.0
Women in middle management	39.9	36.4
Switzerland	34.4	30.0
EMEA (excl. Switzerland)	39.5	37.0
Americas	41.7	40.7
Asia/Pacific	50.2	42.6
Women in non-management	70.3	69.2
Switzerland	46.1	45.3
EMEA (excl. Switzerland)	68.2	67.8
Americas	71.7	71.9
Asia/Pacific	78.8	76.2

¹⁾ For scope and restatements please refer to the [Basis for preparation](#) chapter.

The proportion of women among people leaders (managers leading a team of at least one person) was 54.6% across all our businesses. In recruitment for all leadership positions (both people and project managers) during the 2023/24 financial year, 68.7% of hires were women.

Women in people leader positions, STEM positions, and revenue generating functions and as people leaders

✓ Data externally assured (limited assurance)

% of headcount¹

	2023/24	2022/23	2021/22
Share of women in people leader positions	54.6	54.4	51.2
Share of women in STEM-related positions	25.4	24.8	26.4
Share of women in revenue-generating functions and as people leaders	56.6	56.5	53.0

¹⁾ For scope and restatements please refer to the [Basis for preparation](#) chapter.

Leadership recruitment rate (LRR) for women

✓ Data externally assured (limited assurance)

% of headcount¹

	2023/24	2022/23	2021/22
Share of women in total hires to leadership positions	57.8	65.3	54.7
Share of women in internal hires to leadership positions	64.0	60.3	57.6

¹⁾ For scope and restatements please refer to the [Basis for preparation](#) chapter.

As part of HearMe, our annual employee engagement survey, we measured Sonova's D&I index. The D&I index is based on seven questions which focus on whether people feel that the company supports diversity in the workplace, that it is safe to speak up, and that they can be themselves in the organization. In the 2023/24 financial year, we maintained our D&I index at 84%, which was 3% points higher than peers in the medical devices industry. As part of the survey, our employees may self-identify, on a voluntary basis, as belonging to a minority group within their team or function in terms of age, gender, language, ethnic origin, religion, sexual orientation, health status, or any other dimension. First the employees agree or disagree to self-identify and, if they agree, they can answer the questions with several options: "yes", "no", "prefer not to say," or "skip the question." Out of all employees who chose to answer, 23% of employees self-identified as belonging to a minority group.

D&I in HearMe

✓ Data externally assured (limited assurance)

Favorable answers as % of survey eligible headcount

	2023/24	2022/23	2021/22
HearMe diversity and inclusion score	84	84	83
HearMe self-identification as belonging to a minority group	23	24	25

Number of nationalities of all employees

✓ Data externally assured (limited assurance)

Number¹

	2023/24	2022/23	2021/22
Number of nationalities	103	99	95

¹⁾ For scope and further information please refer to the [Basis for preparation](#) chapter.

Employees by nationality (top 5)

✓ Data externally assured (limited assurance)

% of headcount ¹	2023/24	2022/23	2021/22
United States	16.0	16.9	14.9
Germany	15.3	15.3	17.0
China	9.7	10.4	7.4
Vietnam	7.0	8.0	9.1
Switzerland	4.8	5.3	5.8

¹⁾ For scope and further information please refer to the [Basis for preparation](#) chapter.

People leaders by nationality (top 5)

✓ Data externally assured (limited assurance)

% of people leader headcount ¹	2023/24	2022/23	2021/22
Germany	26.6	27.7	31.3
United States	11.9	11.9	11.3
China	11.5	12.7	6.0
Poland	6.1	6.3	7.3
Switzerland	5.5	5.5	6.3

¹⁾ For scope and further information please refer to the [Basis for preparation](#) chapter.

Employees by age

✓ Data externally assured (limited assurance)

% of headcount ¹	2023/24	2022/23	2021/22
All employees			
under 30 years old	19.8	20.5	22.5
30-50 years old	58.6	58.4	56.9
over 50 years old	21.6	21.2	20.6
Women			
under 30 years old	20.9	22.0	24.5
30-50 years old	59.0	58.4	56.5
over 50 years old	20.1	19.6	19.1
Men			
under 30 years old	17.7	17.5	19.0
30-50 years old	57.9	58.4	57.6
over 50 years old	24.5	24.2	23.4

¹⁾ For scope and further information please refer to the [Basis for preparation](#) chapter.

Occupational health and safety

Sonova is committed to maintaining a safe and healthy workplace where all employees are protected from harm. To do this, we have various health and safety procedures and processes, and regularly monitor and analyze potential risks across our operations. As a first step, we aim to prevent the occurrence of injuries by regularly performing internal health and safety audits. If an injury occurs, we establish the root cause and institute preventative measures. Health and safety processes are governed locally across our operations and distribution sites: each site has a dedicated owner responsible for local implementation of the health and safety program. Safety is the topic of daily meetings at each operations site, during which KPIs such as safety walks, observations, and accidents are reviewed and discussed. These KPIs are reported and discussed regionally on a weekly basis. Health and safety is an integral aspect of employee and contractor

GRI 403-2, 403-9, 403-10

training, and a key criterion for our annual internal operations site award. Local operations or distribution sites also establish local action plans, including intensified local training and awareness-raising activities to further reduce exposure to work-related health and safety risks. Employees who work or come into contact with chemicals and/or hazardous substances are regularly trained in their safe handling.

Sonova's operations have a relatively low exposure to health and safety risks, with most injuries that result in lost time occurring through slips, trips or falls, or during goods movement, and not in the manufacturing process. The health and safety data summarized below covers approximately 20% of our global workforce, and focuses on employees in manufacturing, operations, and distribution roles. For the 2023/24 financial year, we include all of our manufacturing sites in Switzerland, Vietnam, China, Ireland, Germany, the United States, and our newly opened site in Mexico, our operations and distribution center in the United States, and our service centers in Spain and the United Kingdom. In the 2023/24 financial year we recorded a lost day rate of 47.5 and a lost-time injury frequency rate of 2.4. Compared to 2022/23, we strongly decreased the number of injuries across our sites. For the first time, we also report health and safety data for external temporary employees working in our operations, distribution, or service sites: no injury, illness, or fatality occurred among these employees during 2023/24.

Occupational health and safety

✓ Data externally assured (limited assurance)

	2023/24	2022/23	2021/22
Employees (regular, fixed term, and interns)¹			
Number of work-related injuries	17	24	21
Number of hours worked	6,984,199	6,489,871	6,102,511
Lost day rate (LDR)	47.5	63.8	50.7
Lost-time injury frequency rate (LTIFR)	2.4	3.7	3.4
Occupational illness frequency rate (OIFR)	0	0	0
Work-related fatalities	0	0	0
External temporary employees¹			
Number of work-related injuries	0	-	-
Number of hours worked	323,214	-	-
Lost day rate (LDR)	0	-	-
Lost-time injury frequency rate (LTIFR)	0	-	-
Occupational illness frequency rate (OIFR)	0	-	-
Work-related fatalities	0	-	-

¹⁾ For scope and further information please refer to the [Basis for preparation](#) chapter.



Sonova ESG Report 2023/24

Acting with integrity

We behave ethically and apply the highest quality and safety standards to everything we do.

Sonova operates in a strictly regulated international environment with complex global value chains. It is crucial that we conduct our business responsibly by maintaining integrity and fostering ethical behavior.

The following chapters cover the different topics of the Acting with integrity pillar of our *IntACT* ESG strategy:

- [Product safety](#)
- [Product quality and reliability](#)
- [Sustainable supply chain](#)
- [Business ethics and corporate governance](#)
- [Data privacy and digital ethics](#)
- [Ethical marketing and sales practices](#)
- [Human rights](#)
- [Public affairs](#)

Product safety

Strategy, governance, and relevance

Product safety considerations are integrated into all our processes, from product development up to and including post-sale product use, as we are fully aware that product safety related risks could lead to health consequences for our consumers. Sonova's hearing instruments and cochlear implants are regulated globally by government agencies, healthcare authorities, and other regulatory bodies who verify our compliance throughout the life cycle of our products. We work to maintain transparent, constructive, and professional relationships with all applicable regulatory authorities on matters of policy, product submission, compliance, and product performance. Product safety governance and quality management systems are developed separately for each business unit, as the relevant regulations, processes, and products differ. The requirements we meet include design controls, marketing approvals, good manufacturing practices, vigilance systems, clinical studies, and other relevant product regulations, standards, and normative documents specified by regulatory agencies.

GRI 3-3, GRI 416-1

Policies and actions

For hearing instruments, our policies and procedures comply with healthcare authority requirements relevant to each territory in which they are distributed, such as the European Union's Medical Device Regulation 2017/745 and Radio Equipment Directive 2014/53/EU, and the US Food and Drug Administration (FDA) standards for Class I (hearing aids), and Class II (wireless hearing aids). In August 2022, the FDA established a new category for over-the-counter (OTC) hearing aids, which are intended to address perceived mild to moderate hearing loss in people aged 18 or older and are a product of our Consumer Hearing business. A submission to the FDA and subsequent 510(k) clearance is required before placing these products into commercial distribution in the US.

Cochlear implants and their accessories are regulated in the European Union by the Medical Device Regulation (MDR) 2017/745, and are subject to a technical documentation review before receiving the mandatory conformity (CE) marking and being placed on the market. In the US, cochlear implants are classified as Class III medical devices and subject to pre-market approval, where the FDA conducts an evaluation of the safety and effectiveness of these devices before commercialization. Sonova carefully monitors changes in the relevant worldwide regulatory environment to ensure that its products conform at all times.

For all products, we evaluate potential safety-related risks using a systematic method to estimate, evaluate, control, and monitor them; for hearing instruments and cochlear implants this is governed by the ISO 14971 standard, which specifies the application of risk management to medical devices. We ensure up-to-date knowledge of regulatory and statutory requirements through initial and maintenance training programs. Training requirements are based on job responsibilities and are identified in position descriptions. We provide employees with general training on the quality management system and on health, environment, and safety as applicable, and supplement this with any in-depth training needed to perform the work. We systematically identify and document the need for any further training and verify its effectiveness.

[SASB HC-MS-430a.1](#), [SASB HC-MS-430a.2](#), [SASB HC-MS-430a.3](#)

Product safety is an integrated element of the research, design, and development processes across all our businesses. From the outset of design and development, we document relevant inputs including functionality, performance, and safety requirements based on the intended use, applicable statutory and regulatory requirements, environmental impact, and clinical, consumer, and patient needs. Changes to these inputs go through the same approval process as the original design input. We conduct regular in-house product testing to validate design, and external third-party testing to ensure compliance with standards and regulatory requirements.

Once in commercial distribution, all our products are continuously assessed to improve safety and effectiveness, using tools such as complaint handling, post-market surveillance, vigilance reporting, reliability and trending analysis, and post-launch engineering to achieve and maintain regulatory compliance. We comply with the requirements for unique device identification, which provides unambiguous identification of specific devices and facilitates their traceability, as mandated by local regulations in various regions and countries across the globe.

Customer complaints are documented and reviewed for product safety and product performance trends through a system that complies with applicable regulatory and legal requirements. Early warnings of quality problems become an input for corrective and preventive actions. Our decisions are made based on risk analysis and health hazard evaluation, as applicable. We maintain records of all customer complaints and resulting investigations. If the investigation determines that activities outside Sonova contributed to the customer complaint, we take it up with the relevant supplier. If a customer complaint is not followed by corrective or preventive action, the reason is authorized and documented. We assure that regulatory authorities are notified according to national or regional regulations whenever advisory notes or recalls are necessary and/or adverse events occur that meet specified reporting criteria.

Performance measurements and targets

In the 2023/24 financial year, there were no product safety recalls in any of our businesses, nor a voluntary product recall. No products related to the Sonova Group were listed on any public medical product safety or adverse event alert databases with an indication of potential serious

[SASB HC-MS-250a.1](#), [SASB HC-MS-250a.2](#), [SASB HC-MS-250a.3](#), [SASB HC-MS-250a.4](#)

risks or actual product safety issues. Sonova global facilities have been inspected by several regulatory agencies during the reporting year; there have been no enforcement actions for violation of Good Manufacturing Practice (GMP).

Hearing instruments: Product safety indicators¹

✓ Data externally assured (limited assurance)

	2023/24	2022/23	2021/22
Number of recalls (class I, class II or equivalent)	0	0	0
Number of voluntary recalls	0	0	0
Products listed in any public medical product safety or adverse event alert database	0	0	0
Number of fatalities associated with products	0	0	0
Number of enforcement actions taken in response to violations of good manufacturing practices (GMP) or equivalent standards	0	0	0
Number of regulatory agency inspections	13	13	10

¹⁾ Only data from financial year 2023/24 part of the external assurance. Further information can be found in the [Basis for preparation](#) chapter.

Cochlear implants: Product safety indicators¹

✓ Data externally assured (limited assurance)

	2023/24	2022/23	2021/22
Number of recalls (class I, class II or equivalent)	0	0	0
Number of voluntary recalls	0	0	0
Products listed in any public medical product safety or adverse event alert database	0	0	0
Number of fatalities associated with products	0	0	0
Number of enforcement actions taken in response to violations of good manufacturing practices (GMP) or equivalent standards	0	0	0
Number of regulatory agency inspections	4	5	2

¹⁾ Only data from financial year 2023/24 part of the external assurance. Further information can be found in the [Basis for preparation](#) chapter.

Product quality and reliability

Strategy, governance, and relevance

The quality and reliability of our products is essential to meeting the expectations of our consumers. It is integrated into our product development, production, and distribution processes, and we strive for continuous improvements. The risks of not meeting expectations in this area are an increase in customer complaints, as well as reputational damage, product waste, and costly management of returned products. Quality monitoring is embedded across all our businesses: in research, product design, and production. We closely monitor our markets and use design for reliability (DFR) principles in our development processes to ensure that product quality is built in from the design to the manufacturing phase.

GRI 3-3

Governance for quality and reliability is established individually in each of our businesses to fulfill the specific quality requirements of each product and enable prompt, detailed actions for improvement. We have established quality management systems as well as cross-functional quality and reliability teams.

Policies and actions

For each business, quality policies and manuals ensure that the quality culture and awareness is maintained throughout the organization. We provide specific training programs through our learning platform to instill awareness of quality and reliability topics among relevant employees.

Our operations centers for hearing aids and cochlear implants, and major Group companies, are certified to the International Organization for Standardization (ISO) 13485 standard and fulfill the quality management systems requirements of the US Food and Drug Administration (FDA) Quality System Regulation, Title 21 CFR Part 820. Third-party audits are conducted annually at all ISO 13485 certified operations centers and major Group companies to ensure that the quality of manufacturing, management, and products (including materials and components) is in line with the standard. Product quality information is also part of supplier evaluation when relevant: using a risk-based approach, we initiate additional measures – such as process and product validation procedures for battery suppliers – to ensure high quality.

In addition to external audits, Sonova conducts internal audits of its established systems to determine the effectiveness of the quality management system and its conformance to the requirements of ISO standards, FDA regulations, relevant European legislation, other country-specific and Medical Device Single Audit Program (MDSAP) requirements. Procedures have been established to define the responsibilities and requirements for planning and conducting audits, and for reporting results and maintaining records. We plan each audit program based on past audit results, along with the significance and status of processes and areas to be audited; these determine the audit criteria, scope, frequency, and methods. Qualified personnel, who are independent of the task being audited, conduct the audits, and management, at its discretion, may also bring in additional resources to assist. Audit findings are documented and reported to the responsible topic owner, who ensures that action is taken promptly to eliminate any noted instances and causes of non-compliance. We document and file reports on the corrective actions, their review, and other follow-up activities. After each audit is completed, its data is reviewed to identify possible trends.

We document and review every customer complaint related to product quality or reliability to assess root causes and identify remedial measures. During the 2023/24 financial year, such measures included software improvements, product design adjustments, manufacturing process refinements, and agreements with critical suppliers to improve the quality and reliability of components. For our Cochlear Implants business, we annually report on implant reliability: more information can be found in the annual Global AB 2023 Implant Reliability Report available on the Advance Bionics website.

Performance measurements and targets

Key ESG targets:

We improve product reliability rate by >20% year-over-year for hearing instruments.

We improve product reliability rate by >20% year-over-year for cochlear implants.

We strive to continuously improve product reliability and reduce returns and repairs. In the 2023/24 financial year, the cochlear implant externals/processors reliability rate improved by 14% compared to the previous year, not achieving our target. The hearing instruments reliability rate improved by 7% compared to 2022/23, however, not reaching our annual target. We will continue to sharpen our focus on reliability for the coming financial year.

Product reliability rates year-over-year improvements

✓ Data externally assured (limited assurance)

Improvement vs. previous year¹

	2023/24	2022/23	2021/22
Improvement of Hearing instruments product reliability rate	7%	(2%)	(3%)
Improvement of Cochlear implants product reliability rate (externals/processors)	14%	27%	19%

¹⁾ For scope and further information please refer to the [Basis for preparation](#) chapter.

Sustainable supply chain

Strategy, governance, and relevance

At Sonova, sustainable supply chain encompasses a broad range of topics: material traceability, responsible sourcing, and environmental and social impacts across the value chain. Our commitment to delivering high quality products to our customers and consumers makes responsible sourcing and manufacturing processes and performance vital. We are aware that our sourcing and manufacturing could negatively impact society and the environment. Our corporate values and our quality and safety standards aim to protect the value we add to society. The biggest potential for negative impact lies outside our operations, in our supply chain: in the 2023/24 financial year, 54% of Sonova's corporate carbon footprint is in the materials and services that we buy. Human rights violations, such as forced or child labor, are more likely to occur in extracting and sourcing materials than in Sonova-owned factories. Sustainability risks can cause reputational damage, supply chain disruption, and financial loss through environmental taxes and regulations. Consumers and government bodies increasingly demand supply chain transparency and responsibility, which can therefore become criteria for deselection of a product or brand.

GRI 2-6, GRI 3-3, GRI 308-2, GRI 412-2

Over 90% of our hearing instruments are produced in the Asia/Pacific region, at our own centers in Vietnam and China. Our cochlear implants are produced at our center in Valencia, United States. Production for our Consumer Hearing business takes place at our own factory in Tullamore, Ireland or at third-party facilities in China. In February 2024, we opened our new operations center in Mexicali, Mexico for manufacturing of both hearing instruments and cochlear implants. In 2023/24, we purchased from 1044 direct material suppliers: 797 for our Hearing Instruments business, 183 for our Cochlear Implants business, and 64 for our Consumer Hearing business. Based on spend, 63% of direct materials were purchased in the Asia/Pacific region, 10% from Switzerland, 22% from Europe (excluding Switzerland), and 5% from North America. In terms of business relationships, more than 95% of our spend is with suppliers with whom we have over 10 years of business dealings and more than 80% with over five years.

Sonova's procurement function reports to the VP Value Chain Management. The procurement leadership team reviews progress on key sustainability metrics on a monthly basis, alongside other supplier risk and performance assessments. Sonova tracks monthly the greenhouse gas emissions attributable to the direct materials supplied to the Hearing Instruments and Cochlear Implants businesses, which allows for monitoring trends and identifying high emitting suppliers. Progress on material sustainability topics, such as carbon emissions, compliance, and supplier risk assessment is elevated to the ESG Council each quarter. During the 2023/24 financial year Sonova hired a Senior Global Supply Chain Sustainability Manager to drive environmental and social actions in our value chain and to strengthen our procurement processes.

Policies and actions

Sonova's relations with suppliers are guided by the [Sonova Group Supplier Principles](#) (SGSP). The SGSP, the [Sonova Code of Conduct](#), and the General Conditions of Purchase are the foundation for all supplier agreements. Suppliers must certify in writing that they will always comply with these standards and principles in all of their Sonova-related dealings, activities, products, and services. Sonova includes this certification in all supply agreements, and periodically requests suppliers to renew their adherence. During the 2023/24 financial year, we continued the work on our upcoming Supplier Code of Conduct which will replace the SGSP in the coming financial year and further embody our commitment to sustainability.

In 2023/24, we started embedding sustainability in the core procurement processes. It is now part of the predictive procurement risk assessment matrix and critical supplier assessment process, based on EcoVadis scorecards and risk pre-screening. Additionally, sustainability requirements are gradually being included in the new supplier agreements and RFx (request for proposal, information, or bid) processes.

Sonova conducts regular sustainability and corporate ESG strategy training for its procurement organization. In 2023/24, we trained direct material buyers across the business units on EcoVadis

assessment processes and supplier engagement. In the coming year, we will deploy a mandatory training curriculum consisting of EcoVadis Academy training and in-house content. Suppliers that register for EcoVadis assessment also receive access to EcoVadis Academy, a platform that provides curated content on various sustainability topics to enable ESG capability building. Suppliers are further supported through 1:1 engagement in the context of corrective action plans or carbon reduction programs.

We are currently developing a supplier engagement program that focuses on two lines of action: risk management and carbon reduction initiatives. We began in 2023/24 with 1:1 engagements and pilot projects that we expect to scale up in the coming financial year. The supplier engagement program covers:

- **Risk management:** we are engaging with relevant suppliers with potentially high ESG risk and high business impact via EcoVadis. Sonova provides the suppliers with guidance on how to successfully complete the assessment process and sustainability metrics that are relevant for our business relations.
- **Carbon reduction pilot:** We have defined our 10 suppliers with the biggest carbon reduction potential. We offer support and knowledge sharing to help suppliers map out emissions, set targets, identify ways to reduce emissions and, finally, to enable accounting for emissions reductions at the product level. By engaging with our suppliers on improving their sustainability impact, and supporting them on the journey, we are reducing risks, strengthening relations, and creating opportunities to innovate and grow business together.

Performance measurements and targets

Two years ago, Sonova established the following target for responsible sourcing of direct materials in our Hearing Instruments business.

Key ESG target:

We aim to conduct assessments of >90% of direct material suppliers with potential high ESG risk by 2023/24.

Sonova implemented an assessment process with EcoVadis in the 2022/23 financial year to evaluate the sustainability performance of our suppliers. Pre-screening for inherent sustainability risk is based on supplier geography and the industry sector. Suppliers rated as either high or very high were asked to perform a self-assessment covering: Environment, Labor and Human Rights, Ethics, and Sustainable Procurement. Out of 500 suppliers screened, 13 were identified as high or very high ESG risk suppliers, and requested to self-assess via EcoVadis. By the end of the 2023/24 financial year, we reached our target with 100% completion for very high and high ESG risk suppliers. For the coming year, Sonova will maintain the target and expand the range of suppliers assessed for sustainability risks to our Consumer Hearing business.

Assessed high ESG risk suppliers

✓ Data externally assured (limited assurance)

% of high ESG risk suppliers that have been assessed in EcoVadis¹⁾

	2023/24	2022/23
High ESG risk suppliers assessed	100%	78%

¹⁾ For scope and further information please refer to the [Basis for preparation](#) chapter.

Only direct suppliers to our Hearing Instruments business were screened by the EcoVadis risk assessment in this financial year. Suppliers were scored based on their sustainability performance, processes, and governance and received a scorecard with highlighted areas of improvement. Any suppliers with low assessment scores were engaged and helped to develop an action plan to improve their practices. The assessments revealed areas for potential improvement including lack of policies, limited transparency on ESG performance, and weak sustainability governance. Following the assessments, Sonova identified two suppliers with improvement needs; both have been engaged, and have action plans to ensure meaningful improvement. Monitoring the progress of these actions is part of Sonova’s supplier management.

[GRI 308-2, GRI 414-2](#)

In addition to suppliers with ESG risk, Sonova maintains and continuously assesses a critical supplier list, which consisted of 34 suppliers at the end of the 2023/24 financial year. Critical suppliers include those whose materials have a direct impact on the performance of our products or come into direct contact with the skin of users (critical components); those whose items or materials are not substitutable (e.g., due to technology, sustainability, quality, or regulations); and those who supply high volumes. The classification of critical suppliers is carried out at the beginning of each new supplier relationship and is reviewed regularly. For our Consumer Hearing business, 5 onsite audits, including aspects of sustainability took place, and more than 50 supplier visits for Hearing Instruments.

SASB HC-MS-430a.1

Supplier audits

✓ Data externally assured (limited assurance)

number of supplier audits in the Consumer Hearing business¹⁾

	2023/24
Number of supplier audits	5

¹⁾ For scope and restatements please refer to the [Basis for preparation](#) chapter.

Business ethics and corporate governance

Strategy, governance, and relevance

Sonova is committed to ethical business conduct across the organization at all levels, and in our dealings with stakeholders. We are committed to following the laws and regulations of every country in which we operate, as well as to abide by our own Code of Conduct and other internal policies and standards. These policies are established to prevent risks from unethical practices including fraud, corruption, and bribery as well as anti-competitive practices or infringement of intellectual property.

GRI 3-3, GRI 2-23, GRI 2-24

SASB HC-MS-510a.1

The ultimate oversight for business ethics and compliance lies with the Board of Directors. The Audit Committee receives quarterly compliance reports, and an annual compliance report is provided to the Board of Directors. The Compliance and Digital Ethics committee, which is composed of Management Board members, reviews and assesses adherence to the compliance standards for individual business units and Sonova as a whole. The Compliance and Data Privacy function is in place to oversee adherence to the policies and standards. This function is headed by the Senior Director Compliance and Data Privacy, who reports to the Group General Counsel, and with a dotted line to the CEO and the Chair of the Audit Committee.

Policies and actions

Sonova's Code of Conduct defines general principles for ethical behavior and applies to all employees of the Sonova Group, its subsidiaries, and any third parties such as distributors, agents, or suppliers while they are performing work for Sonova. An acknowledgment of the Code of Conduct is part of every new employment and third-party contract. The Code of Conduct is approved by the Board of Directors, is reviewed regularly, revised when necessary, and governs all relevant aspects of Sonova's business operations. It covers compliance with laws and regulations, conflicts of interest, anti-competition and Sonova's commitment to social and environmental responsibility such as human rights, diversity and inclusion, non-discrimination, and safety in the workplace. The Code of Conduct is available in 18 languages and was updated in 2019/20.

SDG 5.1

The principles of the Code of Conduct are further refined in various internal guidelines and policies, including – but not limited to – antibribery, interactions with hearing care professionals, competition law, human rights, data protection, securities trading, public disclosure, and reporting. Non-compliance with the Code of Conduct or Sonova's internal policies and guidelines triggers disciplinary action, up to and including termination of the employment contract. Sonova's distributors, suppliers and vendors go through an onboarding due diligence process before being contracted for their services. This helps ensure that our upstream and downstream partners

conduct their business in accordance with Sonova's Code of Conduct and in compliance with the relevant individual policies.

Sonova's mandatory Code of Conduct training is conducted annually for all employees worldwide and gives guidance on how to act with integrity and how to identify and report potential violations such as conflict of interest, harassment, fraud, discrimination, corruption, or breach of secrecy. The Code of Conduct training is launched through our online SonovaLearning platform and via classroom training programs for employees who do not have access to a computer in performing their role. Third parties are regularly instructed to ensure adequate understanding and compliance with the Code of Conduct.

[Sonova's Anti-Bribery Policy](#), updated in 2022, prohibits all forms of corruption and provides the framework for ethical interaction with customers, consumers, and third parties – with particular focus on Sonova's interactions with health/hearing care professionals (HCPs) and health care organizations (HCOs). The Anti-Bribery Policy has been communicated to all Sonova employees worldwide and is available in 18 languages. Third parties must commit to complying with the principles described in the Anti-Bribery Policy. The content of the Anti-Bribery Policy has been integrated in the annual mandatory Code of Conduct training since 2022/23. In addition, mandatory yearly training on the Anti-Bribery Policy has been rolled out to employees in defined functions such as sales and marketing, finance, and Group company roles such as Managing Directors and company controllers.

GRI 205-2

SDG 16.5

Sonova's Global Competition Law Policy describes the basic principles of fair competition while conducting business. All Sonova employees worldwide have access to the policy (available in 18 languages) and must comply with the principles it sets out. A targeted annual training has been deployed to employees in defined functions that have increased exposure to competition law requirements.

Sonova strongly encourages every employee, contractor or other stakeholder who knows of or suspects a violation of applicable laws, regulations, the Code of Conduct, or related internal policies and procedures to report it through the SpeakUp reporting platform. To further support the culture of SpeakUp, Sonova issued a SpeakUp policy in April 2023, which was included in the annual Code of Conduct training for all employees. In addition, a global communication campaign was launched in August 2023 within individual Sonova Group Companies. The SpeakUp platform is operated by an independent third-party provider and safeguards the anonymity of the reporter. Employees may report a concern to their line manager, their local HR function, a compliance manager, or directly via the SpeakUp platform. Employees, third parties or other external business partners can report a concern either by phone or via a secure website. Relevant phone numbers and websites are listed within the Code of Conduct, on the Sonova employee intranet as well as on SpeakUp platform webpage. Sonova has a defined escalation process to handle and report SpeakUp complaints. The complaints are classified according to their impact (global/local) and/or the implicated person. The escalation process includes the handling of local matters by local management under the guidance and oversight of the Global Compliance team. All matters with global impact (both in severity and/or where senior members of management are implicated) are investigated by the Global Compliance team which reports directly to the Board of Directors and the Audit Committee. Sonova's SpeakUp platform and process are compliant with the EU Whistleblower directive and have been audited and verified by external auditors.

GRI 2-25, GRI 2-26

All reported violations are promptly investigated and treated confidentially to the extent that it is reasonably possible to do so. Sonova does not tolerate any form of retaliatory action against any employee who, in good faith, reports suspected wrongdoing, or complains about violations of the Code of Conduct or other internal policies. The Audit Committee of the Board of Directors is informed quarterly about concerns received through the SpeakUp process, the number and types of cases, and the measures taken. Regular training programs on the SpeakUp process reinforce the importance of reporting violations, along with the process and channels for doing so. This training has generated an increase in the number of SpeakUp messages received year-on-year. SpeakUp statistics are published on Sonova's internal platforms to increase trust and assure employees that their concerns are addressed in a timely manner.

Performance measurements

Key ESG target:

We achieve an annual on-time employee Code of Conduct training completion rate of >95%.

In the 2023/24 financial year, the target was achieved with an overall on-time completion rate of 97.4%. Annual training for 2023/24 included further global communication on the purpose of Code of Conduct training and an improved reminder process.

On-time completion rate of Code of Conduct training

✓ Data externally assured (limited assurance)

% of employees that completed the Code of Conduct training on time during the annual launch¹⁾

	2023/24	2022/23	2021/22
On-time Code of Conduct training completion rate	97.4	93.8	86.0

¹⁾ For scope and further information please refer to the [Basis for preparation](#) chapter.

In the 2023/24 financial year, a total of 215 SpeakUp complaints were reported to the Compliance function. All allegations were promptly addressed by the internal investigations team, supported by external experts as needed. 44% of the complaints were substantiated and followed up with appropriate actions ranging from verbal or written warnings up to termination of employment.

SpeakUp complaints

✓ Data externally assured (limited assurance)

number of SpeakUp complaints

	2023/24
Total number of SpeakUp complaints	215
HR, diversity and workplace respect	44
Discrimination/harassment	40
Customer data privacy	35
Data protection	20
Misuse/misappropriation of corporate assets	18
Business integrity	16
Conflict of interest	14
Accounting, auditing and finance	8
Environment, health and safety	2
Corruption/bribery	1
Money laundering or insider trading	0
Other	17

No fines or non-monetary sanctions for non-compliance were levied against Sonova in the 2023/24 financial year.

[GRI 2-27, GRI 206-1](#)

Corporate governance and compensation

Sonova's governance structure, composition, and responsibilities are reported in the [corporate governance chapter of the 2023/24 Annual Report](#). Further information about ESG governance can be found in the ESG strategy and governance chapter. Information about the compensation principles and system, and the 2023/24 compensation for the Board of Directors and the Management Board, is reported in the [compensation report](#). The compensation report covers the component of Variable Cash Compensation related to the ESG targets.

Risk management and internal audit

Sonova has an established approach to identify and assess strategic, operational, financial, legal, reputational, and compliance risks related to our business activities. Our risk management

approach is aligned with international standards, such as the Committee of Sponsoring Organizations (COSO) internal control framework. The risk management function categorizes risks by impact and likelihood and supports the Management Board to determine the measures necessary to address or mitigate the risks. In accordance with the [Audit Committee Charter](#), the Audit Committee reviews the company's risk assessment prepared by Risk Management before it is presented to the Board of Directors. The Board of Directors approves the risk assessment and provides strategic guidance. To continuously monitor key risks and their mitigation, the Risk Management function prepares risk status reports which are discussed by the Management Board and presented to the Audit Committee on a quarterly basis. Currently, Sonova's risk map consists of 42 risks, of which 16 are designated as key risks. Topics including climate change, human rights and labor practices, loss of key talent, infringement of data privacy, cyber security, infringement of information security, product quality, and regulatory compliance are evaluated in the regular risk assessment process together with all other business risks.

The risk management and internal audit function, including the Senior Director Internal Audit and Risk, reports directly to the Chair of the Audit Committee and, with a dotted reporting line, to the Group CFO. Internal Audit conducts compliance and operational audits and assists functions and Group companies by providing independent evaluation of the effectiveness of internal controls in processes. Local management is responsible for control of business risks and compliance with laws and regulations. The Audit Committee approves the annual work plans of Internal Audit and ensures that the relevant Group companies are adequately reviewed according to their risk scoring. The Audit Committee also reviews and discusses the reports on completed audits submitted by Internal Audit. Internal Audit, together with Business Controlling, monitors the implementation by Group companies of any measures necessary to address findings from previous audits, and provides quarterly reports to the Audit Committee.

Taxes

Sonova fulfills its tax obligations, including corporate and employee related taxes, customs duties, and other taxes, contributing significantly to societies globally. As outlined in the Code of Conduct, Sonova is dedicated to compliance with laws, rules, and regulations, and to managing its global operations according to relevant international standards. The [Group Tax Principles](#), described below and available to the public, govern tax compliance procedures and internal guidelines for all entities majority-owned or controlled by Sonova.

- **Tax follows the business:** Sonova does not use offshore tax structures (tax havens) or artificial structures for tax purposes. It does not shift functions or risks internationally solely for tax reasons. Newly acquired companies undergo integration, including unwinding tax schemes, if any, to align with Sonova's tax policies and OECD Base Erosion and Profit Sharing (BEPS) principles.
- **Full compliance:** Sonova fully adheres to applicable laws, international standards such as the OECD-G20 BEPS Initiatives, and European guidelines (ATAD). When multiple options are legally compliant, Sonova suggests the most tax-efficient approach consistent with maintaining the Group's good reputation.
- **Transfer pricing:** Sonova conducts periodic reviews to align its global cross-border operations and value chains. Arm's length profit allocation within these chains is ensured through annual reviews and benchmarking analysis. Inter-company transactions are consistently monitored to comply with international standards and Sonova's internal processes.
- **Cooperation with tax authorities:** Although Sonova has not entered Advanced Pricing Agreements (APAs), it nevertheless highly values open and proactive cooperation with tax administrations globally, fostering constructive dialogue on tax matters.

Sonova submits a Country-by-Country Report (CbCR) to the Swiss Federal Tax Administration which is shared with tax authorities worldwide through automatic information exchange. The Transfer Pricing Master File, along with local file templates, is prepared by the Corporate Tax team. Local organizations, with support from the Corporate Tax team, complete the Local Files following OECD BEPS Action 13 and requirements foreseen by local laws. Once public disclosure of the CbCR becomes mandatory, Sonova is ready to comply. We have also implemented a reporting tool to handle Mandatory Disclosure Reporting, as per EU Council directive 2018/822

(DAC-6), and are preparing to comply with the minimum tax requirements of BEPS 2.0 – Pillar II and its local implementation.

Information on earnings before tax, reported taxes, reported tax rate, cash taxes paid, and cash tax rate is reported in the [Note 5.1 Taxes in the 2023/24 Annual Report](#). Sonova's lower tax rates compared to industry averages may stem from operating losses in prior years. Additionally, being a Swiss-based multinational with substantial operations in Switzerland, it benefits from Switzerland's lower tax rate. Cash tax paid is significantly affected by provisional and final payments.

Animal welfare

We are required to demonstrate biological safety of our medical devices by complying with ISO 10993-1, the standard for all medical devices with body contact. This standard defines that animal tests must be considered in biological safety evaluations and, in some cases, cannot be completely avoided. As part of our contributions to research, we provide components of cochlear implants to research centers and universities where they are tested on animals for research into safety, feasibility, or efficacy of new technologies. Sonova does not carry out any animal testing in-house and works with only a small number of third parties. We are committed to the Three Rs principle – replacement, reduction, and refinement – to limit animal testing as far as possible.

[SASB HC-MS-410a.1](#)

Replacement

- We use non-animal alternative methods, including testing with 3D skin models or assessment with computational toxicology models, where these methods are appropriate and are accepted by regulatory bodies.
- We promote the development and regulatory acceptance of new in-vitro methods by collaborating with test method developers and actively participating in working groups of the international standardization process.

Reduction

- We apply strategies to reduce the number of animals used in testing.
- We strive to avoid completely any unnecessary or duplicated testing by using previously evaluated or historically established biologically safe materials whenever possible and taking advantage of prior research among the various Sonova companies around the world.
- We emphasize risk assessment to clearly evaluate any need for animal testing.

Refinement

- Whenever possible we select test methods that minimize the distress caused to animals.
- We conduct all animal testing for biological safety evaluations through appropriately accredited testing laboratories in which all tests are carried out in accordance with good laboratory practice. We conduct animal testing for research collaborations only through universities and research laboratories where experiments are reviewed, approved, and overseen by the respective ethics committees.

Data privacy and digital ethics

Strategy, governance, and relevance

We are committed to operating ethically and in compliance with regulation, and continuously prioritize actions and measures to ensure that we protect the data of our consumers and other stakeholders. We operate in a highly digital environment and leverage technology for our products. The relevant identified risks include financial, and psychological harm to victims of data breaches and cyber-attacks, as well as loss of our stakeholder's trust. We have therefore established organizational and technical safeguards to protect the data we gather and hold relating to our employees, customers, consumers and business partners, as well as to mitigate

[GRI 3-3](#)

the increasing threat of data breaches and cyber-attacks. We adhere to the data protection laws and regulations of the jurisdictions in which we operate, and we monitor developments in data protection law.

Privacy by design and default is a central aspect of our product development and business processes. Sonova's Global Privacy Office is responsible for implementing and monitoring the Sonova Data Protection program and provides training and guidance to our business functions and employees. To support it, a team of over 100 Privacy Champions are tasked to embed privacy protection at the Group company level. Both the Global Privacy Office and Internal Audit are tasked to monitor program and policy effectiveness. The Data Protection program continuously evolves to meet the changing legal landscape.

Sonova's Compliance and Digital Ethics Committee is responsible for and has oversight of ethical use of personal data in the digital realm. It works to establish AI ethics oversight measures, frameworks, and governance structures to ensure the responsible integration of digital technologies.

In early 2023, Sonova appointed an Information Security Officer (CISO) with oversight responsibility across information security domains (including IT, Operations, and Product Cyber Security) for all business units and global functions. The Information Security function defines our Information Security strategy and its roadmap to execution. It sets up governance structures to manage information security risks and to report and escalate these to Senior Management; it establishes and sustains a firm-wide cyber aware culture to ensure information security is a shared responsibility; it defines information security policies; and it provides guidance and support to business. The Information Security function reports directly to the Group CFO. The Management Board and the Board of Directors receive regular updates on information and cyber security. As part of Sonova's risk management system, risks related to information security are identified, assessed, and escalated to Senior Management. Further information on how Sonova monitors and mitigates those risks is provided in the [Risk Management section](#) of this chapter.

Policies and actions

Sonova's Group Data Protection Policy, effective since 2018 and updated and enhanced in October 2021, covers all personal data collected or processed by Sonova, and applies to all Sonova legal entities and their employees and contractors on a worldwide basis. The policy provides transparency to our customers and gives assurance on meeting privacy requirements across the globe. The policy is complemented by standard operating procedures and guidelines to provide more detailed guidance on specific data protection and privacy topics.

Sonova deploys mandatory annual online training for all employees (complemented by on- and offline training for specific departments and teams), webinars, and communication platforms for knowledge exchange. Training courses cover essential legal principles and requirements, including Sonova's Data Protection Policy and such legal frameworks as the EU General Data Protection Regulation (GDPR), the Health Insurance Portability and Accountability Act (HIPAA), the California Consumer Privacy Act (CCPA), the Personal Information Protection and Electronic Documents Act (PIPEDA), and relevant Chinese data protection and security laws.

Sonova maintains a set of directives and guidelines governing cyber security on IT services for the functions and businesses controlled by Sonova. These directives define the use of IT assets, the secure use of systems and programs, and the appropriate and secure management of data, and is complemented by a set of specialized security standards. In addition to the directive, Sonova's Information Security Guideline specifies processes and responsibilities to ensure IT and cyber security, including the security of digital information processed and stored on our products. This guideline is amended and supplemented regularly to meet fast moving changes in IT and cyber security.

Sonova regularly tests its business continuity/disaster recovery plans and incident response procedures and, for higher risk situations, conducts further annual tests with external providers. In areas with heightened exposure or security risk, proactive penetration tests are conducted annually by qualified external providers. We also perform regular internal assessments and

periodic third-party vulnerability analysis. Sonova holds an information security risk insurance policy.

Sonova has a global Information Security Awareness program to establish and sustain a cyber aware firm-wide culture and ensure information security is a shared responsibility. As well as mandatory training for all employees on best practices, key threats, and measures to recognize and mitigate them, the Information Security team delivers targeted training for specific groups and functions, provides regular global and local campaigns and events, and performs cyber security resilience exercises (e.g., phishing).

Performance measurements and targets

In the 2023/24 financial year, we did not experience a material information security breach, nor a substantiated complaint related to a material customer data breach.

GRI 418-1

Breaches overview

✓ Data externally assured (limited assurance)

Number ¹	2023/24 ¹	2022/23 ¹	2021/22 ¹
Total number of material information security breaches or other cybersecurity incidents	0	0	0
Total number of substantiated complaints concerning material data breaches	0	0	0

¹⁾ Only data from financial year 2023/24 part of the external assurance. Further information can be found in the [Basis for preparation](#) chapter.

Ethical marketing and sales practices

Strategy, governance, and relevance

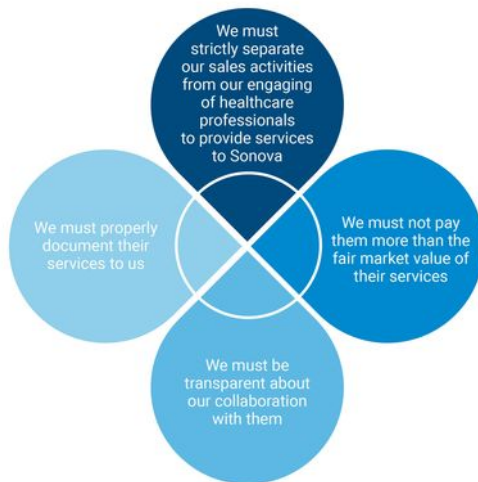
At Sonova, we are committed to ethical marketing and sales practices towards all our customers and consumers, across all our business and channels. We strictly adhere to relevant regulatory requirements and act promptly to prevent any inappropriate action or misleading claim about our products and services. Preventing misleading, confusing, or opaque information helps to avoid negative impacts. We aim for our marketing statements, advertisements, and labeling of products and services to be transparent, accurate, balanced, and comprehensive.

SASB HC-MS-240a.2

Sonova has two separate governance structures for marketing and sales practice: one covering medical devices, including related accessories and services, and one for non-medical devices. The regulatory and scientific compliance of product performance claims is assured through an interdisciplinary and cross-department development activity, involving groups from Marketing, Research and Development, Clinical Affairs, and Legal.

Policies and actions

Our commitment to ethical marketing and sales practices is embedded in our Code of Conduct and detailed in relevant policies, guidelines, and standard operating procedures. Our Anti-Bribery Policy and its related standard operating procedures and country-specific guidelines define how we should interact in an ethical manner with hearing care professionals (HCPs) such as audiologists and acousticians, professors, surgeons, ear, nose and throat specialists, and researchers. We continually interact with HCPs in various roles and settings; at all times, our cooperation with them is governed by our Four-Leaf Clover Principles, below:



The training we give to all employees on our Code of Conduct covers the principles of anti-bribery and ethical conduct. Further dedicated anti-bribery training is mandatory for employees in defined roles, including sales, marketing, and finance, as well as for Group company roles such as Managing Directors and company controllers. Our standard operating procedure for claims management sets out clearly how to assess, substantiate, and monitor safety and performance related marketing claims for Sonova’s medical devices, including their related accessories and services. For medical devices, before being disseminated, safety and performance related marketing claims go through a standardized review and approval process to ensure sufficient evidence, quality and compliance with global regulatory requirements. Relevant employees must complete annual training on the claims management procedure; during 2023/24, more than 300 employees completed the training. An equivalent standard operating procedure is under development for Sonova’s non-medical devices, such as those produced by our Consumer Hearing business.

Further training will be given to all employees in the coming financial year to provide clear guidance on responsible and appropriate behavior in communications, and specifically when interacting with social media platforms. This is intended to ensure that Sonova employees do not intentionally or unintentionally create any new, potentially unsubstantiated marketing claims on social media.

Performance measurements

In the 2023/24 financial year, there were no monetary losses because of legal proceedings associated with misleading marketing claims. All medical device related claims have been sufficiently substantiated for all of Sonova’s hearing instrument brands.

SASB HC-MS-270a.1

Human rights

Strategy, governance, and relevance

Sonova is committed to respecting and supporting human rights; this commitment extends across our worldwide operations and along our value chain. Wherever it is conducted, Sonova’s business could have potential impacts on human rights, whether through our own operations or through business relationships. We therefore work with our business partners along the value chain to prevent or mitigate human rights risks. We are 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:

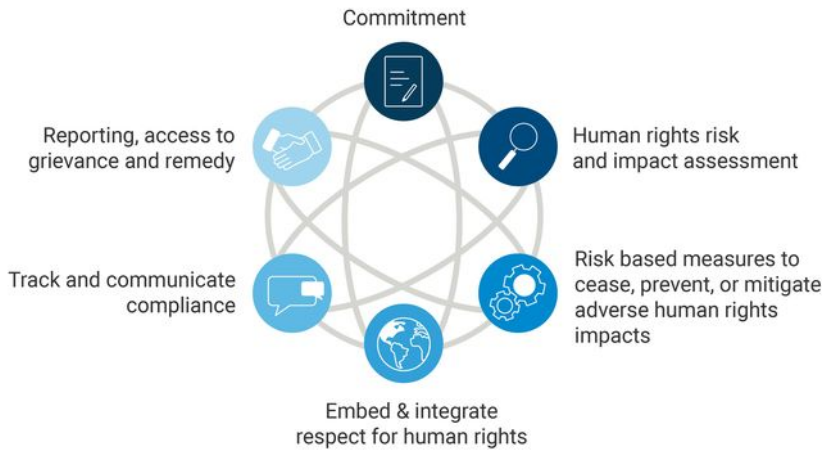
SDG 8.7, SDG10.2

- Universal Declaration of Human Rights (UDHR)
- 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 (UNGP)
- 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
- UNICEF’s Children’s Rights and Business Principles (CRBP)
- ISO 45001 Occupational Health and Safety Management (OHS) Standard
- ISO 14001 Environmental Management
- ILO-IOE Child Labour Guidance Tool for Business

The Board of Directors assigned the responsibility for human rights monitoring and implementation to Group Legal and Compliance. The actions of Group Compliance are implemented by its own dedicated employees, supported by a cross-functional working group which periodically assesses and monitors human rights risks along Sonova’s value chain. Our efforts are continuously guided and benchmarked with support from external experts. We have also created the role of Human Rights Manager to ensure coordination of our human rights related actions.

Sonova has established a human rights due diligence (HRDD) framework, aligned with the United Nations Guiding Principles on Business and Human Rights (UNGP), which covers 6 elements:



In the 2023/24 financial year, Sonova’s Global Compliance, Procurement, and Legal teams have been working on a revised HRDD process to remain compliant with emerging local regulations.

Sonova complies with the Swiss Code of Obligation Art. 964j for due diligence and reporting obligations related to child labor. We qualify for the exception clause provided in the law, since our human rights due diligence fully aligns with the following international frameworks: the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, the ILO Conventions No. 138 on Minimum Age and No. 182 on the Worst Forms of Child Labour, the ILO-IOE Child Labour Guidance Tool for Business, as well as the United Nations Guiding Principles on Business and Human Rights (UNGP).

Sonova also reports on its human rights due diligence practices in compliance with local regulations, including the UK’s Modern Slavery Act and the Norwegian Transparency Act.

Policies and action plans

Our commitment to human rights is described in the [Code of Conduct](#) and explained in our [Human Rights Policy](#). This policy supports the key elements of the HRDD framework by providing for periodic human rights risk assessments along the value chain, enhanced due diligence through social audits in high-risk areas, and channels for reporting grievances and seeking remedy for violations – all using a risk-based approach. The policy outlines the key human rights risks (salient issues) identified by Sonova within its value chain. Human rights commitments are also governed by function specific standards, such as the Sonova Group Supplier Principles

(SGSP), which covers our upstream value chain. In the 2023/24 financial year we initiated a process to introduce a new Supplier Code of Conduct, which will replace the SGSP and further strengthen our human rights commitments in the value chain.

All human rights issues are treated with equal rigor, but our human rights risk assessments assign priority to those rights that could be most salient to our business. We prioritize human rights issues based on their scale, scope, and remediability, and recognize that negative impacts on human rights may be particularly severe for some people due to their vulnerability or marginalization. The severity of impacts can evolve over time; we therefore regularly reevaluate our human rights risks through stakeholder dialog and assessments.

SDG 8.8

In November 2022 Sonova conducted its second high-level human rights risk assessment, building on the first from 2020. It was led by a cross-functional working group, supported by external business and human rights experts. The assessment covered our global value chain and ranked potential human rights issues based on the severity of the risk to potentially affected people. Our initial risk assessment in 2020 used a range of methods, including value chain mapping, issue mapping, consultations and interviews, desk research, and internal workshops. In 2022, the assessment methods included desk research and internal workshops along with a re-assessment of the salient human rights issues described in the table below. The overall list of salient issues remained as such, despite the enlargement of the business and an unsettled geopolitical environment. We did, however, institute a new human rights risk registry that includes detailed information on the severity of each issue (based on scale, scope, and remediability), its likelihood of occurrence, and Sonova’s ability to influence it. This established a useful internal tool to systematically address and monitor risk-based measures to prevent or mitigate Sonova’s salient human rights issues. The next human rights risk assessment will be conducted during the 2024/25 financial year.

GRI 408-1, GRI 409-1

Human rights issue	Definition of human rights & issue illustration
Access to healthcare	Access to healthcare must be non-discriminatory. Access can be physical, economic (affordability), and/or informational in its nature. According to the UN Committee on Economic, Social and Cultural Rights, “health facilities, goods and services must be within safe physical reach for all sections of the population, especially vulnerable or marginalized groups (...)”. ¹
Child labor	Child labor refers to work performed by people under 18 and is prohibited by international standards. Employment or work may be authorized as from the age of 15 years (or 14 in certain developing countries) on condition that the health, safety, and morals of the young persons concerned are fully protected and that the young persons have received adequate specific instruction or vocational training in the relevant branch of activity (special protections for young workers).
Community and land rights	This term refers to all fundamental rights pertaining to local communities, including those recognized as pertaining to indigenous people, that are impacted by business activities. Issues related to land rights are most frequently disputed between companies (and governments) and local communities, as they may have direct consequences for a wide set of fundamental rights (e.g., right to housing, right to life, right to food and water, right to social security, property access rights, cultural identity, etc.).
Contributing to conflict	A company can potentially become involved in or contribute to social or political unrest or conflicts leading to heightened tension, violence and human rights abuses. In fragile environments (e.g., conflict-affected areas), companies shall avoid by any means complicity with governmental/non-state actors’ (armed groups, militia, extremists) abuses. Moreover, they shall be aware that an excessive control on key resources (e.g., food, water and electricity supply) and other abusive business decisions have potential consequences on local communities, both during conflict and in post-conflict.
Customer safety	Customer safety refers to the company’s approach to preventing negative impacts of its products and services on consumers’ health and safety. It includes consumers’ right to be properly informed about potential hazards.
Employment practices	In the context of labor rights, this term refers to all practices that are not mentioned under other issue areas, including contracts specifying the terms of conditions for work, working hours, social security, and fair wages. Fair wages ensure workers and their families a decent standard of living (living wage). Elements of a decent standard of living include food, water, housing, education, health care, transport, clothing, and other essential needs, including provision for unexpected events.
Freedom of association and collective bargaining	Freedom of association expresses the right of workers to freely join trade unions or employee associations, while collective bargaining is defined as the “negotiation between employers or employers’ organizations and workers’ organizations, with a view to the regulation of terms and conditions of employment by means of collective agreements”. ² The two concepts are inextricably linked, the first being a prerequisite for the realization of the second. Moreover, they both imply the recognition of the right to strike. Each of these rights shall be guaranteed by the company and no retaliation/reprisal shall be tolerated in exercising those rights.
Information security and data protection	Information security and data protection refer to all measures implemented by the company to protect the confidentiality and integrity of personal information and data transmitted by workers, clients, suppliers, business partners, and any other stakeholders. The company shall guarantee at all times the proper use, processing and storage of data. This right is ultimately founded on the human right to privacy.

Modern slavery and forced labor	Modern slavery includes human trafficking, child labor, and forced or compulsory labor. Forced or compulsory labor is "all work or service which is exacted from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily". ³
Non-discrimination	Discrimination in employment and occupation includes "any distinction, exclusion or preference made on the basis of race, color, sex, religion, political opinion, national extraction or social origin, which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation". ⁴
Occupational health and safety	Occupational health and safety deals with all aspects of health (physical or mental) and safety in the workplace.

¹⁾ UN Committee on Economic, Social and Cultural Rights (CESCR), General Comment No. 14: The Right to the Highest Attainable Standard of Health (Art. 12 of the Covenant), 12b, 11 August 2000, E/C.12/2000/4.
²⁾ International Labour Organization (ILO), Right to Organise and Collective Bargaining Convention, C98, 1 July 1949, C98, Art. 4.
³⁾ International Labour Organization (ILO), Forced Labour Convention, C29, 28 June 1930, C29, Art. 2.
⁴⁾ International Labour Organization (ILO), Discrimination (Employment and Occupation) Convention, C111, 25 June 1958, C111, Art. 1.

Performance measurements and targets

Key ESG target:

We conduct at least one social audit per year.

During the 2023/24 financial year, we conducted two audits in total, thereby achieving our target of conducting at least one audit per year. We conducted an onsite human rights impact assessment at our site in Valencia, United States, in which 70 people were interviewed. Some of the resulting recommended actions have been addressed already, such as hiring a Human Rights Manager and integrating relevant human rights aspects into global training programs. Most of the other recommendations are being finalized, such as communicating internally on our Human Rights Policy, and revising the business partner due diligence process by, among other actions, publishing our Supplier Code of Conduct. We also conducted a social audit at our operations center in China. Performed by independent auditors, this covered our own operations in Suzhou, China and used ELEVATE's Responsible Sourcing Assessment (ERSA) standard. The audit included onsite confidential interviews with employees, document/record review, physical observations, and management interviews. None of the findings identified by the audit concerned child or forced labor, or were rated as zero tolerance or critical. There was a high reported level of transparency on wages and working hours, and the facility was assessed as performing very well in the areas of environment, business ethics, and management system. Audit findings related to areas including working hours, discriminatory practices, and wage payment practices were discussed with relevant stakeholders and addressed through improvement actions.

Sonova's global grievance process, including our anonymous online SpeakUp platform, gives ample scope for raising potential human rights issues, and forms part of our human rights monitoring; information about SpeakUp can be found in the [Business ethics and corporate governance chapter](#). Monitoring extends to the completion rate for key Human Rights Policy training: all employees who have computer access in their daily job are asked to complete the mandatory training on our Code of Conduct, including review and acknowledgment of our Human Rights Policy. The training focuses particularly on acting with integrity and provides practical advice on how to identify and report actions, including those that touch human rights, that might be violations of the Code. In the 2023/24 financial year, over 97% of all Sonova employees completed this training within the allotted time.

Public affairs

Sonova operates in a highly regulated environment. The number of international health and safety regulations, which are essential for assuring the efficacy and reliability of our products, is always increasing. Policy related risks such as governmental pricing and reimbursement, regulatory requirements, and geopolitical conflicts could impact our business and the hearing care industry. Our public affairs focus includes active engagement in public discussions and providing insights on evolving policy changes. We raise awareness of the societal impact of hearing loss and the positive effects of hearing care, while maintaining our commitment to high standards of business ethics and integrity in accordance with applicable laws. Sonova does not allow donations to political parties, as defined in our [Global Anti-Bribery Policy](#).

[SASB HC-MS-240a.2](#)

[GRI 2-28, GRI 3-3, GRI 415-1](#)

To share our specialist knowledge and support high quality standards for hearing instruments and cochlear implants, we participate actively in multiple associations and external initiatives, including:

- Hearing Instrument Manufacturers' Software Association (HIMSA)
- European Hearing Instrument Manufacturers Association (EHIMA)
- Hearing Industries Association (HIA)
- Medical Device Manufacturers Association (MDMA)
- Hearing Instrument Manufacturers' Patent Partnership (HIMPP)
- Hearing Industry Research Consortium (IRC)
- European Telecommunications Standards Institute (ETSI)

Sonova is represented on the governance bodies of several of these associations: our CEO Arnd Kaldowski is the current President of EHIMA; Stefan Launer, VP Audiology and Health Innovation, is Chair of HIMPP's Board of Directors; Victoria Carr-Brendel, President/GVP Cochlear Implants, is a board member of MDMA; and Sandra Brandmeier, President Sonova USA, is Chair of HIA's Board of Directors. We are also represented in various professional and scientific associations relating to the science and technologies relevant to our business.

In the 2023/24 financial year, we contributed more than CHF 1.38 million in membership fees to trade associations and non-commercial organizations. The largest contributions (including membership fees) are those to the Hearing Industries Association (HIA), a forum for hearing aid manufacturers, suppliers, distributors, and hearing health professionals in the United States; European Hearing Instrument Manufacturers Association (EHIMA), and Swiss Medtech. We made no contributions to political organizations, parties and candidates, nor to ballot measures or referendums.

Since 2016, Sonova has been a signatory to the UN Global Compact, and Sonova is part of both the global and Swiss network. Sonova's CFO Birgit Conix is also a member of Accounting for Sustainability (A4S), a global network aiming to inspire finance leaders to drive a fundamental shift towards resilient business models and a sustainable economy.

EU Taxonomy note

The EU Taxonomy Regulation (EU) 2020/852 requires non-financial companies within the scope of the EU NFRD and EU CSRD to report the degree to which their economic activities can be categorized as eligible or aligned with the EU Taxonomy.

During the 2023/24 financial year, Sonova initiated an EU Taxonomy project, and Sonova voluntarily reports in accordance with Article 8 of the EU Taxonomy Regulation (EU) 2020/852 for financial year 2023/24.

Most of Sonova's core activities are eligible to contribute to the environmental objective of transitioning to a circular economy as these activities fall in the categories 1.2, "Manufacture of electrical and electronic equipment", and 5.1, "Repair, refurbishment and remanufacturing", of the EU Taxonomy. Moreover, some CAPEX activities have been identified as eligible for the environmental objective of climate change mitigation.

Sonova has also performed a preliminary assessment of the alignment with the Technical Screening Criteria (TSC), Do No Significant Harm (DNSH) criteria and Minimum Safeguards. These assessments have not been completed and will be continued during financial year 2024/25. The voluntary financial information disclosed (see tables below) therefore relates only to the eligibility assessment.

Overall, the analysis of Sonova's economic activities indicates that 92% of turnover, 44% of CAPEX, and 38% of OPEX is currently classifiable as eligible under the EU Taxonomy Regulation (EU) 2020/852.

Turnover eligibility KPI

For this ratio, the denominator was based on the Group's consolidated net turnover as disclosed in the consolidated Financial Statements for 31 March 2024. The numerator was derived from net sales of electric and electronic equipment and turnover from repair, refurbishment, and remanufacturing activities.

CAPEX eligibility KPI

For this ratio, the denominator represents additions to tangible and intangible fixed assets during the financial year (including acquisitions). It also includes additions to right-of-use assets, but excludes additions to goodwill and acquisition-related intangibles. The numerator comprises those capital expenditures included in the denominator that are related to the eligible activities, particularly additions to right-of-use assets (leasing).

OPEX eligibility KPI

For this ratio, the denominator includes all direct non-capitalized costs related to maintenance, building renovation measures, research and development, short-term lease, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant, and equipment. The numerator relates to those direct non-capitalized costs in the denominator that are related to eligible activities, particularly research and development, and maintenance costs directly linked to turnover-generating eligible activities.

Turnover

Economic activities	Code	Absolute turnover 2023/24	Proportion of turnover 2023/24	Substantial contribution criteria					DNSH criteria ("Does Not Significantly Harm")					Minimum safeguards	Taxonomy aligned proportion of total turnover, year 2022/23	Category (enabling activity)	Category (transi- tional activity)	
				Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water	Pollution					Circular economy
		CHF million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																		
A.1. Environmentally sustainable activities (Taxonomy-aligned)																		
Not assessed		0.0	0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.0	0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Of which enabling		0.0	0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Of which transitional		0.0	0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																		
Manufacture of electrical and electronic equipment	CE 1.2	3'237.1	89%	N/EL	N/EL	N/EL	N/EL	EL	N/EL							n/a		
Repair, refurbishment and remanufacturing	CE 5.1	103.0	3%	N/EL	N/EL	N/EL	N/EL	EL	N/EL							n/a		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		3'340.1	92%	0%	0%	0%	0%	92%	0%							n/a		
Total (A.1+A.2)		3'340.1	92%	0%	0%	0%	0%	92%	0%							n/a		

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

Turnover of Taxonomy-non-eligible activities	286.7	8%
Total (A+B)	3'626.9	100%

Substantial contribution criteria
Y – Yes: Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N – No: Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL – not eligible: Taxonomy-non-eligible activity for the relevant environmental objective
EL – eligible: Taxonomy-eligible activity for the relevant objective

DNSH criteria
Y – DNSH criteria are met
N – DNSH criteria are not met

Minimum safeguards
Y – Minimum safeguards are met
N – Minimum safeguards are not met

CE: Circular economy

Total turnover, see annual report 2023/24, Note 2.1

CAPEX

Economic activities	Code	Absolute CAPEX 2023/24	Proportion of CAPEX 2023/24	Substantial contribution criteria					DNSH criteria ("Does Not Significantly Harm")					Minimum safeguards	Taxonomy aligned proportion of total CAPEX, year 2022/23	Category (enabling activity)	Category (transi- tional activity)	
				Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water	Pollution					Circular economy
		CHF million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	%	E	T	
A. TAXONOMY-ELIGIBLE ACTIVITIES																		
A.1. Environmentally sustainable activities (Taxonomy-aligned)																		
Not assessed		0.0	0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
CAPEX of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.0	0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
Of which enabling		0.0	0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
Of which transitional		0.0	0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																		
Acquisition and ownership of buildings	CCM 7.7	59.9	27%	EL	N/EL	N/EL	N/EL	N/EL	N/EL							n/a		
Manufacture of electrical and electronic equipment	CE 1.2	33.5	15%	N/EL	N/EL	N/EL	N/EL	EL	N/EL							n/a		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	2.5	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL							n/a		
CAPEX of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		95.8	44%	29%	0%	0%	0%	15%	0%							n/a		
Total (A.1+A.2)		95.8	44%	29%	0%	0%	0%	15%	0%							n/a		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																		
CAPEX of Taxonomy-non-eligible activities		122.7	56%															
Total (A+B)		218.5	100%															

OPEX

Economic activities	Code (2)	Absolute OPEX 2023/24 CHF million	Proportion of OPEX 2023/24 %	Substantial contribution criteria							DNSH criteria ("Does Not Significantly Harm")					Taxonomy aligned proportion of total OPEX, year 2022/23 %	Category (enabling activity) E	Category (transitional activity) T
				Climate change mitigation Y; N; N/EL	Climate change adaptation Y; N; N/EL	Water Y; N; N/EL	Pollution Y; N; N/EL	Circular economy Y; N; N/EL	Biodiversity and ecosystems Y; N; N/EL	Climate change mitigation Y/N	Climate change adaptation Y/N	Water Y/N	Pollution Y/N	Circular economy Y/N	Biodiversity Y/N			
A. TAXONOMY-ELIGIBLE ACTIVITIES																		
A.1. Environmentally sustainable activities (Taxonomy-aligned)																		
Not assessed		0.0	0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
OPEX of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.0	0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Of which enabling		0.0	0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Of which transitional		0.0	0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																		
Manufacture of electrical and electronic equipment	CE 1.2	25.5	38%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								n/a	
OPEX of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		25.5	38%	0%	0%	0%	0%	38%	0%								n/a	
Total (A.1+A.2)		25.5	38%	0%	0%	0%	0%	38%	0%								n/a	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																		
OPEX of Taxonomy-non-eligible activities		41.3	62%															
Total (A+B)		66.8	100%															

Substantial contribution criteria
Y – Yes: Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N – No: Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL – not eligible: Taxonomy-non-eligible activity for the relevant environmental objective
EL – eligible: Taxonomy-eligible activity for the relevant objective

DNSH criteria
Y – DNSH criteria are met
N – DNSH criteria are not met
Minimum safeguards
Y – Minimum safeguards are met
N – Minimum safeguards are not met
CE: Circular economy

Basis for preparation

Report methodology

The scope of the ESG Report for the 2023/24 financial year is aligned with the scope of entities in the consolidated financial statements. For acquired businesses, we include the data as of the date of the acquisition. For environmental data, acquired businesses are included in the Group environmental reporting after a full reporting year within Sonova. Group companies divested during are excluded from the consolidation as of the date the Group ceased to have control over the company. Sonova strives to improve data accuracy and quality continuously: all resulting restatements are reported in the data collection process and reporting methodologies section of this chapter. For restatements with a change of more than 10% compared to the prior year's reporting, the change is also included in the footnotes of the respective table. In the ESG Report 2023/24, data from HYSOUND (acquired on December 5, 2022) is included across all performance measurements unless explicitly noted. The ESG Report follows Sonova's financial year from April 1 to March 31, with the exception of most of the environmental data in the [Protecting the planet](#) chapter, which is reported by calendar year.

GRI 2-4

Data, definitions, and restatements

Protecting the planet

Sonova's environmental data monitoring and reporting includes energy consumption, greenhouse gas (GHG) emissions, materials, waste disposal water consumption, and biodiversity, and is based on the calendar year (unless otherwise stated). Actual data is collected whenever possible, and only estimated if data collection is not feasible, due e.g., to the decentralized organizational structure of some businesses that operate from small, often rented, facilities or when product specific emissions are not available. The conversion factors applied for each input unit in this ESG Report are presented below and sourced from the UK Government Department for Business, Energy & Industrial Strategy.

	Conversion Factor	Conversion Unit
Distance		
Miles	1.6093	km
Energy		
Therm	0.0293	MWh
Fuel oil liter	0.0100	MWh
Natural gas m ³	0.0103	MWh
Gigajoule (GJ)	0.2778	MWh
Mass		
Pound (lb)	0.4535	kg
Ton (US, short ton)	907.2	kg
Volume		
US Gallon	3.7854	L
Imperial Gallon	4.5461	L
Megaliter	1,000	m ³

Climate change

The methodology and reporting for the carbon footprint are based on the Greenhouse Gas (GHG) Protocol. Sonova follows the financial control consolidation approach for setting organizational boundaries. Global warming potentials (GWP) from the IPCC's fourth assessment report (AR4) are applied to calculate CO₂ equivalents. Relevant gases included are CO₂, CH₄, and N₂O.

Sonova differentiates between direct GHG emissions (scope 1) deriving from the combustion of fossil fuels; indirect GHG emissions (scope 2) from sources such as using electricity or district heating; and indirect emissions (scope 3) that arise from our value chain. Out of the 15 scope 3 categories outlined by the GHG Protocol, 12 are applicable to Sonova; those not applicable are: processing of sold products (cat. 10), downstream leased assets (cat. 13) and franchises (cat. 14). GHG emissions from joint ventures (e.g., Boots Hearing Care) are reported under scope 1 and 2, provided that Sonova holds operational control. If not, these emissions are accounted for under scope 3, upstream leased assets (cat. 8), e.g., for emissions derived from shop-in-shop operations. GHG emissions from equity investments (e.g., associates) are reported under scope 3, investments (cat. 15).

The revenue data for energy intensity and GHG emission intensity to revenue is based on financial year and FTE related data for energy intensity per FTE is based on calendar year.

For GHG emission performance measurements linked to our Sonova Science Based Targets (SBTs), we recalculate the baseline (calendar year 2019) to include all acquired businesses and entities. In the ESG Report 2023/24, scope 1 and 2 restatements are due to the inclusion of acquisitions, as well as data quality improvements. In addition, we restated GHG emissions figures for 2019 – 2022 to align our calculation and reporting boundaries to the SBTs adopted from the Science Based Targets initiative (SBTi). The resulting changes in boundaries include removing some activities from certain scope 3 categories, either because their GHG contribution was deemed negligible (less than 0.5% of baseline) in comparison to the main GHG sources, or because they fall outside of the defined minimum boundaries of the SBTi methodology. Processing of sold products (cat. 10) now falls completely outside of Sonova’s GHG emissions boundaries and is therefore no longer reported. Methodological and data improvement changes were made in the calculation of purchased goods and services (cat. 1), use of sold products (cat. 11), and end-of-life of sold products (cat. 12), following the adjustment of extrapolation factors and primary data and the update of emissions factors for years before 2023.

To maintain comparable reporting boundaries between years, our total energy consumption figures combine activities in scope 1-2 with activities in scope 3 upstream leased assets (cat. 8). For 2023, energy consumption within the scope 1-2 boundaries represents 98.5% of total energy consumption, whereas energy consumption within scope 3 upstream leased assets (cat. 8) represents only 1.5%, mainly from shop-in-shop stores where Sonova does not have operational control. For 2022, the equivalent fractions were 97% and 3%, whereas for 2021 were 94% and 6%. Scope 3 transportation and distribution (cat. 4 and 9) and business travel (cat.6) include non-CO₂-related emissions from aviation. A radiative forcing multiplier of 1.9 is currently applied.

As of the end of 2023, we have not used or invested in carbon capture and storage or direct CO₂ removal solutions. We currently do not systematically apply a carbon pricing scheme but rather use it on an ad-hoc project basis. All of Sonova’s business units operate in high-impact sectors as defined in the EU’s Commission Delegated Regulation (EU) 2022/1288. The Hearing Instruments and Cochlear Implants business operate in the Nomenclature of Economic Activities (NACE) sector C.32.50 Manufacture of medical and dental instruments and supplies, Consumer Hearing is in C.26.40 Manufacture of consumer electronics, and Audiological Care is in G.47.7.4 Retail sale of medical and orthopedic goods in specialized stores.

Key emission factor sources, restatements, and other significant information related to energy and GHG emissions are provided in the tables below.

Emission factor sources for environmental reporting

Scope and category	Main emission factor sources
Scope 1	- BEIS Department for Business, Energy & Industrial Strategy
Scope 2	- Association of Issuing Bodies (European Residual Mix) - IEA International Energy Agency (Emissions Factors) - EPA Environmental Protection Agency (eGRID) - Environment and Climate Change Canada (Electricity Can Prov Terr)
Category 1: Purchased goods and services	- EcoInvent (version 3.9.1) - BEIS Department for Business, Energy & Industrial Strategy - Exiobase (version 3.3.18) - Quantis World Food LCA Database (version 3.5)

	- World Bank (Inflation, consumer prices [annual %] 2022 vs 2021) - International Monetary Fund (Inflation, consumer prices [annual %] 2023 vs 2022)
Category 2: Capital goods	- Dell Carbon Footprints
Category 3: Fuel- and energy-related activities (not included in scope 1 and 2)	- Association of Issuing Bodies (European Residual Mix) - BEIS Department for Business, Energy & Industrial Strategy - IEA International Energy Agency (Emissions Factors) - Intep, Treibhausgas-Emissionsfaktoren für den Gebäudesektor (Electricity Emission Factors) - Our World in Data (Electricity Mixes)
Categories 4 and 9: Transportation and distribution¹⁾	- BEIS Department for Business, Energy & Industrial Strategy (for air travel emissions 2022 Emission Factors were applied)
Category 5: Waste generated in operations	- BEIS Department for Business, Energy & Industrial Strategy
Category 6: Business travel¹⁾	- BEIS Department for Business, Energy & Industrial Strategy (for air travel emissions 2022 Emission Factors were applied)
Category 7: Employee commuting	- BEIS Department for Business, Energy & Industrial Strategy - IEA International Energy Agency (Energy Efficiency Indicators)
Category 8: Upstream Leased Assets	- Association of Issuing Bodies (European Residual Mix) - BEIS Department for Business, Energy & Industrial Strategy - IEA International Energy Agency (Emissions Factors)
Category 11: Use of sold products	- IEA International Energy Agency
Category 12: End-of-life of sold products	- BEIS Department for Business, Energy & Industrial Strategy
Category 15: Investments	- Estimate based on Bloomberg & CDP data

¹⁾ To allow for comparability with previous reported years, 2023 air freight emissions and air travel emissions included in category 4 and 9 (transportation and distribution) and 6 (business travel) are calculated using 2022 emission factors (EFs). The reasons of this choice are the following: major changes to the flight factors in the 2023 EFs update, based on a) the reduced load factors due to the COVID-19 pandemic and b) the fact that the aviation sector is supposed to take longer to recover to pre-COVID levels; radiative forcing factor has changed to 1.7 for 2023 (from 1.9 for previous years). The application of 2023 EFs would have a significant impact to Sonova 2023 emissions as compared to previous years, only related to EFs changes and not to actual action taken for emissions to variate. We will actively monitor the development of the EFs in the near future and update our selection accordingly.

Restatements and information related to energy and GHG emissions

Performance measurement	Restatement and significant information
Total energy consumption and energy intensity	2022 restated by -4% (-4,385 MWh) and -1.2 MWh/million CHF. 2021 restated by -3% (-3,232 MWh) and -1.0 MWh/million CHF.
Total onsite energy generation	The onsite energy generation values only include energy consumed onsite. An additional 138 MWh for 2023, 131 MWh for 2022, and 159 MWh for 2021 were generated onsite but fed into the grid.
Energy mix	2022 renewable energy consumption restated by -1% (-386 MWh) and non-renewable by -7% (-3,999 MWh). 2021 renewable energy consumption restated by <1% and non-renewable by -7% (-3,483 MWh).
Energy consumption by business	2022 heating restated by -6% (-2,386 MWh) and electricity by -3% (-1,999 MWh). 2021 heating restated by -6% (-1,829 MWh) and electricity by -3% (-1,403 MWh).
2022 GHG emissions - scope 1-3	2022 scope 1 restated by -4% (-458 t CO ₂ e); scope 2 restated by 240% (+1,775 t CO ₂ e); scope 3 restated by -3% (-8,960 t CO ₂ e). Scope 1-2 restated by -4% (-463 t CO ₂ e) and scope 1-3 by -5% (-7,642 t CO ₂ e).
2021 GHG emissions - scope 1-3	2021 scope 1 restated by -2% (-217 t CO ₂ e); scope 2 restated by 49% (+1,236 t CO ₂ e); scope 3 restated by -8% (-24,036 t CO ₂ e). Scope 1-2 restated by +9% (-1,235 t CO ₂ e) and scope 1-3 by -8% (-22,801 t CO ₂ e).
2020 GHG emissions - scope 1-3	2020 scope 1 restated by -2% (-173 t CO ₂ e); scope 2 restated by 9% (+1,496 t CO ₂ e); scope 3 restated by -10% (-23,578 t CO ₂ e). Scope 1-2 restated by 5% (+1,323 t CO ₂ e) and scope 1-3 by -8% (-22,255 t CO ₂ e).
2019 GHG emissions - scope 1-3	2019 scope 1 restated by -1% (-171 t CO ₂ e); scope 2 restated by 8% (+1,549 t CO ₂ e); scope 3 restated by -9% (-28,579 t CO ₂ e). Scope 1-2 restated by 4% (1,378 t CO ₂ e) and scope 1-3 by -8% (-27,202 t CO ₂ e).
GHG emission intensity	2022 scope 1-2 GHG emission intensity restated by -3% (-0.1 t CO ₂ e/million CHF). 2022 scope 1-3 intensity restated by -5% (-4.1 t CO ₂ e/million CHF) and 2021 scope 1-3 by -3% (-2.0 t CO ₂ e/million CHF).
Additional GHG emission information	2022 outside-of-scope emissions restated by -6% (-17 t CO ₂ e). 2022 location based emissions restated by -4% (-777 t CO ₂ e) and 2021 by -2% (-399 t CO ₂ e).

Circular economy

Sonova's packaging waste performance measurement is calculated based on purchased quantities during the calendar year and includes product packaging purchased by the Hearing Instruments business unit as well as transport packaging that may also be used by other business units. Values for the packaging performance measurement have been restated as there have been

weight corrections to a variety of packaging articles. The 2022 value was restated by -2% (-30 t), the 2021 value by -1% (-18 t), the 2020 value by 1% (+14 t), and the 2019 value by 2% (+25 t).

Waste

Total waste production figures combine activities within the boundaries of scope 1-2 and scope 3 upstream leased assets (cat. 8). Waste production within scope 1-2 boundaries represented 95%, 97% and 98% of total waste production respectively for 2023, 2022 and 2021, representing 5%, 3% and 2% of total waste production within scope 3, cat. 8 boundaries for the respective years. For waste intensity per FTE, the FTE data is based on calendar year. For 2022, total operational waste was restated by 11% (+362 t), non-hazardous waste by <1%, and hazardous waste by 4% (+3 t); recycling waste was restated by 22% (+363 t) due to data quality improvements. 2021 total waste and recycling waste were restated by <1% due to data quality improvements. Hazardous waste is not extrapolated for Audiological Care as no hazardous waste is generated.

Water

The total water withdrawal figures combine activities within category 1 for purchased water and category 8 of scope 3. In 2023, activities within scope 1-2 boundaries accounted for 96% of total water withdrawal, against 97% in 2022 and 98% in 2021; remaining withdrawal therefore derived from scope 3 category 8 activities, representing 4%, 3% and 2% of total water withdrawal respectively in 2023, 2022, and 2021. For water intensity per FTE, the FTE data is based on calendar year. 2022 total water withdrawal was restated by +28% (+9,142 m³) and water withdrawal per full-time employee (FTE) was restated by +4% (+0.6 m³/FTE) due to data quality improvements. 2021 total water withdrawal was restated by <1%; water withdrawal per FTE was restated by +1% (+0.1 m³/FTE) due to data quality improvements.

Serving society

For customer satisfaction performance measurements, the customer satisfaction index (CSI) and the net promoter score (NPS) cover our Phonak brand exclusively and both are limited to hearing care professionals. The CSI is collected annually via an online survey to understand customer satisfaction across various aspects. For the 2023/24 financial year, the survey took place in 15 countries compared to 25 countries in 2022/23. The 2022/23 data is restated from 75 to 73 to cover the same scope of countries as the 2023/24 survey. The NPS is the average result of the monthly NPS, collected through a survey question asking respondents to rate the likelihood that they would recommend a company, product, or a service. The NPS is collected in four countries.

Sales growth in low- and middle-income countries is based on unit sales of hearing instruments and the World Bank country classification by income level in 2022. For the SIHA graduates in low- and middle-income countries, the same classification is used. In 2023/24, China was the only country with graduates from low- and middle-income countries.

Advancing our people

Employee related data is reported based on headcount and FTE data, highlighted in each table. The following categories are used: Regular employees are employees with an unlimited contract, fixed-term employees and interns have a fixed-term contract, and external temporary employees refer to contractors, agency temps, and contingent workers. Headcount based performance measurements cover regular, fixed-term, and interns and exclude employees on long-term leave. FTE based performance measurements cover regular and fixed-term employees and exclude employees on long-term leave and interns. Employees on long-term leave include absences such as maternity or long-term sick leave.

KPI-specific definitions and in-scope details:

For employees by employment contract regular, fixed-term, interns, and external temporary employees are included, and employees on long-term leave are excluded.

Talent and engagement

Employee engagement data are collected through the annual HearMe engagement survey. The survey and data are handled by an external provider. Employees eligible to take the survey are defined as: Regular and fixed-term employees, working at least 20% of full time; employees who

joined Sonova no later than one and a half months before the HearMe survey. In total, 17,883 employees were eligible to take the survey in the 2023/24 financial year.

The employee turnover rate is the percentage of employees who left Sonova during the financial year including continuing and discontinued operations (excl. leaves following company sale). The employee voluntary turnover rate is the percentage of the employees who left Sonova voluntarily during the financial year.

Tenure data is defined as the average number of years and only includes regular employees. 2022/23 tenure data were restated by +0.4 years for people leaders, +0.1 years for employees without a direct report, and +0.2 years for all employees due to data quality improvements.

The development plan data is defined as the number of eligible employees with a development plan documented in the HR system. Eligible employees are defined as regular and fixed-term employees who have worked at Sonova for more than 6 months. Ineligible employees are employees on long-term leave, external temporary workers, interns, and employees in production/assembly for whom other skill-related growth paths are established. More than 11,500 employees were eligible in the 2023/24 financial year.

[Wellbeing](#)

The performance measurement for people leaders trained in Mental health first aid conversations for managers includes every people leader trained, including people leaders who left Sonova after the completion of the training.

[Diversity and inclusion](#)

At the end of 2023/24, the senior management population was around 220 employees and the middle management population around 1,700. Sonova's level system covers levels from A to J. Senior management include employees in level category A, B and Management Board members. Middle management include employees in level category C and D. Non-management include employees in level category E to J.

STEM positions are functions where the primary skills required are related to science, technology, engineering, or mathematics and revenue-generating positions are all positions excluding support functions such as HR, IT, legal, finance, and facilities management.

The leadership recruitment rate for women includes women hired in people leader or project manager positions.

The data for number of nationalities, top five nationalities for all employees, and top five nationalities for people leaders covers more than 95% of all employees in 2023/24.

[Occupational health and safety](#)

Occupational health and safety performance measurements are reported for our operation and distribution centers and cover Sonova employees and external temporary employees (20% of the global workforce). Number of hours worked is the total hours worked for the population in scope. A work-related injury is defined as an injury that occurred at work and the employee was not able to return to work for the next scheduled workday/shift. Lost days refer to working days, not calendar days from the first working day/shift where the employee cannot work. An occupational illness or disease is defined according to the ILO List of Occupational Diseases. The lost day rate is the total number of lost days due to injuries/total hours worked times 1,000,000 and the lost time injury frequency rate is the total number of lost-time injuries per total hours worked times 1,000,000. The occupational illness frequency rate is the total number of occupational illness or disease cases per total hours worked times 1,000,000, and work-related fatalities are defined as death arising from an occupational disease or injury sustained or contracted while performing work.

[Acting with integrity](#)

Product safety data for all years are reported for medical devices, e.g., cochlear implants and hearing instruments, based on the updated 2023 Sustainability Accounting Standards Board (SASB) standard. Products listed in any public medical product safety or adverse event alert

database is defined in relation to listings that indicate potentially serious risks or product safety issues. Regulatory inspections are performed by competent authorities, regulators, or notified bodies at our sites, including e.g., ISO 13485, MDSAP, ISO 14001, MDR 2017/745, NMPA China, or US FDA audits. The number of enforcement actions taken in response to violations of good manufacturing practices (GMP) or equivalent standards includes non-compliance violations or issues identified during safety inspections, warning letters, seizures, recalls, or consent decrees. HI regulatory agency inspections restated for 2022/23 and 2021/22 to only cover external inspections.

Product reliability for hearing instruments is defined as the ratio between the annualized number of in-warranty product returns over the past three months and the number of hearing instruments in the market and within warranty. Product reliability for cochlear implants (externals) is defined as the annualized three-month rolling average of Naïda pediatric and adult system product returns, divided by the number of registered processors used by pediatric and adult recipients.

Procurement performance measurements are collected in Sonova's spend analytics platform, through EcoVadis, and via our third-party for Consumer Hearing supplier audits.

Code of Conduct on-time training completion rate is defined as the percentage of employees assigned Code of Conduct training (more than 13,900 employees) who completed it on-time on the SonovaLearning platform during the annual launch period. Employees who do not work with a computer in their daily work are excluded; these completed their annual training in classroom sessions.

Swiss Code of Obligations (Art. 964b) content index

The ESG Report 2023/24 covers the reporting requirements as defined in the Swiss Code of Obligations related to transparency on non-financial matters. The following content index refers to the relevant disclosures reported in accordance with Art. 964b of the Swiss Code of Obligations for material topics based on our latest double materiality assessment. As human rights is explicitly mentioned in the Art. 964b, the human rights chapter is included, although it does not meet the defined materiality threshold requirements.

Art. 964b content requirement	Reference
Sonova's business model	Strategy and businesses
Materiality assessment and risk management	Double materiality assessment
	Risk management
Material topics including:	
Policies adopted in relation to material topic	Climate change
	Access to hearing care
Measures taken to implement these policies and an assessment of the effectiveness of the measures	Talent and engagement
	Employee wellbeing
Main risks related to the matters and how Sonova is dealing with these risks, covering both risks in its own business operations and related to business relationships	Business ethics and corporate governance
	Product safety
	Product quality and reliability
Performance indicators for Sonova's activities in relation to the matters	Data privacy and digital ethics
	Ethical marketing and sales practices
	Sustainable supply chain
	Human rights
References to national, European or international regulations	Reporting approach
Coverage of subsidiaries	Reporting approach

Sonova complies with the Swiss Code of Obligation Art. 964j for due diligence and reporting obligations related to child labor. We qualify for the exception clause provided in the law, since our human rights due diligence fully aligns with the following international frameworks: the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, the ILO Conventions No. 138 on Minimum Age and No. 182 on the Worst Forms of Child Labour, the ILO-IOE Child Labour Guidance Tool for Business, as well as the United Nations Guiding Principles on Business and Human Rights (UNGP).

Sonova is exempted from the Swiss Code of Obligation Art. 964j Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labor. A process to regularly review potential purchases of minerals and metals from conflicted-areas is established.

GRI content index

GRI content index	
Statement of use	Sonova has reported in accordance with the GRI Standards for the period April 1, 2023 to March 31, 2024.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	

GRI Standard	Disclosure	Reference	Omission reason and explanation	External assurance
	Universal standards			
GRI 2: General Disclosures 2021	2-1 Organizational details	Reporting approach		No
	2-2 Entities included in the organization's sustainability reporting	Reporting approach		No
	2-3 Reporting period, frequency and contact point	Reporting approach		No
	2-4 Restatements of information	Basis for preparation		No
	2-5 External assurance	Reporting approach		No
	2-6 Activities, value chain and other business relationships	Strategy & businesses		No
	2-7 Employees	Advancing our people	GRI 2-7-b - Information unavailable/incomplete, breakdown by gender and region not reported.	Yes
	2-8 Workers who are not employees	Advancing our people		No
	2-9 Governance structure and composition	Corporate governance		No
	2-10 Nomination and selection of the highest governance body	Corporate governance		No
	2-11 Chair of the highest governance body	Corporate governance		No
	2-12 Role of the highest governance body in overseeing the management of impacts	ESG governance		No
	2-13 Delegation of responsibility for managing impacts	ESG governance		No
	2-14 Role of the highest governance body in sustainability reporting	ESG governance		No
	2-15 Conflicts of interest	Corporate governance		No
	2-16 Communication of critical concerns	ESG governance		No
	2-17 Collective knowledge of the highest governance body	ESG governance		No
	2-18 Evaluation of the performance of the highest governance body	Corporate governance		No
	2-19 Remuneration policies	Compensation report		No
	2-20 Process to determine remuneration	Compensation report		No
	2-21 Annual total compensation ratio		Information unavailable/incomplete, due to limited availability of consolidated payroll data.	No
	2-22 Statement on sustainable development strategy	Message from the CEO		No
	2-23 Policy commitments	Business ethics and corporate governance		No
	2-24 Embedding policy commitments	Business ethics and corporate governance		No
	2-25 Processes to remediate negative impacts	Business ethics and corporate governance		No

	2-26 Mechanisms for seeking advice and raising concerns	Business ethics and corporate governance		No
	2-27 Compliance with laws and regulations	Business ethics and corporate governance		No
	2-28 Membership associations	Public affairs		No
	2-29 Approach to stakeholder engagement	Stakeholder engagement		No
	2-30 Collective bargaining agreements	Advancing our people		No
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Double materiality assessment		No
	3-2 List of material topics	Double materiality assessment		No
	Topic standards			
	Anti-corruption			
GRI 3: Material Topics 2021	3-3 Management of material topics	Business ethics and corporate governance		No
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Business ethics and corporate governance		No
	Anti-competitive behavior			
GRI 3: Material Topics 2021	3-3 Management of material topics	Business ethics and corporate governance		No
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Business ethics and corporate governance		No
	Energy			
GRI 3: Material Topics 2021	3-3 Management of material topics	Climate change		No
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Climate change		Yes
	302-3 Energy intensity	Climate change		Yes
	Emissions			
GRI 3: Material Topics 2021	3-3 Management of material topics	Climate change		No
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Climate change		Yes
	305-2 Energy indirect (Scope 2) GHG emissions	Climate change		Yes
	305-3 Other indirect (Scope 3) GHG emissions	Climate change		Yes
	305-4 GHG emissions intensity	Climate change		Yes
	Supplier environmental assessment			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainable supply chain		No
GRI 308: Supplier Environmental Assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	Sustainable supply chain		No
	Employment			
GRI 3: Material Topics 2021	3-3 Management of material topics	Talent and engagement		No
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Talent and engagement		Yes
	Training and education			
GRI 3: Material Topics 2021	3-3 Management of material topics	Talent and engagement		No
GRI 404: Training and Education 2016	404-3 Percentage of employees receiving regular performance and career development reviews	Talent and engagement	Information unavailable/incomplete, employee category not reported.	Yes
	Supplier social assessment			
GRI 3: Material Topics 2021	3-3 Management of material topics	Talent and engagement		No

GRI 414: Supplier Social Assessment 2016	414-2 Negative social impacts in the supply chain and actions taken	Talent and engagement		No
	Customer health and safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	Product safety		No
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Product safety		No
	Customer privacy			
GRI 3: Material Topics 2021	3-3 Management of material topics	Data privacy and digital ethics		No
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data privacy and digital ethics		No
	Material topics without GRI topic standard			
	Access to hearing care			
GRI 3: Material Topics 2021	3-3 Management of material topics	Access to hearing care		No
	Employee wellbeing			
GRI 3: Material Topics 2021	3-3 Management of material topics	Employee wellbeing		No
	Ethical marketing and sales practices			
GRI 3: Material Topics 2021	3-3 Management of material topics	Ethical marketing and sales practices		No
	Product quality and reliability			
GRI 3: Material Topics 2021	3-3 Management of material topics	Product quality and reliability		No
	Non-material topic disclosures			
GRI 303: Water and Effluents 2018	303-1 Management of water discharge-related impacts	Water		No
	303-3 Water withdrawal	Water	GRI 303-3-c - Information unavailable/incomplete, unavailable data on water categories.	Yes
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Human rights		No
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human rights		No
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Diversity and inclusion		Yes
GRI 403: Occupational Health and Safety 2018	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Occupational health and safety		Yes
	403-9 Work-related injuries	Occupational health and safety		Yes
	403-10 Work-related ill health	Occupational health and safety		Yes
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	Waste and pollution		No
GRI 415: Public Policy 2016	415-1 Political contributions	Public affairs		No

¹⁾ All references refer to the 2021 version of the GRI Standards.

TCFD content index

TCFD disclosure	TCFD code	Disclosure description	Disclosed
Governance	TCFD-GOV-a	Describe the board's oversight of climate-related risks and opportunities	Yes
	TCFD-GOV-b	Describe management's role in assessing and managing climate-related risks and opportunities	Yes
Strategy	TCFD-STR-a	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	Yes
	TCFD-STR-b	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	Yes
	TCFD-STR-c	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Yes
Risk management	TCFD-RMA-a	Describe the organization's processes for identifying and assessing climate-related risks	Yes
	TCFD-RMA-b	Describe the organization's processes for managing climate-related risks	Yes
	TCFD-RMA-c	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	Yes
Metrics and targets	TCFD-MET-a	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	Yes
	TCFD-MET-b	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks	Yes
	TCFD-MET-c	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	Yes

SASB content index

SASB code	Metric description	Level of disclosure	Main reference	External assurance
HC-MS-240a.2	Description of how price information for each product is disclosed to customers or to their agents	Partial	Ethical marketing and sales practices	No
HC-MS-240a.3	Percentage change in: (1) weighted average list price and (2) weighted average net price across product portfolio compared to previous reporting period	Omission ¹	-	-
HC-MS-250a.1	(1) Number of recalls issued, (2) total units recalled	Full	Product safety	Yes
HC-MS-250a.2	Products listed in any public medical product safety or adverse event alert database	Full	Product safety	Yes
HC-MS-250a.3	Number of fatalities associated with products	Full	Product safety	Yes
HC-MS-250a.4	Number of enforcement actions taken in response to violations of good manufacturing practices (GMP) or equivalent standards, by type	Full	Product safety	Yes
HC-MS-270a.1	Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	Full	Ethical marketing and sales practices	No
HC-MS-270a.2	Description of code of ethics governing promotion of off-label use of products	Omission ²	-	-
HC-MS-410a.1	Discussion of process to assess and manage environmental and human health considerations associated with chemicals in products, and meet demand for sustainable products	Full	Waste and pollution	No
HC-MS-410a.2	Total amount of products accepted for takeback and reused, recycled, or donated, broken down by: (1) devices and equipment and (2) supplies	Partial	Circular economy	No
HC-MS-430a.1	Percentage of (1) entity's facilities and (2) Tier 1 suppliers' facilities participating in third-party audit programmes for manufacturing and product quality	Full	Product safety	No
HC-MS-430a.2	Description of efforts to maintain traceability within the distribution chain	Partial	Product safety	No
HC-MS-430a.3	Description of the management of risks associated with the use of critical materials	Partial	Waste and pollution	No
HC-MS-510a.1	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Full	Business ethics and corporate governance	No
HC-MS-510a.2	Description of code of ethics governing interactions with health care professionals	Full	Ethical marketing and sales practices	No
HC-MS-000.A	Number of units sold by product category	Adjusted ³	-	-

¹ Sonova does not report detailed price information on all its products in its investor reporting. However, information related to the pricing strategy is reported in the Annual Report (Strategy and businesses, compensation report, financial review).

² This metric is not applicable to Sonova's business model.

³ Sonova instead reports the sales volumes by business segment (Annual Report: Notes to the consolidated financial statements - 2.2 Segment information).

SDG and UNGC content indices

The 17 Sustainable Development Goals (SDGs) were adopted by the United Nations (UN) in 2015 as a universal call to action to address some of the world's biggest challenges by 2030. Sonova has been a signatory of the UN Global Compact since 2016 and supports the achievement of the SDGs. Our hearing solutions help to improve the lives of millions of people. Beyond serving our consumers, we aspire to create benefits for the economy, the environment, and society. Against this background, we have identified those SDGs for which we have direct or indirect impact on at least one of the 169 targets. In the index below, we provide an overview of the SDGs where Sonova has an impact, the specific targets, and links to the relevant sections of this report.

Goal	Goal description	Sonova impact	Relevant SDG sub-targets	Relevant content on Sonova's SDG impact
SDG 3	Good health & wellbeing	high	3.8: "Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all."	Access to hearing care
			3.C: "Substantially increase health financing and the recruitment, development, training and retention of the health workforce in developing countries, especially in least developed countries and small island developing States."	Access to hearing care
SDG 5	Gender equality	medium	5.1: "End all forms of discrimination against all women and girls everywhere."	Business ethics and corporate governance
			5.5: "Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life."	Diversity and inclusion
SDG 6	Clean water and sanitation	low	6.3: "By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally."	Water
			6.4: "By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity."	Water
SDG 7	Affordable and clean energy	low	7.2: "By 2030, increase substantially the share of renewable energy in the global energy mix."	Climate change
			7.3: "By 2030, double the global rate of improvement in energy efficiency."	Climate change
SDG 8	Decent work and economic growth	medium	8.2: "Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labor-intensive sectors."	Business Report
			8.5: "By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value."	Diversity and inclusion
			8.7: "Take immediate and effective measures to eradicate forced labor, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labor, including recruitment and use of child soldiers, and by 2025 end child labor in all its forms."	Human rights
			8.8: "Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment."	Human rights
SDG 9	Industry, Innovation and Infrastructure	medium	9.4: "By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities."	Climate change

			9.5: "Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending."	Access to hearing care
SDG 10	Reduced inequalities	medium	10.2: "By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status"	Human rights
SDG 12	Responsible consumption	medium	12.2: "By 2030, achieve the sustainable management and efficient use of natural resources."	Circular economy
			12.4: "By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment."	Waste and pollution
			12.5: "By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse."	Waste and pollution
			12.6: "Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle."	ESG strategy and governance
SDG 13	Climate action	medium	13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	Climate-related risks and opportunities (TCFD)
SDG 16	Peace, justice and strong institutions	low	16.5: "Substantially reduce corruption and bribery in all their forms."	Business ethics and corporate governance
SDG 17	Partnerships for the goals	low	17.16: "Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries."	Stakeholder engagement

Below content index reflects the UN Global Compact principles and forms Sonova’s UN Global Compact Communication on Progress.

Topic	Number	Principle	Reference
Human rights	1	Businesses should support and respect the protection of internationally proclaimed human rights;	Human rights
	2	Make sure that they are not complicit in human rights abuses.	Human rights
Labour	3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Advancing our people
			Human rights
	4	The elimination of all forms of forced and compulsory labour;	Human rights
	5	The effective abolition of child labour;	Human rights
	6	The elimination of discrimination in respect of employment and occupation.	Diversity and inclusion
			Business ethics and corporate governance
Environment	7	Businesses should support a precautionary approach to environmental challenges;	Climate-related risks and opportunities (TCFD)
			Climate change
	8	Undertake initiatives to promote greater environmental responsibility;	Protecting the planet
	9	Encourage the development and diffusion of environmentally friendly technologies.	Protecting the planet
Anti-Corruption	10	Businesses should work against corruption in all its forms, including extortion and bribery.	Business ethics and corporate governance



Building a better
working world

Independent assurance report

on selected KPIs in the ESG Report 2023/24 to the Board of Directors of
Sonova Holding AG, Stäfa.

Zurich, May 11, 2024

GRI 2-4

We have been engaged to perform a limited assurance engagement (the engagement) on selected KPIs disclosed in Sonova Holding AG's and its consolidated subsidiaries' (the Group's) ESG Report 2023/24 (the report) for the reporting period from 1 April 2023 to 31 March 2024.

The KPIs in scope of the limited assurance (the KPIs) are marked with a "✓ Data externally assured (limited assurance)" in the ESG Report 2023/24.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the report, and accordingly, we do not express a conclusion on this information.

The Group defined as applicable criteria (applicable criteria):

- Global Reporting Initiative Sustainability Reporting Standards (GRI Standards). A summary of the standards is presented on the GRI website.
- SASB Standards for the Medical Equipment & Supplies industry. A summary of the standards is presented on the SASB website.
- The Group's own methodology available in the relevant sections of the ESG Report 2023/24 and in the chapter "Basis for preparation".

We believe that these criteria are a suitable basis for our limited assurance engagement.

Responsibility of the Board of Directors

The Board of Directors is responsible for the selection of the applicable criteria and for the preparation and presentation, in all material respects, of the disclosed KPIs in accordance with the applicable criteria. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation of the KPIs that are free from material misstatement, whether due to fraud or error.

Independence and quality control

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility

Our responsibility is to express a conclusion on the above mentioned KPIs based on the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information. This standard requires that we plan and perform this engagement to obtain limited assurance about whether the KPIs in the report are free from material misstatement, whether due to fraud or error.

Summary of work performed

Based on risk and materiality considerations we have undertaken procedures to obtain sufficient evidence. The procedures selected depend on the practitioner's judgment. This includes the assessment of the risks of material misstatements in the above mentioned KPIs. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in scope than, for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Although we considered the effectiveness of management's internal control when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal control. Our procedures did not include testing control or performing procedures relating to checking aggregation or calculation of data within IT systems.

The Greenhouse Gas (GHG) quantification process is subject to scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of GHGs. Additionally, GHG procedures are subject to estimation (or measurement) uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge.

Our limited assurance procedures included, amongst others, the following work:

- Assessment of the suitability of the underlying criteria and their consistent application
- Interviews with relevant personnel to understand the business and reporting process, including the sustainability strategy, principles and management
- Interviews with the Group's key personnel to understand the sustainability reporting system during the reporting period, including the process for collecting, collating and reporting the KPIs
- Checking that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the applicable criteria
- Analytical review procedures to support the reasonableness of the data
- Identifying and testing assumptions supporting calculations
- Testing, on a sample basis, underlying source information to check the accuracy of the data

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the KPIs for the reporting period from 1 April 2023 to 31 March 2024 have not been prepared, in all material respects, in accordance with the applicable criteria.

Ernst & Young Ltd

Roger Müller
Executive in charge

Martin Mattes
Partner