sonova
HEAR THE WORLD

Annual Report 2024/25

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Letter to shareholders

Dear shareholders,

Sonova achieved solid growth for the 2024/25 financial year. Successful product launches and further elevation of our commercial performance drove a substantial acceleration in sales and profitability through the course of the year. Although adverse currency exchange-rate developments held back reported growth in Swiss francs, we made further progress on our strategy: advancing our product portfolio, expanding market access, and delivering continuous improvement in our operational and commercial execution. We expect to build further on this momentum as we enter the 2025/26 financial year.

This year featured breakthrough advances delivered by the innovation culture on which Sonova's business thrives, further enhancing the hearing experience for our consumers. A disciplined approach to research and development, both in-house and in collaborations, has supported our long history of industry firsts, including groundbreaking improvements in sound quality, speech understanding, and connectivity. We have again clearly demonstrated the value of this approach with the launch of two new platforms under our core Phonak brand.

Phonak Infinio, powered by the new ERA connectivity chip and launched in August 2024, provides significant improvements over its predecessor Lumity in sound quality and connection stability, delivering high user satisfaction and reduced listening effort. Phonak Audéo Sphere™ Infinio adds real-time artificial intelligence processing to separate speech from noise in all directions instantly, significantly outperforming competitors in real-world listening scenarios. It is powered by our new proprietary DEEPSONIC™ deep neural network chip, the result of more than six years of development and significant R&D investments. These new platforms have been overwhelmingly positively received. They are driving growth in our Hearing Instruments business and have enhanced our Audiological Care business through increased consumer appreciation of our premium products' value, particularly in the second half-year.

"It is highly satisfying to see that our significant innovation in hearing aids provides, yet again, very tangible benefits to consumers, helping them to live life to the fullest."

Arnd Kaldowski

This positive momentum reinforces our conviction that our strategy is an effective generator of profitable growth. You can find additional details in the Strategy and businesses section of this report.

Our feature story for this year provides insight into Sonova's innovation culture, detailing how it leads to cutting-edge solutions that deliver fundamental consumer benefits and sustain our leadership position in the hearing-care industry.

Hearing Instruments segment

Sales in the Hearing Instruments segment increased by 7.5% in local currencies, primarily driven by organic growth. Accelerating growth in the second half of the year was supported by the successful launch of the new Infinio and Sphere Infinio platforms in August, which received positive feedback from customers and consumers and drove growth in both the Hearing Instruments and Audiological Care businesses. The Consumer Hearing business posted strong growth in the second half, helped by an improving overall market.

The main highlights in the Hearing Instruments business included the launch of the Phonak Infinio and Sphere Infinio hearing aid platforms in August 2024. We invested substantially in our most ambitious product launch to date, including a flagship event at the Sphere in Las Vegas that attracted over 1,000 hearing care professionals. Following the launch, we expanded the Phonak product range based on the new platforms to encompass additional price points and form factors, all contributing to market share gains. Meanwhile our Unitron brand broadened the offerings of its Vivante platform with its smallest and lightest behind-the-ear (BTE) model and a 'super power' device for consumers requiring greater amplification. Unitron also launched Ativo, a product designed to provide high performance at an accessible price.

Our Audiological Care business overcame some initial challenges to accelerate growth and expand market share in the second half of the financial year. Growth in the first half had been restrained by a modest pipeline of prospective customers at the year's start, combined with lower-than-expected demand, particularly in Europe. We therefore implemented a series of measures to drive growth and profitability, concentrating on improving the level and mix of lead-generation channels and executing structural improvements to streamline operations. The business also leveraged the innovative hearing aid solutions launched under our Phonak brand to stimulate consumer demand. These initiatives resulted in significantly increased growth in the second half-year.

The Consumer Hearing business achieved strong growth during the second half-year, benefiting from the return of the global consumer audio market to growth after a challenging period, as well as a favorable comparison base. The business has achieved further progress on its strategic priorities, concentrating its effort in the premium market categories where the Sennheiser name and market-leading audiophile heritage have the most resonance. At the same time, Consumer Hearing is improving profitability by increasing customer reach in key markets and channels while optimizing product-related costs.

Cochlear Implants segment

Strong sales of new systems, reflecting an increased market share, drove a 9.5% rise in sales in local currencies for the Cochlear Implants segment. Upgrade sales declined as, after the 2021 introduction of the Marvel sound processors, many recipients have already taken up this latest technology. Performance in the US has been a highlight, driven by elevated commercial execution and improvements in lead generation. The Phonak + AB Cochlear Implant Network, in particular, assists with identifying hearing aid users whose hearing loss has progressed to a point where a cochlear implant is the optimal solution. Sales growth was also supported by the Remote Programming feature introduced in the previous financial year: enabled by Phonak's unique Made For All™ universal Bluetooth® connectivity, it allows cochlear implant recipients to attend remote consultations and benefit from real-time adjustments with their audiologists via smartphone.

Financial performance

Group consolidated sales for the 2024/25 financial year were CHF 3,865.4 million, up 7.6% in local currencies. The continued significant strengthening of the Swiss franc reduced reported sales by CHF 37.7 million, resulting in sales growth of 6.6% in Swiss francs. Growth was supported by accelerating performance in the Hearing Instruments, Audiological Care, and Consumer Hearing businesses during the second half of the financial year, while the Cochlear Implants business achieved a solid performance throughout the year.

Reported operating profit before acquisition-related amortization (EBITA) reached CHF 749.8 million, an increase of 5.9% in local currencies or 3.1% in Swiss francs. Adjusted for restructuring, transaction, integration, and certain legal costs, EBITA reached CHF 807.8 million, up 7.4% in local currencies and 4.7% in Swiss francs. The adjustments primarily reflect the extensive restructuring measures undertaken to enhance productivity and improve our cost structure, thereby putting us in a stronger position for the upcoming financial year. The resulting margin was 20.9%, compared to 21.3% in the 2023/24 financial year, and mainly reflects the strong currency headwind. Adjusted earnings per share (EPS) reached CHF 10.81 (2023/24: CHF 10.06), up 10.6% in local currencies or 7.4% in Swiss francs.

Dividend proposal

The Board of Directors is pleased to propose to the Annual General Shareholders' Meeting (AGM) in June 2025 a dividend of CHF 4.40 per share. This represents a slight increase over the previous year and an adjusted payout ratio of approximately 41%, which is in line with our Total Shareholder Return (TSR) strategy. Sonova confirms its TSR strategy, targeting moderate leverage while maintaining a healthy balance sheet.

Environmental, social, and governance (ESG)

Sonova maintains its long-standing commitment to good environmental, social, and governance (ESG) practice: IntACT, our ESG strategy, is firmly embedded in our overall Sonova Group strategy. In the 2024/25 financial year, we made further progress towards our ESG targets, including a 24.5% reduction in scope 1-3 CO_2 emissions compared to the 2019/20 financial year. In line with our efforts to expand access to hearing care, units sold in low- and middle-income countries increased by 67% over the 2018/19 financial year.

The share of women in senior management increased compared to the previous financial year from 28.3% to 30.5%, and in middle management from 39.9% to 41.6%.

Sonova maintains strong ratings from external ESG agencies. Sustainalytics ranked us first in the medical devices industry, while TIME Magazine's "World's Most Sustainable Companies" named us as top in healthcare and 18th overall. Sonova was included in the Dow Jones Sustainability Index for the eleventh consecutive year, and received an AAA ESG rating from MSCI.

You will find further and more detailed information in our ESG Report.

Changes to the Board of Directors and to the Management Board

As previously communicated, the Board of Directors will propose changes to its membership at the upcoming AGM, in line with its established long-term succession planning. After many years of dedicated service, current Chair Robert Spoerry, Stacy Enxing Seng, and Lukas Braunschweiler will not stand for re-election; Robert Spoerry and Lukas Braunschweiler are approaching the age limit stipulated in the Organizational Regulations of Sonova Holding AG. The Board has nominated Gilbert Achermann, who was elected as a member of the Board at the 2024 AGM, for election as Chair and Laura Stoltenberg for election as a new member of the Board at the upcoming AGM. After a transition period in the 2024/25 financial year, the Board will reduce its membership from 10 to 8 members. Further details can be found in the AGM invitation. As announced in previous communications, Elodie Carr-Cingari, who brings extensive financial leadership experience, will join the Management Board as CFO starting July 2025.

Our thanks

We sincerely thank our employees for their unwavering commitment to enhancing the hearing experience for ever more consumers: this is the firm foundation of Sonova's strong performance in a notable year. We are also grateful to the consumers who ask us to accompany them on their hearing journey, and the professionals who support them. And our renewed thanks go to our shareholders for their continued trust in our strategy for sustainable, profitable growth.

Outlook

Building on our solid momentum, increased market share, positive market reception for our new products, and the continued execution of our strategy, we are entering the new financial year from a position of strength. The outlook is based on the current sentiment and growth trends in the hearing care market, as well as the tariffs currently in place. It reflects the recent decline in consumer confidence, particularly in the USA, along with the associated moderate market slowdown observed in recent months. This outlook assumes no significant additional tariffs or other major economic disruptions beyond those already known at the time of this report's publication.

For the full 2025/26 financial year, Sonova expects consolidated sales to increase by 5% – 9%, and EBITA – normalized for special items but including restructuring costs – to grow in a range of 14% – 18% when measured at constant exchange rates.

Robert Spoerry
Chair of the Board of Directors

Arnd Kaldowski
CEO

A personal note from the Chair

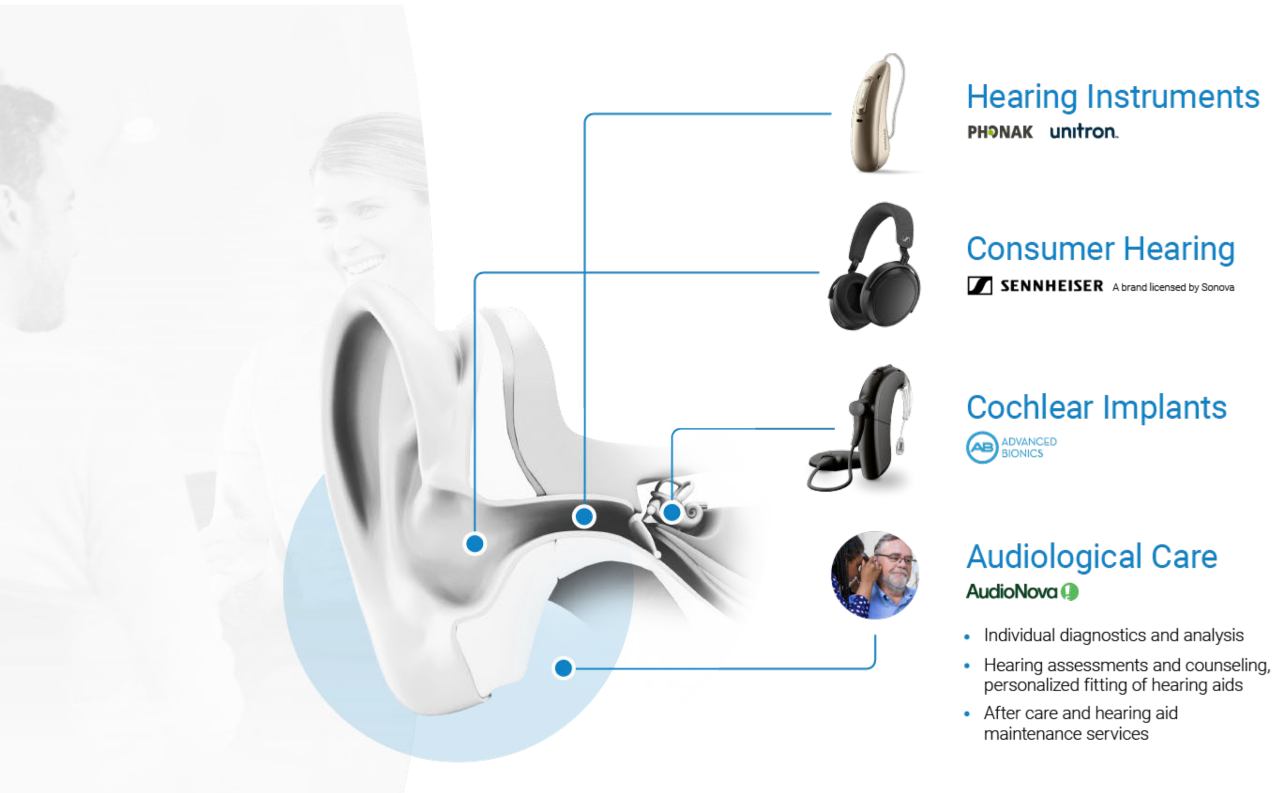
As previously communicated, I will be retiring from Sonova at the upcoming AGM due to reaching the age limit. It has been an honor and privilege to serve this remarkable company for such a long time, including 14 years as its Chair, and I give warmest thanks to colleagues and shareholders for the trust they have placed in me during our journey together. Sonova is a great company with a clear lead in the market, and I am happy to leave in the knowledge that it is well positioned for the future.

> "As my time at Sonova ends, I am convinced that the company is strongly positioned for a successful and sustainably profitable future."
>
> Robert Spoerry

Robert Spoerry
Chair of the Board of Directors

Our product and service offering

Sonova is a global leader in innovative hearing care solutions: from personal audio devices and wireless communication systems to audiological care services, hearing aids, and cochlear implants. Our product brands – Phonak, Unitron, Sennheiser (under license), and Advanced Bionics – create compelling new products to offer the optimal solution for an ever growing consumer base through our globally diversified sales and distribution channels, including our well established global audiological care business.



Phonak

Elevating Sound Quality with the New Infinio Portfolio

Phonak continues to enhance the hearing experience with the Infinio portfolio. Powered by the advanced ERA chip, the Infinio platform offers significant enhancements, including a 93% user preference from the first fit, a 45% reduction in listening effort [1], and a 61% improvement in speech understanding when combined with Roger ON [2].

With industry-leading connectivity, the Infinio portfolio ensures seamless hands-free calls and streaming across extended distances, all while being engineered for durability to withstand everyday challenges. Phonak remains dedicated to transforming the hearing experience, empowering users to connect with the world around them.

Building on the Infinio platform, the Audéo Sphere Infinio is the world's first hearing aid powered by a dedicated real-time AI chip for speech separation from noise. By addressing the critical challenge of speech understanding in noisy environments, the Audéo Sphere Infinio delivers exceptional speech clarity from any direction, achieving a 10dB improvement in Signal-to-Noise Ratio (SNR) compared to leading competitors [1], allowing users to engage in conversations effortlessly, regardless of background noise.

[1] Additional information available at: https://www.phonak.com/en-int/professionals/audiology-hub/evidence-library

[2] Thibodeau L. M. (2020). Benefits in Speech Recognition in Noise with Remote Wireless Microphones in Group Settings. Journal of the American Academy of Audiology, 31(6), 404–411.

Unitron

Celebrating 60 years of innovation

This year Unitron proudly celebrated 60 years of innovation and dedication to helping people hear better and delivering decades of delightful experiences.

The successful Vivante™ platform was expanded with two new styles: the Stride™ V-M, the smallest and lightest Behind-The-Ear (BTE) hearing aid in the lineup, and the Stride V-SP, designed for those needing a powerful option with extended battery life. Both models utilize standard batteries, thus eliminating the need to recharge. The Remote Plus app enhances the experience by providing access to many exclusive Experience Tech Tools, including the enhanced Coach, which offers tips and reminders through convenient notifications that stay available in the app for easy, anytime access.

Additionally, Unitron introduced the Ativo hearing aids, expanding the portfolio with a competitive option in the basic segment. Available in four non-rechargeable models, Ativo supports hands-free calls and media streaming from Bluetooth® devices [1].

[1] The Bluetooth® word mark is a registered trademark owned by the Bluetooth SIG, Inc. and any use of such marks by Sonova AG is under license.

AudioNova

Attracting, empowering, and retaining the best talent

The Audiological Care Academy provides a broad range of education opportunities for hearing care professionals (HCPs) across 20 markets through its diverse and comprehensive training programs. It is an integral part of the value proposition of the Audiological Care business to current and prospective HCPs.

The global shortage of audiology professionals is a pressing industry challenge, one that is further amplified by the growing demand for hearing care worldwide. Attracting new talent to audiology, recruiting and certifying HCPs, and fostering continuous learning have never been more critical or more challenging.

In 2024, Sonova's Audiological Care Academy with its global network of trainers and academies enrolled nearly 1,000 trainee HCPs worldwide across Sonova, including many from low- and middle-income countries. By investing in education and collaboration, we continue to elevate hearing care standards and empower professionals to make a meaningful impact in their communities.

Growth doesn't stop upon certification and continuous education remains a core focus of the Audiological Care Academy offerings. In 2024 alone, the Audiological Care Academy trained nearly 5,000 HCPs globally on the latest innovations, including smart hearing aids and the applications of Artificial Intelligence in hearing care. Furthermore, upskilling in critical areas such as cognition and its connection to hearing loss, as well as tinnitus management, remains a key component of the curriculum. Thanks to this knowledge, HCPs can provide holistic hearing care and deliver exceptional outcomes.

Sennheiser

Sennheiser MOMENTUM 4 Wireless goes from strength to strength

MOMENTUM 4 Wireless was created with a bold vision: to lead the market with audiophile-inspired sound quality while excelling in every other area that defines a premium listening experience.

Launched in August 2022, the Sennheiser [1] MOMENTUM 4 headphones have proved to be a great success with over 1 million units sold and still going strong. Sales volumes of the headphone have continued to increase in the 2024/25 financial year with new color versions, special editions, and software updates keeping the headphones fresh in the eyes of the consumer.

With 60 hours battery life, premium comfort, active noise cancelation, and outstanding sound, MOMENTUM 4 also won the ‘Forbes Vetted’ award for ‘Best Travel Headphones Overall’. This was further supported by the launch of a co-branded Lufthansa special edition that is provided to passengers of the airline’s new Allegris First Class Suites that launched in November 2024.

MOMENTUM 4 not only represents Sennheiser’s commitment to audio excellence but also its dedication to making high-quality sound accessible and enjoyable for all.

[1] Sennheiser is a registered trademark of Sennheiser electronic GmbH & Co. KG and is used under license by Sonova

Advanced Bionics

Empowering digital hearing health

Advanced Bionics (AB) continues its mission to improve lives by developing technologies and services that help people with significant hearing loss achieve their full potential, with the launch of the AB ListenFit app and the Advanced DigiCare collection of digital tools and resources.

The innovative AB ListenFit app helps users track their hearing progress, providing personalized insights on their hearing journey. Tests like the Phoneme and Matrix Sentence Tests allow users to monitor their hearing progress anytime, anywhere.

AB ListenFit is part of AB's Advanced DigiCare portfolio, designed for patients, professionals, and caregivers. Included in these tools are the AB Remote Support app, which allows audiologists to adjust cochlear implants remotely, and platforms such as HearingSuccess and Hearing Journey™, which facilitate hearing training and foster community engagement. These resources offer a flexible, personalized approach to the hearing journey.

By providing tools such as Remote Programming and auditory training, everyone can better understand their hearing health and improve their well-being. The AB ListenFit app is another step in AB's commitment to making hearing care more accessible, efficient, and personalized.

* AB ListenFit is compatible with Marvel CI and/or Phonak Link M Hearing Aid. AB ListenFit is intended for educational use by adults and children aged 13 and older, and younger children with caregiver assistance. It is not a substitute for professional medical advice, diagnosis, or treatment recommendations. Please consult with your healthcare provider for any medical concerns about managing your cochlear implant(s).

** Test availability may vary by region.

Strategy and businesses

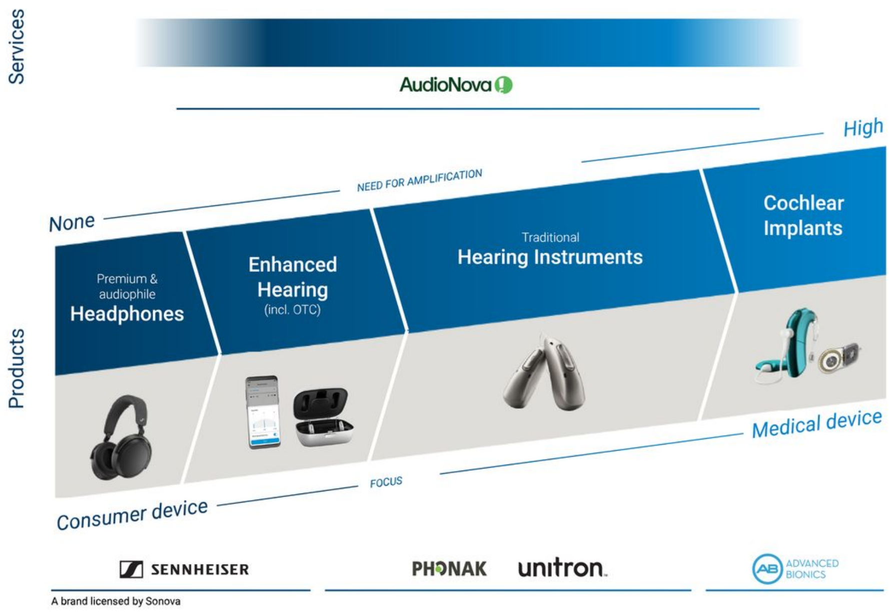
We elevate our consumers' experience through groundbreaking innovation that powers better hearing performance and consumer experience across our industry and deepens customer relationships around the world.

Sharing joyful moments with family, friends, and colleagues; enjoying the best of music, drama, and storytelling; experiencing the changing moods of nature – often quiet, but always meaningful. Good hearing isn't just a gift, it's a necessity for a full, rich life. Over more than 75 years, we at Sonova have worked with one simple goal in mind: to bring the delight of hearing to ever more people and empower them to live a life without limitation. Our quest to reach this goal has repeatedly taken us to the frontier of innovation in a broad range of technologies, scientific disciplines, and commercial activities – but our ultimate measure of success remains, "do we transform the consumer's hearing experience?" This year, we are proud to announce yet another innovation that meets this high standard.

The Sonova Group

The Sonova Group is a leading global provider of hearing care solutions. Its businesses are deeply connected, sharing innovation, customer access, talent, and market expertise across their various activities. They collaborate in R&D, manufacturing, marketing, sales, and customer support to ensure sustained, fruitful relationships with consumers, business partners, and hearing care professionals. The Group's innovation process develops new breakthrough capabilities for ever-better hearing experience, while rapidly extending the benefits of new technologies right across the industry's broadest solutions portfolio.

Sonova operates through four businesses with their own well-respected brands. Each serves a specific segment of the broader industry through the channels best suited to its customer base, but they also work closely together where those bases overlap, or where the consumer would benefit from a wider range of solutions.



The Hearing Instruments business stands at the core of Sonova's identity as a champion of better hearing. Operating through the globally-known Phonak and Unitron brands, it drives innovation in hearing aids and wireless communications devices. Combining strong audiological expertise with specialist skills in electroacoustics, chip design, wireless technology, software development, and precision manufacturing, its disciplined innovation process regularly sets new milestones in hearing performance, which are then reflected in the offerings of all four businesses.

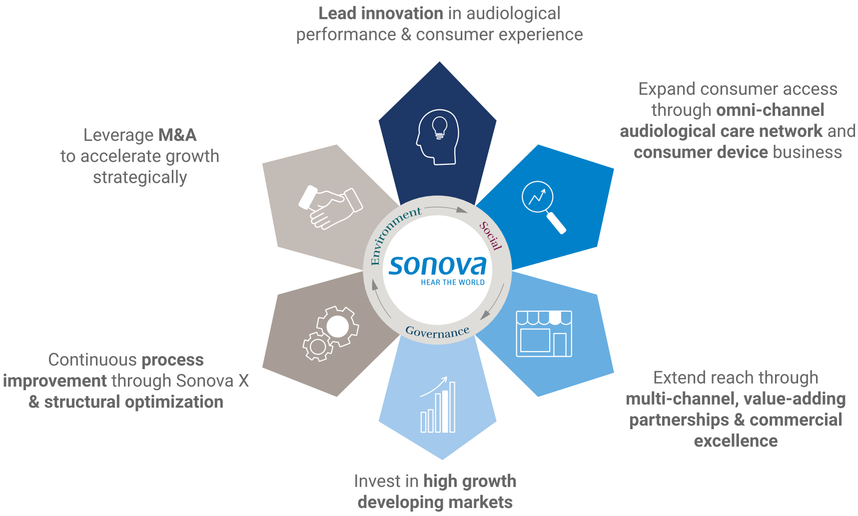
The Audiological Care business, operating under the AudioNova and other renowned national brands, leverages the full range of Sonova products with expert professional hearing care, delivered in-store and through other channels with audiological expertise, efficiency, and personal attention.

Consumer Hearing offers a range of premium wireless headphones, earbuds, and soundbars under the Sennheiser brand (under license), providing a deep immersive experience for consumers who love great sound, along with early-entry hearing devices that seamlessly address the first stages of hearing loss.

Cochlear Implants, operating under the Advanced Bionics brand, provides complete hearing solutions for those whose hearing loss is too advanced for hearing aids. Its solutions bring Sonova's audiological and technical innovations to a new group of consumers, helping to transform their hearing experience.

A strategy that delivers

Sonova's strategy is closely aligned with our mission – and it has proven to be effective. Innovation leadership is the driver for every strategic cycle. Each successive innovation is brought to market by expanding consumer access, extending value-adding partnerships, and investing in high-potential developing markets. At the same time, we continuously identify and implement opportunities for process improvement, structural optimization across the businesses and functions, and commercial excellence. Where appropriate, organic development is supplemented by strategic M&A activity.



This year, the strategic cycle has gained powerful impetus from the launches of the Phonak Infinio and Sphere Infinio platforms, the fruits of more than six years of intensive technical development. Infinio delivers significant sound quality and connectivity enhancements over its predecessor, Lumity. Sphere Infinio adds groundbreaking technology: a proprietary new chip that combines real-time processing with artificial intelligence to instantly separate speech from noise in any direction, providing substantial hearing benefits for consumers. These launches, representing the largest marketing effort in our history, have significantly elevated our innovation leadership in the eyes of customers across the globe and created further growth opportunities for our Audiological Care business. The unique value proposition of Advanced Bionics cochlear implants combined with Phonak sound processors has opened the door to new business, and the Sennheiser brand, with its strong presence in the audiophile market, has established further commercial partnerships. Sonova X, our business system and mindset for continuous process improvement, has grown in six years from a new idea for Sonova to an integral part of day-to-day work in all our businesses, delivering significant improvements in quality, sales conversion, productivity, and – most importantly – customer satisfaction.

The next step in a rich history of breakthrough innovations

Our Sphere Infinio platform, with its DEEPSONIC Deep Neural Network chip, supports an unprecedented leap forward in tackling the central challenge to delivering good hearing: making speech more comprehensible in noisy environments. Its technical performance (signal-to-noise ratio) is markedly higher than that of the best solutions previously available – and this is just at the start of tapping into the technology's potential. From the first moment of experiencing it, consumers and their audiologists have been overwhelmingly positive in their response.

How is such revolutionary innovation achieved? By building on our tradition of innovation. Sonova's history is regularly marked by industry firsts: multi-microphone beam steering, digital processing, wireless communication, universal connectivity, rechargeability, and now real-time AI sound processing. Over many decades, we have been willing to commit to high-risk, long-term development projects when we were convinced that they would transform consumer experience. We constantly reinforce our in-house audiological and technological expertise through strong partnerships and interaction with the academic, industry, and start-up communities. Our "open innovation" culture accelerates time-to-market by leveraging all our core competences, while embracing the diversity provided by partnership and acquired talents – all in the service of a clearly-defined shared goal. Six years ago, the goal was "significantly improved speech-in-noise performance," a goal that we knew would require entirely new enabling technology. Now that goal has been more than achieved – and on schedule.

ESG: sustainable business success

Our environmental, social, and governmental (ESG) strategy, IntACT, continues to drive substantial progress toward meeting Sonova's targets in a broad range of material topics.

These include increasing access to hearing care around the world: this year we achieved a 67% increase in units sold in low- and middle-income countries (LMIC) compared to the 2018/19 financial year, combined with 555 graduations, up 50% compared to the 2023/24 financial year, from our Swiss International Hearing Academy (SIHA) training program for hearing care professionals in these countries.

Our diversity and inclusion (D&I) initiatives have further increased the share of women in senior management from 28.3% to 30.5% and middle management from 39.9% to 41.6% over the previous financial year.

We are achieving significant reductions in our environmental footprint, including a 24.5% reduction in our Scope 1-3 CO_2 emissions compared to the 2019/20 financial year on a comparable basis. We have also lowered our energy consumption per full-time employee (FTE) by 13% compared to 2022/23.

Sonova's ratings from external ESG agencies and indices remain consistently high: we are included in the Dow Jones Sustainability Index for the eleventh consecutive year, ranking shared first out of 275 companies in the health care equipment and supplies sector. MSCI has again awarded us their highest-possible AAA ESG rating, and Sustainalytics listed us in first place out of more than 200 assessed companies in the medical devices industry. Sonova also ranked #1 in healthcare and #18 overall in TIME Magazine's "World's Most Sustainable Companies."

You can find further detailed information in our ESG report.

A culture of innovation

At Sonova, we lead the way in hearing care, driven by our vision to create a world where everyone can enjoy the delight of hearing and live life without limitations. We proudly introduced Audéo Sphere Infinio, a clear demonstration of our commitment to innovative hearing care solutions. As the first company to integrate real-time AI into hearing aids, we are leading the way in advancing the industry. This journey also reflects our team's capabilities and passion for making a meaningful difference in people's lives. We believe that together, we can transform lives and empower communities every day.

At the forefront of hearing technology

For decades, Sonova has been at the forefront of technological advancements in hearing care. With every new technology – directional microphones, Bluetooth, rechargeable devices, AI for personalized fittings – we have delivered high quality and customer-focused options. Launching Phonak Audéo Sphere Infinio in August 2024, using real-time AI for the first time, was another proud milestone for us at Sonova.

Innovating with purpose: Sonova's journey

Explore Sonova's timeline of innovation that has revolutionized the hearing care industry. From the launch of the first behind-the-ear hearing aid in 1978 to the introduction of the DEEPSONIC™ real-time AI chip in 2024, our journey underscores our commitment to continuously improve the hearing experience for people in need. Each milestone, including the Marvel[1)] hearing aids with Bluetooth connectivity and the Neptune™[2)] sound processor for swimmers, shows the need to keep listening and turn their needs into impactful solutions that improve lives.

1978

Introduces Phonak Super-Front™, the first behind-the-ear (BTE) device for significant hearing loss, designed to function like a high-performance, small, portable device.

2011

Unveils the Neptune™ through Advanced Bionics, the world's first swimmable cochlear implant sound processor for seamless audio connectivity and water activities.

2018

Rolls out the first hearing instrument with Bluetooth Classic for universal connectivity: Phonak Marvel, offering exceptional sound, streaming, and rechargeability.

2018

Debuts through Sonova's Audiological Care business, the "World of Hearing" offers free tests, audiologist consultations, and innovative products to enhance complex hearing experiences.

2024

Presents the Sennheiser MOMENTUM True Wireless 4 earbuds, among the first to support Auracast™ technology for enhanced audio sharing experiences.

2024

Launches the DEEPSONIC™, a real-time AI/DNN chip that enhances speech understanding in noise, offering 53 times more processing power.

*Auracast™ technology enables users to share Bluetooth audio streams with multiple devices simultaneously, allowing for both private and public listening experiences. This innovative feature enhances social interactions by making it easy to enjoy audio content together without disturbing others.

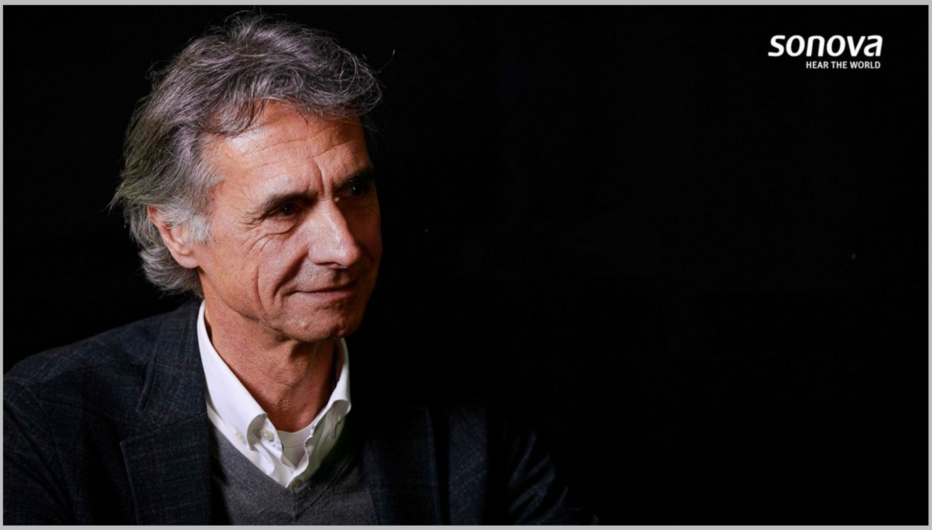
Audéo Sphere Infinio uses real-time AI to address one of the most pressing needs of people with hearing loss: understanding speech in noisy situations. Background noise in restaurants, on the street, or during gatherings with family and friends can make it hard to hear what others are saying, which may limit involvement and enjoyment. Using extra effort to be part of the conversation is tiring too, all of which leads some people with hearing loss to avoid noisy environments altogether.

Despite improvements in hearing technology, noisy environments have continued to be a challenge for people who wear hearing aids – until now. Running on an AI sound processing chip, DEEPSONIC™, Audéo Sphere Infinio provides unprecedented speech clarity from any direction[3)]. "Based on the feedback we get from our customers, this is a big step forward for anyone struggling in noisy environments. Innovating where it matters most, makes us proud and highlights Sonova's dedication to providing the best possible sound quality and user experience,"says CEO Arnd Kaldowski.

It begins with people

The philosophy that drives innovation at Sonova is so deeply held that it is written on the walls of our headquarters in Stäfa. "At Sonova we say 'Ohni Lüüt gaht nüüt' ('Nothing works without people') and this concept is really fundamental in this company," says Andi Vonlanthen, who served as Senior Vice President for Hearing Instruments Research & Development at Sonova for more than 40 years. "Innovation is all about people. You need a vision of where you want to go and then you give people the responsibility and trust them to achieve it."

A visionary journey in hearing technology



As a leader in wireless technology, Andi's work on the Marvel product line has redefined connectivity, allowing users to seamlessly connect with their devices. His persistent commitment to innovation and a customer-first approach has best positioned Sonova to meet future challenges and continue making a meaningful impact in hearing solutions. At Sonova, we firmly believe that Andi's legacy will resonate for years to come, inspiring our people and guiding our future R&D initiatives.

In the dynamic world of hearing technology, Andi Vonlanthen stands out as a true innovator. For 40 years at Sonova [4)], he drove groundbreaking advancements, fostering an open innovation culture that led to the creation and successful market launch of the Infinio Sphere – a revolutionary real-time AI platform addressing the most challenging problem for people with hearing loss: understanding speech in background noise. His remarkable contributions also include the personal integrated communication system (Pics), Audio Zoom, and Claro products, all designed to improve user experience and connection.

Andi connects the open layout of the workplace at Sonova, which is designed to encourage interaction, to the company's enduring success. "It's about creating an environment where people can work together and innovate without hurdles or hierarchies," he says.

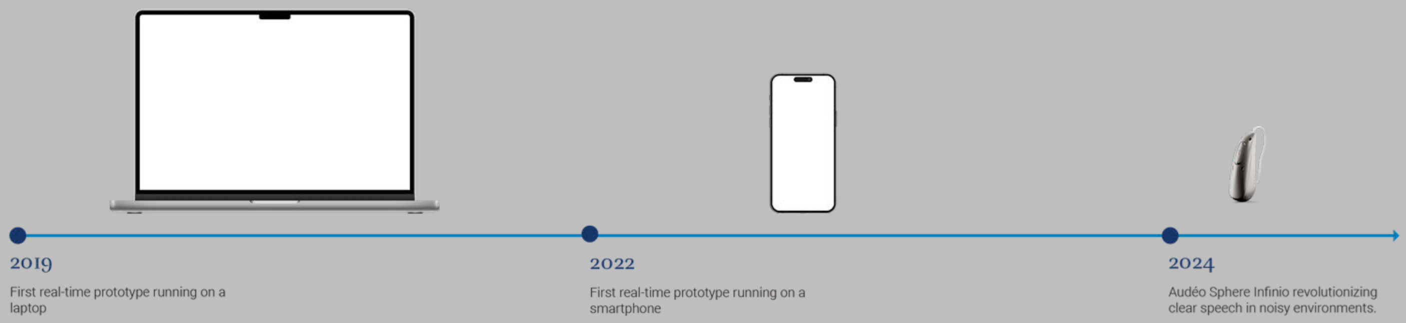
Volker Kuehnel, who works in Sonova's technology development and integration team, believes that people need time and space to "think, explore, try out". This is an equally important aspect of the innovation culture at Sonova. This is often how incremental improvements to products are found, alongside big leaps forward like Audéo Sphere Infinio. The adjustment to the default software settings of a hearing aid in response to fitting data is also an example of our innovation. "We learn and we iterate," explains Volker.

Listening to the customer

Unmet needs, open minds, and belief there is a solution – this is always how innovation begins at Sonova. Product manager Shin-Shin Hobi is closely involved in the development of new hearing instruments. She observes: "We don't build a product just because we can. We do it because we know there's a need for it from listening to our consumers."

Our determination to solve speech understanding in noisy environments led us to develop a specific deep neural network for this purpose, a type of real-time AI model inspired by the way the human brain works. This deep neural network achieved astonishing results in speech enhancement on a laptop. But could that performance be replicated in a hearing aid?

From powerful processing to match-sized performance



Everyone involved in the project recognised this was a high-risk venture. “We thought we had a good shot at making this into a product, but there were many unknowns because the hearing aid is such a complex device,” says Paul Mayer-Rachner, one of Sonova’s Technical Directors.

Working at the very edge of possible

Andi Vonlanthen knows all about the persistence and resilience required when pushing into new territory. “I can tell you, innovation hurts. It’s a lot of work and it’s not something you can do overnight,” he says. Chip designers, software engineers, data scientists and audiological specialists were part of the team that worked relentlessly to fit real-time AI into a hearing aid and integrate it with the other functions. Delivering processing power without compromising battery life for the user was one of the many technical problems to overcome. “We were working at the edge of what is possible,” recalls Volker Kuehnel.



Left: Team experimenting with Sonova’s DNN technology. Middle: The advanced DEEPSONIC™ chip. Right: Team testing the Audéo Sphere Infinio

Developing any new product is a long and uncertain journey, so it is only natural to have moments of doubt along the way, especially when working with an emerging technology like real-time AI. “It took me some time to believe we can really do this,” says Sebastian Stenzel, an AI software architect on the project. Audiologist Stefan Raufer describes the first time he heard the denoising effect in a live environment, when the software was demonstrated in the busy cafeteria at Stäfa during the peak of the lunch service. “That was my ‘wow’ moment, when I realized we have invented a technology that can change the lives of so many people,” he says. “This was really exciting!”

Sonova's investment in this technology helped cross the threshold from demo to prototype to viable commercial product. The project required dedicated hardware and software development resources, additional computing power to train the real-time AI, new testing equipment to get precise performance data, and extra clinical trials to back up marketing claims. Fethi Cherigui, from Hearing Instruments Research & Development, appreciates having a management team that understands what it takes to bring innovation to fruition. "Sonova's willingness to invest in innovation is a real competitive advantage," he says.

Hearing the difference

Hearing loss affects approximately 430 million people globally [5)]. Addressing this issue is crucial, as untreated hearing loss can lead to reduced quality of life, as well as to reduced socio-emotional and cognitive well-being [6)].

"Our product brings a true benefit for people in need - because it helps them to communicate and stay socially active, especially in challenging listening situations," says Maren Stropahl, Director Holistic Hearing Care for R&D Audiology and Health Innovation. "Customers tell us they feel more at ease and confident in social settings, which highlights the real-world impact of our innovations."

Left: Aaron, an Audéo Sphere Infinio user. Middle: Tiffany, a hearing care professional. Right: Maren, who focuses on holistic hearing care.

Hearing care professional Tiffany Wilson, a Licensed Hearing Instrument Specialist at AudioNova US, part of Sonova's Audiological Care business, confirms that being able to engage in conversation without the frustration of background noise makes a significant difference in the lives of her customers [7)8)]. "Being able to hear their grandchild in the back of the car, or their spouse in a busy restaurant, this is what really matters to people. Audéo Sphere Infinio gives our customers the ability to understand and keep up regardless of the type or level of noise in the environment," says Tiffany. "It makes me proud to be able to support them in their time of need!"

Reduced listening effort is another benefit for Audéo Sphere Infinio users [9)]. For professional soccer player Rylee Foster, easier listening means she has more energy for training and performance. Rylee says: "I no longer have hearing burnout. After a long training day, I would be exhausted. I can now have conversations without feeling overwhelmed."

Rylee’s remarkable comeback

Now playing for Durham Women FC in England’s FA Championship, Rylee has also made her mark internationally, winning the Golden Glove in the U17 CONCACAF Championship. With the Infinio Sphere, she has experienced a significant improvement in her hearing, allowing her to connect more easily with teammates and coaches. “For the first time, I can easily understand speech,” she shares, highlighting how this technology has transformed her interactions.

Rylee’s story is not just about overcoming challenges; it’s about living a full life with hearing loss and inspiring others to embrace their own journeys with courage and authenticity.

Rylee Foster’s journey is a remarkable tale of resilience and authenticity. After a near-fatal car accident three years ago, this Canadian goalkeeper defied the odds to return to the pitch and pursue her dream of a law degree. While she is hearing-impaired, she has not experienced the severe hearing loss that affects her mother and sister. Inspired by her mother’s determination to succeed in a people-oriented career, Rylee credits her grit to her upbringing, the challenges she has faced, and her beloved city.

Phonak ambassador Aaron Small has a busy schedule too as he trains for his next shot at Olympic glory. He welcomes feeling less fatigued thanks to the sound quality of Audéo Sphere Infinio [10)]. “I’ve noticed my social battery has been given an upgrade,” says Aaron “Voices stand out more and I don’t struggle with picking them out from a loud room.”

Making our best even better

While the launch of a product is a something to celebrate, it is not an end but the beginning of a new innovation cycle. The second generation of Audéo Sphere Infinio is already in the pipeline, with improvements that show our commitment to making the best even better for our customers. And the lessons learned and investments made in bringing Audéo Sphere Infinio to market have opened up new possibilities for future innovation. CEO Arnd Kaldowski says: “We are just getting started with using real-time AI to improve hearing performance. This is a whole new innovation vector for Sonova, and I’m excited for what lies ahead.”

Watch this video to experience the future of hearing care with Phonak.

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[1] Phonak Marvel: revolutionary hearing aids offering exceptional sound, Bluetooth streaming, rechargeability, and remote support. Revolutionary Phonak Marvel hearing aids: the ultimate combination of exceptional sound quality and universal Bluetooth® connectivity | Sonova International, visited in April 2025

[2] Neptune™ Sound Processor: a versatile cochlear implant system designed for seamless audio connectivity and water activities. Neptune™ Processor | Advanced Bionics, visited in April 2025

[3] Raufer, S., Kohlhauer, P., Jehle, F., Kühnel, V., Preuss, M., Hobi, S. (2024). Spheric Speech Clarity proven to outperform three key competitors for clear speech in noise. Phonak Field Study News retrieved from https://www.phonak.com/evidence

[4] Andi Vonlanthen retired from Sonova on March 31, 2025

[5] World Health Organization. Deafness and hearing loss, published 26 February 2025 at: https://www.who.int/news-room/fact-sheets/detail/deafness-and-hearing-loss. Last accessed: April 2025

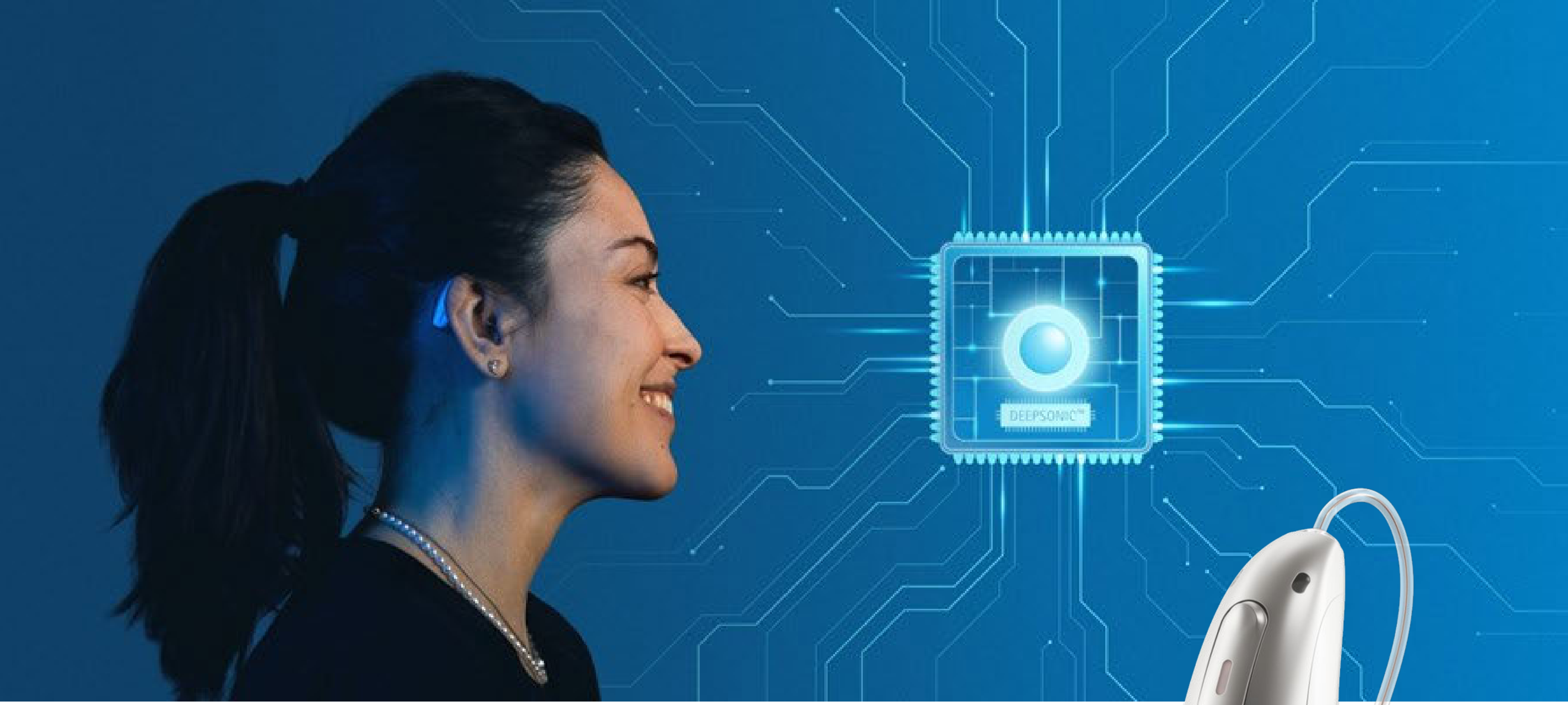
[6] Vercammen, C., Ferguson, M., Kramer, S.E., Meis, M., Singh, G., Timmer, B., Gagné, J.-P., Goy., H., Hickson, L., Holube, I., Launer, S., Lemke, U., Naylor, G., Picou, E., Scherpiet, S., Weinstein, B., & Pelosi, A. (2020). Well-Hearing is Well-Being: A Phonak Position Statement. Hearing Review, 27, 18 – 22

[7] Thibodeau, L. M. (2020). Benefits in Speech Recognition in Noise with Remote Wireless Microphones in Group Settings. Journal of the American Academy of Audiology, 31(6), 404-411

[8] Appleton-Huber, J., et al. (2024). Speech Enhancer reduces listening effort of speech from adjacent room. Phonak Field Study News retrieved from https://www.phonak.com/evidence

[9] Habicht, J. & Schuepbach-Wolf, M. (2024). Speech Enhancer reduces subjective listening effort of speech by up to 45%. Phonak Field Study News retrieved from https://www.phonak.com/evidence

[10] Latzel, M, Heeren, J and Lesimple, C. (2024) “Speech Enhancer reduces listening effort and fatigue.”phonak Field Study News retrieved from https://www.phonak.com/evidence



STRATEGY AND BUSINESSES

Hearing Instruments business

Our culture of innovation regularly delivers breakthrough advances, bringing the delight of hearing to ever more consumers.

Sonova’s Hearing Instruments business operates through our Phonak, Unitron, and other local and private label brands. We are a market leader in developing, manufacturing, and selling hearing aids and wireless communication products through a multitude of channels, including independent audiologists and Ear, Nose and Throat (ENT) clinics, large hearing care chains, and government health agencies. We are proud of our track record of innovation, regularly delivering step-change improvements in our consumers’ hearing experience through our rigorous focus on the essentials of hearing performance and ease of use.

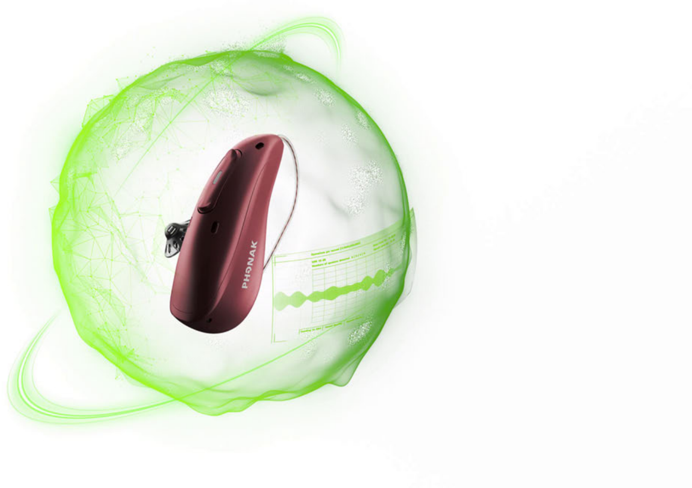
Our market-leadership strategy calls for excellence in each aspect of our business: in continuous innovation, in extending the breadth of our solutions portfolio, in enriching the experience of our business partners and the consumers they serve, and in improving our processes and expanding market access.

Innovation is a journey marked by repeated technological breakthroughs

Over many years, Sonova’s Hearing Instruments business has time and time again elevated consumer experience through a cadence of industry firsts: multi-microphone directionality, automatic sound classification, adaptive directional beamforming, rechargeable lithium-ion battery power, and universal Bluetooth® connectivity. Each of these breakthroughs has been further refined and extended through our continuous cycle of technology platform advances. There are always improvements to be made in the key aspects of hearing experience: sound quality, speech understanding in noise, connectivity, reliability, and personalization. We therefore take a structured multi-disciplinary approach to product development: collaborating with clinical, technology and research organizations, investing in in-house innovation capabilities, building competence in proprietary technologies, and driving a culture that links innovation with learning from the market.

Launched in August 2024, the Phonak Infinio family of hearing aids, powered by the new ERA chip, achieves remarkable improvements in sound quality and connectivity. These include first-fit satisfaction – 93% of users prefer Infinio at first fit over a key competitor – 45% reduction in listening effort, 21% less fatigue , and up to six times the previous Bluetooth® transmission power, for more stable connections with uninterrupted handsfree calls and streaming over significantly greater distances. All this comes in a durable water-resistant format, Swiss-engineered to withstand everyday challenges, with fitting and programming options that allow audiologists and consumers to personalize the hearing experience.

Infinio alone represents a major step forward in hearing performance and ease of use – but it is not the whole story. Understanding speech in noise has always been the challenge that consumers most want their hearing aids to tackle, and successive sound-processing advances have certainly improved the experience of listening to conversation in noisy environments. Now, however, there is a completely new solution that delivers unprecedented performance: Phonak Sphere™ Infinio, powered by our proprietary DEEPSONIC™ deep neural network chip, an industry-first innovation that works together with ERA in a dual-chip system. The result of six years' development and trained on 22 million sound samples, DEEPSONIC has 4.5 million neural connections that perform 7.7 billion operations each second, allowing real-time artificial intelligence to separate speech from the babble in the background – no matter which direction it is coming from. Where even our own industry-leading classic noise-cancelling technology delivered around 6.4 decibels improvement in signal-to-noise ratio, Sphere Infinio achieves up to 10.2 decibels, making consumers 2 – 3 times more likely to understand every word, from any direction, compared with leading competitors[1)].



The market's response to Infinio has been strongly positive: 98% of hearing care professionals (HCPs) at the launch event said that they thought the new platforms would "change the lives" of their patients. The new products have gained significant market share and established traction with major-market customers who had not ordered the previous platform. We also saw an upward impact on product mix, demonstrating that consumers recognize the clear step change in hearing experience that these innovations provide.

The sound quality, connectivity, and personalization advances introduced with Infinio all contain the potential for further performance improvements and consumer benefits. The DEEPSONIC chip continues to be trained in new listening situations to further improve performance and efficiency in upcoming product releases - the innovation process never stands still.

Commercial excellence sustains the strongest launch in our history

The Phonak Infinio portfolio was introduced to a thousand customers at a launch event in the Sphere venue in Las Vegas. More than twenty industry journalists with a combined reach of over 100 million followers were given an exclusive introduction to the technology; their response was overwhelmingly favorable. Compared with previous launches, we achieved much higher reach and social media engagement, and greatly increased the volume of website traffic. Infinio and Sphere are big advances, and we wanted to make sure that the stories were heard. Breakthrough innovation deserves breakthrough communication.

The launch program also went beyond communication to include training and education for HCPs. We launched the new platforms in more than 70 countries, training HCPs in more than 10,000 clinics around the globe. The training and the sound demos allowed them to experience firsthand the groundbreaking innovation and how Infinio and Sphere Infinio will transform the lives of their clients – as we say, hearing is believing. The result is that consumers have been coming to HCPs to ask specifically about the unique capabilities of our two new platforms.

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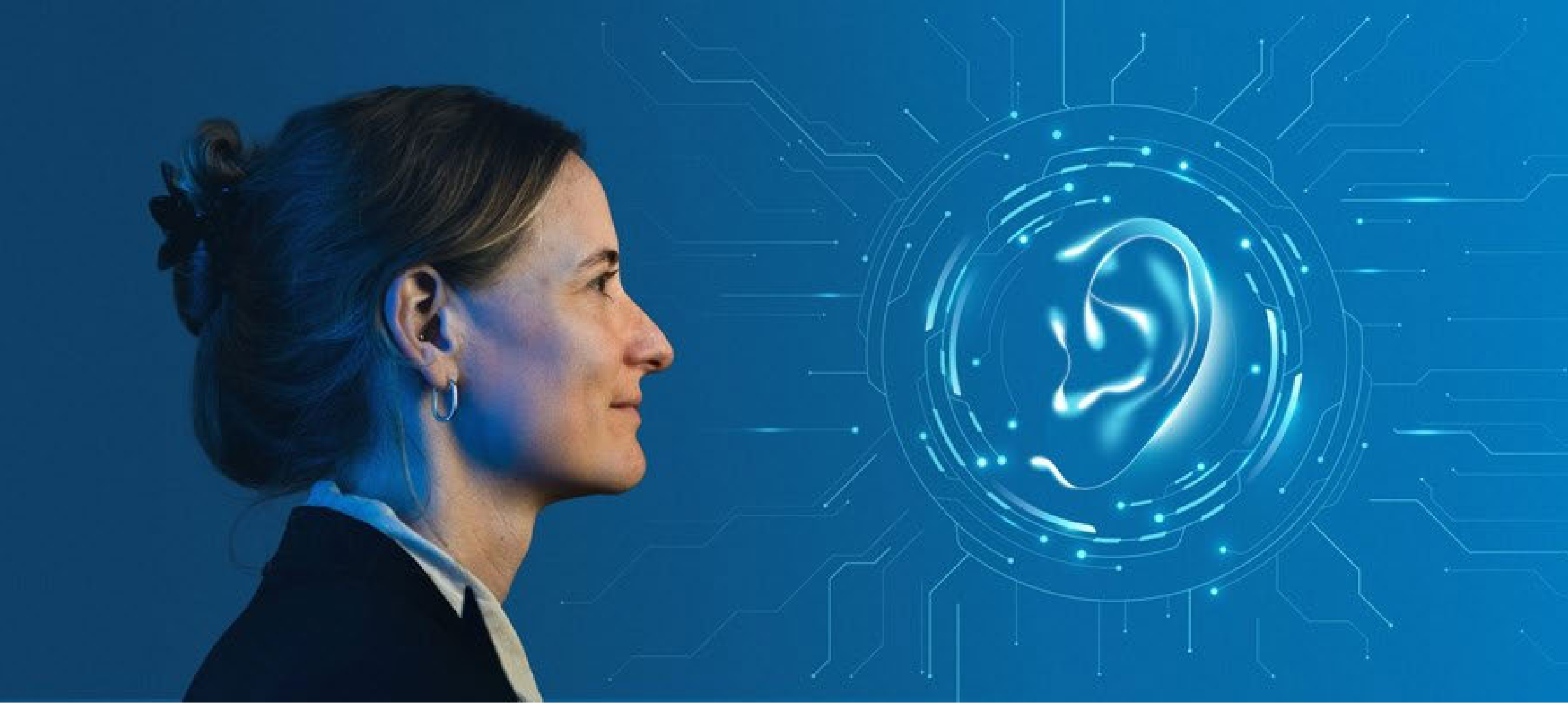
[1] Additional information available at: https://www.phonak.com/en-int/professionals/audiology-hub/evidence-library



Audiological Care business

AudioNova

We provide expert, personalized, and technologically advanced audiological care, easily accessible through multiple channels of engagement, bringing Sonova solutions to a growing consumer base.

The Audiological Care business, operating through the AudioNova brand and other strong national brands, offers best-in-class hearing care through a network of around 3,600 points of sale in 20 key markets, employing more than 7,000 dedicated hearing care professionals (HCPs). Our goal is to engage and excite consumers about how our solutions can help them enjoy the delight of hearing and live their lives without limitations. We achieve this goal by focusing closely on each consumer's experience of interacting with us, from the very first moment of contact. We establish relationships as the consumer chooses – digitally or in-store. We provide attentive, personalized, and expert care through engaged and highly-skilled professionals. And we aim for a consistent, inspiring experience of visiting our stores, where consumers and their loved ones are encouraged to deepen their understanding of hearing loss and the solutions we provide.

Our strategy puts the consumer firmly in first place. More satisfied consumers mean increased market share and sustained profitable growth. Consumers are satisfied by the consistent experience of excellent personalized care. Excellent care relies on engaged, highly-trained employees along with a versatile, targeted approach to attract and satisfy new consumers. All this is supported by continuous improvement of our processes and the consumer's experience while allowing our audiologists to spend more time on audiology and consumer interaction. At the same time, we continuously optimize our local and global support structure, matching our offering to local consumer needs and growing our physical presence to align with high-potential markets.

Taking audiology to the next level

Central to our brand, and to all we do, is what we call “pinnacle audiology.” This means providing an experience of care that is outstanding in all its aspects: outstanding in the precision of hearing assessment and the technology that supports it. Outstanding in the sympathetic attention and willingness to explain of the hearing care professional, in the opportunities to work through specific concerns, involve friends or family in decisions, and try out our hearing solutions in realistic listening environments. And outstanding in our flexibility, enabling us to provide excellent care in whatever way the consumer wishes: in person, on the phone, online, or through our suite of apps.

Delivering pinnacle audiology demands a great deal from our hearing care professionals. We are therefore deeply aware of our responsibility to provide the tools they need to excel in their profession. It starts with excellent training; we have set up award-winning programs and university partnerships leading to HCP certification in the US, China, Germany, the UK, France, and Brazil; these graduate around 500 new HCPs every year, and we plan to grow this number further going forward. Our Hearing Care Academy brings to life our vision of creating a global network of academies to connect, educate, and train HCPs to meet the growing demand for the high quality, holistic care that differentiates us in the market. HCPs are able to access personalized learning when they need it, engage in best-practice exchange, and have direct access to internal and external experts. For those HCPs who are doing outstanding work in the field, they will have opportunities to be recognized as experts and support their peers around the world – and to pursue further career opportunities across all of Sonova’s businesses.

In a marketplace where purchasers are often hesitant to take the first step, attracting the first-time consumer is a vital challenge. Our dedicated in-house lead-generation team connects us with new, younger consumers, generating a higher conversion rate and average purchase value – all at a lower cost – than would be possible using an outside agency. But there are also valuable services we provide on this journey, to help establish and strengthen that first contact.

For example: tinnitus is a condition often associated with a significant hearing loss. Our SilentCloud™ app is a medically-regulated tool for self-paced tinnitus management that offers therapies, education, and counseling by audiological care experts. At the same time, it opens a way to start a one-to-one conversation about hearing, and to mobilize the data to support and inform each consumer’s future hearing care. Ear, nose, and throat specialists and other hearing care professionals can see how our medical solutions add value, and therefore feel comfortable in recommending us. These professional referrals are a very important step in beginning a trusted relationship with the consumer. And when the referred consumer has been fitted with a hearing aid, our MyAudioNova app, known to some as “the audiologist in your pocket,” continues the easy-to-use, user-controlled, information-rich, and personal contact that marks all our software offerings.

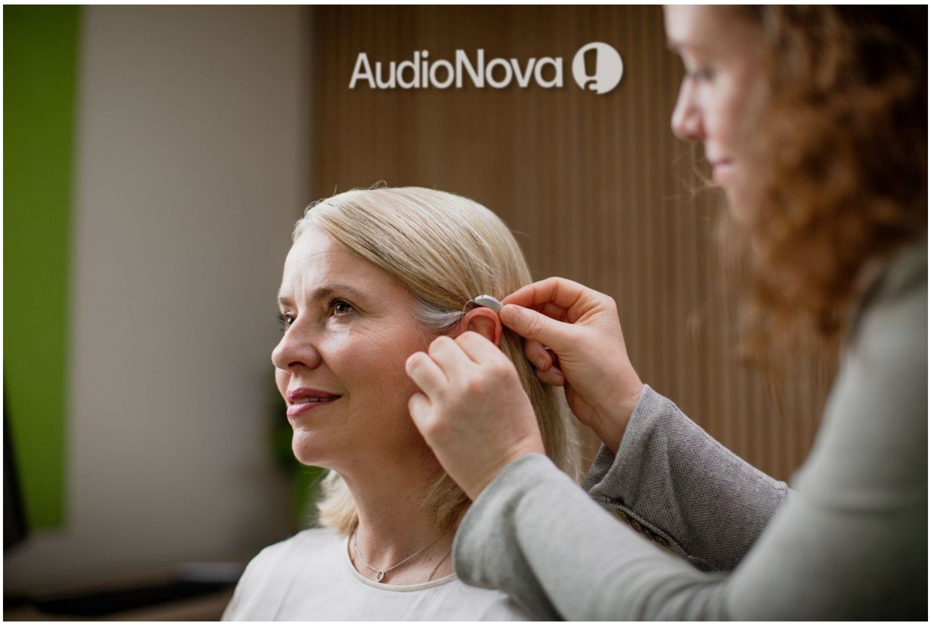
Deepening ties with the consumer

We base our business on our consumers’ “hearing journey.” As their life circumstances change, their hearing needs change, and it is our role to accompany, advise, and assist on that journey with ever-improving solutions. This role demands great flexibility, as consumers’ needs are never exactly the same. Our lead generation – the start of the journey – therefore makes use of a mix of media, both traditional and digital, to ensure that we contact the full spectrum of potential consumers, wherever they decide to start their personal hearing journey. We continue to expand our network, both through acquisitions and greenfield openings, based on strategic considerations and in-depth analysis. We apply to stores across our network the lessons learned in our flagship World of Hearing stores – now operating in 14 markets and five continents –by, for example, including “experience rooms” where consumers can hear how different hearing aids perform in a variety of virtual situations, such as a concert or noisy restaurant, and where friends and family can hear simulations of what their loved one’s hearing loss is actually like. Each of these steps helps to reinforce our connections with the consumers we serve as we continue to expand our network.

We also learn lessons from consumers themselves. We have started the process to measure consumer satisfaction and excitement consistently across all our 20 key markets and down to the individual store level, allowing clear actionable analysis of the effect of our initiatives on consumer sentiment and helping to ensure that everything we do makes a real, positive contribution to the consumer's experience. We already know that satisfied existing consumers are most likely to be excited about further innovation – and therefore to continue with us as their partner on their hearing journey.

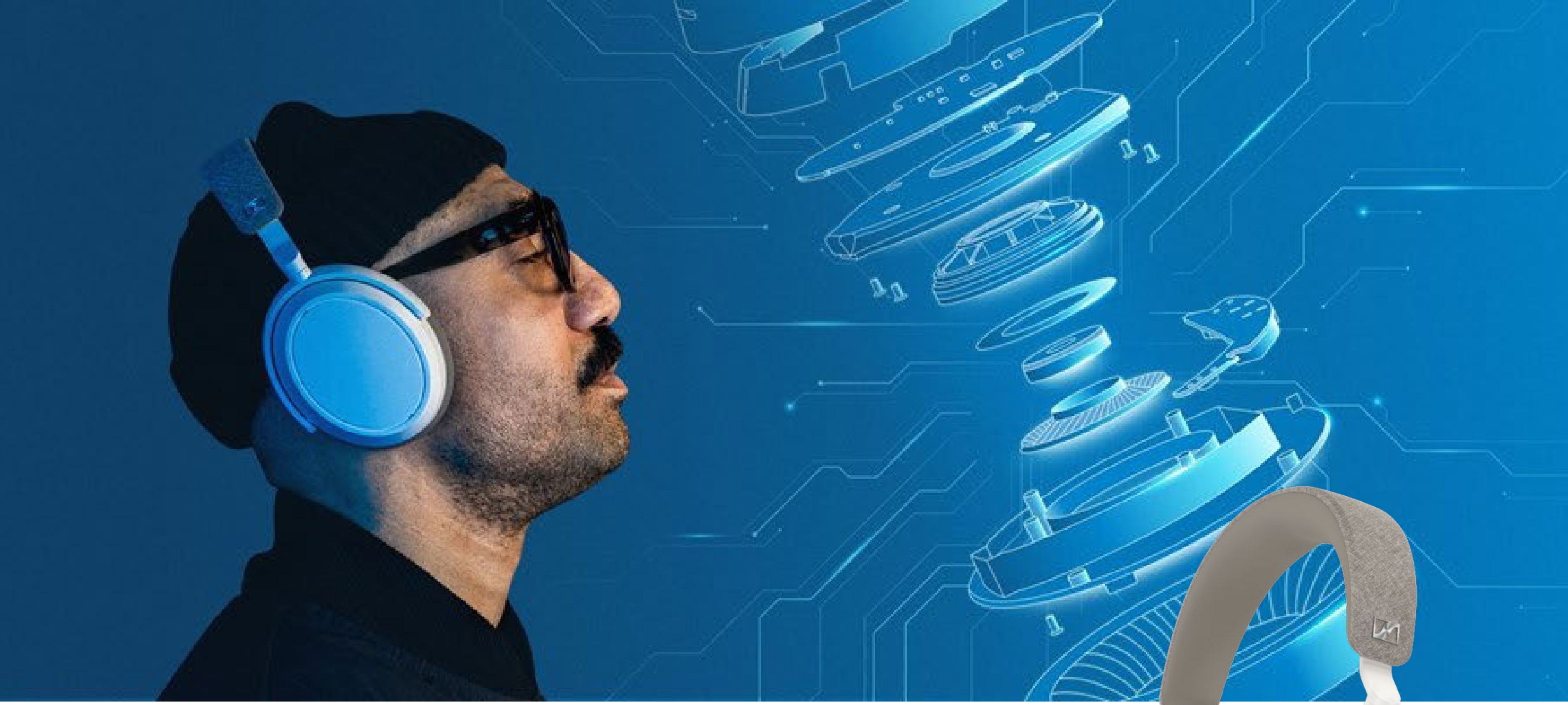
Supporting our global brand proposition

With a business model centered on pinnacle audiology and committed to satisfied consumers, engaged employees, and sustainable, profitable growth, Audiological Care's brand values are the key to distinguish us from our competition and help us to stake a clear claim to audiological leadership in each market. In markets where we have no strongly established national brand, we are consolidating our presence under the AudioNova brand: for instance, all our stores in the US and in Japan are currently being rebranded as AudioNova.



But whatever the name above the door, all our stores will have a recognizably uniform appearance, layout, technology, and working practices, supporting our clearly differentiated brand proposition. This uniformity gives us a strong platform for continuous improvement, based on the Sonova X business system and mindset, in productivity, store performance, and consumer lifecycle management. It allows us to learn from local excellence and swiftly apply it across the global network.

We continuously support the delivery of personalized, expert audiological care with initiatives to improve commercial execution and optimize structural efficiency. This year, we have launched an 18-month program that will secure cost savings, protect critical capabilities, and expand profitability by streamlining global and local headquarters functions, optimizing the store network and its capacity levels, and reviewing the structural adjustment of non-core business models. The goal is straightforward: to ensure that our resources and talents are applied most profitably to the activities that matter most to the consumer.



Consumer Hearing business

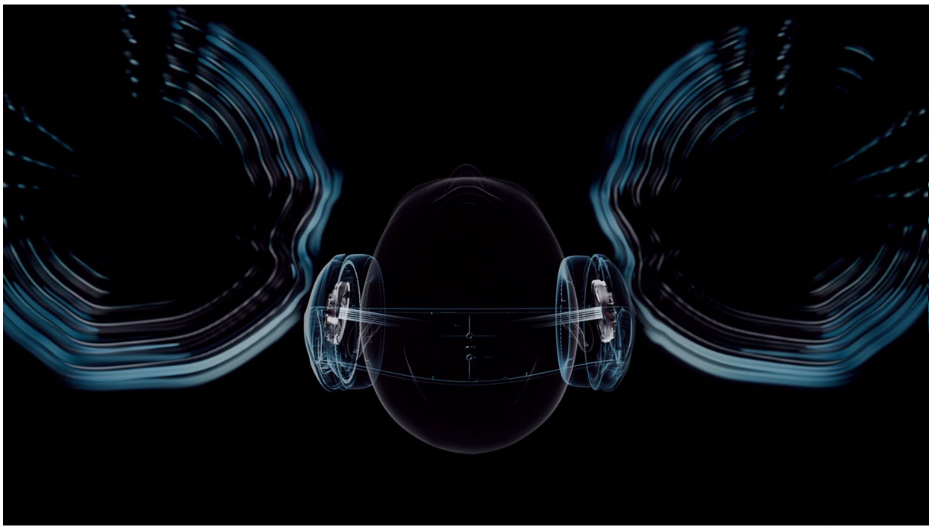
We deliver premium sound experience to consumers worldwide.

Sonova's Consumer Hearing business, operating under the licensed Sennheiser brand, fulfils the consumer's desire for the best hearing and audio experience possible with premium headphones, audiophile products, early-entry hearing solutions, and soundbars, each providing exceptional sound quality for a specific consumer setting. Beyond delighting the premium audio consumer, our role in the Sonova Group includes sharing our expertise in high-end sound technology, establishing and sustaining a presence in key markets and channels, and connecting with a discerning consumer population at an early stage in their hearing journey.

After a challenging macroeconomic phase, the overall global consumer audio market returned to growth in mid-2024, supplementing the growth in segments where we already had a strong product portfolio, such as audiophile and premium over-the-ear headphones. Our strategy therefore focuses on taking advantage of this improving environment to ensure sustainable profitable growth, playing to our strengths and making investments to reinforce our position in high-value market segments. The key elements of this strategy are: advancing our premium portfolio for highest impact, expanding customer reach in key markets and new channel partnerships, efficiently reaching and converting consumers digitally, elevating customer service touchpoints, and optimizing product-related costs. We have initiatives under way in all five strategic areas.

Advancing our premium portfolio for maximum impact

Our portfolio includes highly-acclaimed, multiple award-winning products, such as our MOMENTUM 4 wireless headphones, MOMENTUM True Wireless 4 earbuds, and the new HD620S audiophile headphones providing open, airy sound in an isolating closed-back chassis. We extract the maximum impact from this portfolio by concentrating effort in the categories where the Sennheiser name and market-leading audiophile heritage have the most resonance – at the premium end of the market.



As a result, we are increasing market share, seeing new consumers buying our flagship products for the first time. We consolidate this growth by extending the market visibility of our portfolio, adding new exclusive colors and brand partnerships, including this year's co-branding arrangement with Lufthansa, providing our MOMENTUM 4 headphones to first-class passengers and for sale in airports and online. Our premium portfolio also includes our highly acclaimed All-Day Clear OTC hearing device which continues to build a presence among both general and hearing-specific retailers in the US, as well as in our own webshop.

Expanding customer reach in key markets

Our key markets are the US, China, and Germany, where we benefit from good customer loyalty and a willingness to pay for exceptional sound quality. These are the markets that most reward increased engagement, so we are extending and diversifying our approach to ensure that we realize the full potential that they represent. In China, this involves expanding our distribution capabilities from Tier 1 and Tier 2 cities where we have a strong presence, to the Tier 3 and 4 cities where there is further market share to be gained. In North America, we work with our existing customers to extend our in-store portfolio, and are investing into business development capabilities that unlock new customers and channels. Consumers who seek premium audio solutions care about sound, and love to hear and see before they buy; we are therefore progressively expanding our physical presence within the large retailers.

Understanding the digital consumer

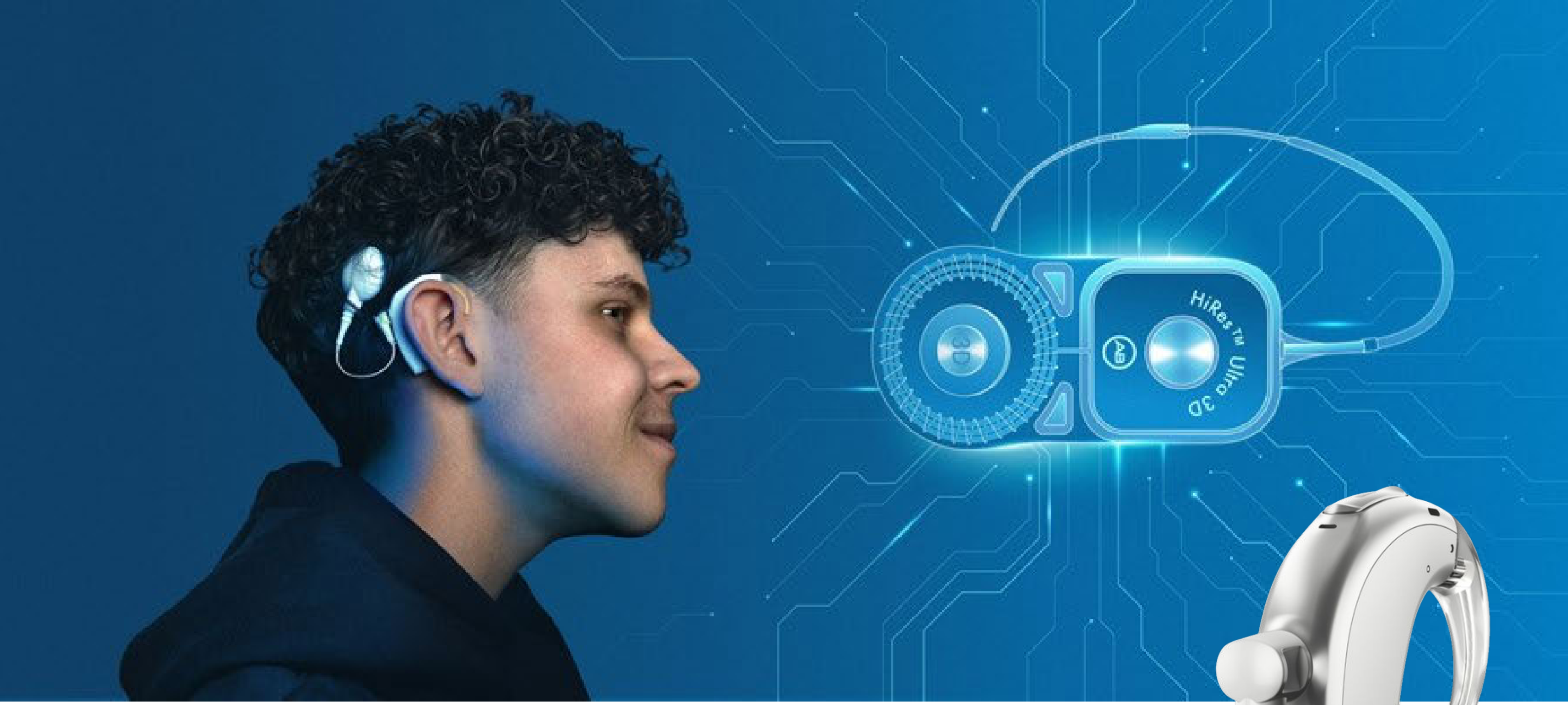
Webshop sales are only part of our digital engagement with consumers. Before they buy, most go online for information, recommendations, reviews, tips, and brand profiles. We therefore draw on in-house capabilities to rigorously analyze our consumer data and use it to shape our performance marketing. This supports our own digital sales effort, and also puts us in a strong position with large retail partners, who rely on the insights we generate to place our products optimally. Our digital and in-store marketing strengths are therefore mutually supporting.

Providing service that lives up to the brand

Sennheiser's brand value is all about providing an outstanding experience of sound. The experience of dealing with us has to be similarly outstanding. Whether theirs is a technical question or purchasing issue, consumers rely on prompt, accessible, effective service. Moreover, they need to feel listened to, even when they are not communicating directly to us. We are therefore launching a best-in-class self-directed online service experience that allows consumers to get the answers they need quickly and in their own time. Our service commitment also means interacting closely with key online communities and social media channels, so that we can take onboard and respond to comments and views in a timely and effective way.

Optimizing processes to increase margins

Applying the Sonova X business system and mindset has proven its value for the Consumer Hearing business. An “accelerator room” approach to increase impact cross-functionally through operational improvements, with a physical space where process owners can effectively review and drive progress on all elements of the project, has cut the time-to-completion for key initiatives. “Daily management,” which continuously tracks leading and lagging indicators to inform demand forecasts and quality assessments, has enabled an agile and targeted response to facilitating improvements. We are also further optimizing our approach to product manufacturing and lifecycle management, particularly in the refurbishment or scrapping of returned products (an unavoidable occurrence in the consumer goods industry), which will save significant cost and reduce environmental impact. All these initiatives have immediate positive impact on gross margins, which have risen this year and show potential for further growth.



STRATEGY AND BUSINESSES

Cochlear Implants business

We bring the power of Sonova innovation to people with the most significant hearing loss.

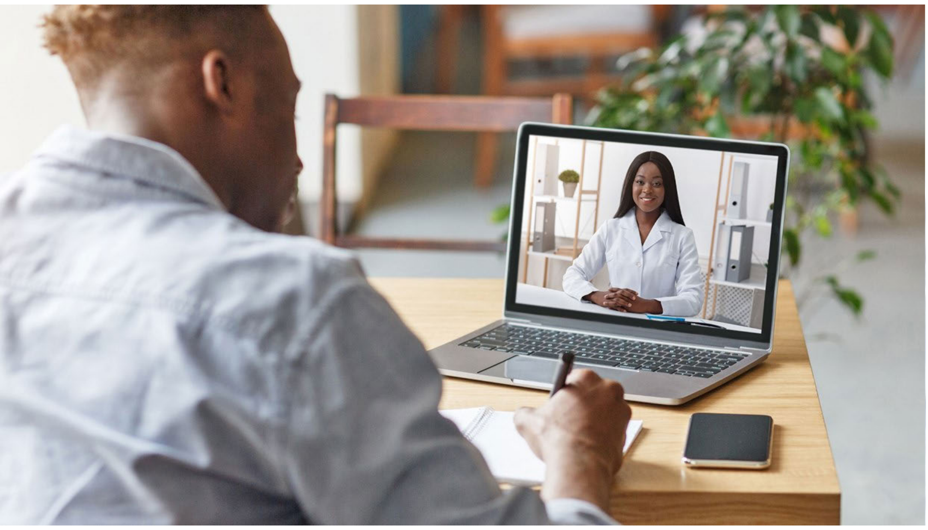
Sonova's Cochlear Implants business operates under the Advanced Bionics brand, with more than 30 years of expertise in developing cutting-edge technology to help children and adults with severe hearing loss to hear again, or for the first time. An integral part of Sonova since 2009, Advanced Bionics is present in over 50 countries across the globe, employs over 1,000 dedicated professionals, and has helped more than 100,000 recipients. Close collaboration between Advanced Bionics and other Sonova businesses means that the Group can offer a comprehensive range of solutions for every kind of hearing loss, and that all consumers can gain from the latest advances in sound processing, speech enhancement, connectivity, and digital solutions.

The worldwide cochlear implant market is growing at around 8% per year and has significant growth potential, with a large difference between the number of people who could benefit from the technology and those who use it today. Our strategy to bridge that gap is based on accelerating our innovation, maintaining strong focus on enhancing the experience of the people who choose our solutions and the professionals who serve them, connecting with potential candidates for our solutions, elevating commercial excellence through process improvements, and strengthening the foundations of our business.

Innovation that empowers

A cochlear implant treats the most severe forms of hearing loss by bypassing the middle ear and stimulating the hearing nerve directly with an electrical signal. Sounds in the environment are converted into this signal by a sound processor worn behind the ear. Our close R&D partnership with Sonova's Hearing Instruments team means that, while competitors' devices link together, Advanced Bionics cochlear implants and Advanced Bionics processors with their integrated Phonak technology work as one. They were literally made for each other. It is a powerful combination, supporting a range of capabilities that together form the most complete solution in the industry: with the best audiological performance in difficult environments, unique Made For All™ connectivity with virtually any Bluetooth®-enabled device, the only true bi-modal solution for recipients with a hearing aid in the other ear, the most reliable implant on the market – now with the added power of Remote Programming.

Introduced last year, Remote Programming allows recipients to get full in-depth remote consultations and real-time processor adjustments from their audiologist using just their smartphone: a first in the cochlear implant market. Studies show that remote consultations using this service are fully equivalent to in-person consultation for accuracy, quality of communication, and ease of use.[1)] The uptake has been strong, enthusiastic, and continuous, and we have both upgraded the service and introduced it into new markets. The advantages for recipients – or, with pediatric recipients, for their parents – include saving the time and expense of long journeys to a specialist clinic, and being able to make in-use adjustments to suit their personal listening environments. For audiologists, the advantages are being able to enhance the patients' experience, to streamline the workflow in their clinics, and to be able to serve more patients without diluting the care and attention they give to each one.



We are now extending the remote programming capability with a self-assessment application, and we have further remote digital solutions in the pipeline. The goal is empowerment: giving recipients – who are increasingly digital-savvy and accustomed to controlling their technology – the autonomy to optimize their hearing experience, and giving audiologists the tools they need to attract, engage, and more efficiently serve a growing market.

Gaining share in a global market

In late 2024, Advanced Bionics was selected as a key participant in the Volume Based Procurement program for cochlear implants established by the government of China: a recognition of the technical performance, reliability, and value represented by our implant systems. The selection, which will begin implementation in mid-2025, will further contribute to our sales growth in China, and opens up avenues for further expansion in this important high growth developing market.

In general, Advanced Bionics has recently been expanding its market share worldwide in new systems sales. This is good news in itself, and it is also an indicator of further growth into the future. It is important to note that, while an implant is only purchased once, a processor is regularly upgraded as further cycles of innovation bring new capabilities to the market, representing repeated future revenue opportunities for Advanced Bionics. As members of the Sonova family, Advanced Bionics' recipients are excited to see the breakthrough advances that Phonak is bringing out in its hearing aids, as these are an indication of future sound processor capabilities, and our supportive online communities keep them informed of new developments.

On the sales side, as with our established collaborations with Sonova's Audiological Care teams, the Phonak + AB Cochlear Implant Network in the United States works with hearing care professionals to identify Phonak hearing aid users whose hearing loss has progressed to a point where a cochlear implant is the optimal solution. In its second year, the network has achieved impressive success, having served almost 600 individuals. A similar initiative in Germany, now being extended throughout Europe, has been running for over a decade with great success. Meanwhile, Advanced Bionics' focus on consumer lead generation has driven remarkable year-over-year growth. In North America, consumer lead generation efforts have led to 27% growth in B2C revenue over the prior year, accounting for a total of more than 1,700 implant systems year to date.

Sonova X supports profitable growth

Process improvement is a continuous exercise: this financial year, we held 30 kaizen workshops under our Sonova X business system and mindset to identify opportunities to increase efficiency, boost growth, and increase margins. The result is a set of initiatives to optimize our plant network, accelerate value improvement, reduce costs, sustain quality, and establish uniform product lifecycle management. Our manufacturing facility in Mexicali, Mexico is now up and running, and we anticipate an increasing proportion of production to be based there. On the commercial side, we are aiming to ensure that where we gain market share, we are are also securing margin improvements.

Herrada Andreoli J., Delano P.., Morris A., Stott C., Martinho de Carvalho A., Carvajal Diaz R., Agrawal S. Remote Programming Outcomes with CI Recipients in Chile. Poster presented at: American Auditory Society Scientific and Technology Meeting; February 2024; Scottsdale, AZ, USA

Corporate governance

Good governance supports responsible corporate behavior, transparency, and sustainable business practices.

Sonova's mission is to have a positive effect on our consumers' lives. This closely aligns with our aspiration to have a positive impact on society as a whole by running our business in a sustainable, responsible manner. "We take accountability" is one of our core values: Continuously improving our Environmental, Social, and Governance (ESG) performance is embedded throughout our business, and we strive to optimize these factors with the same level of dedication as we do our financial objectives. We see good corporate governance as an essential pillar of our ESG strategy, ensuring that the company is managed in the long-term interests of its key stakeholders. The details of what constitutes good corporate governance continue to evolve, and the Board of Directors, the CEO, and the Group Management Board constantly monitor developments to ensure that our commitments keep pace with expectations.

At Sonova, we uphold a strong foundation of corporate governance that adheres to established standards and practices. The company meets its legal duties under the Swiss Code of Obligations, the SIX Swiss Exchange Directive on Information relating to Corporate Governance, and the standards defined in the Swiss Code of Best Practice for Corporate Governance. This report describes the principles of corporate governance for the Sonova Group and provides background information on the Group's executive officers and bodies as of March 31, 2025. All relevant documents can be accessed at the corporate governance section of the Sonova website www.sonova.com/en/regulations-principles. For clarity and transparency, the compensation report is presented as a separate chapter of the Annual Report.

Group structure

Operational group structure

The Sonova Group is headquartered in Stäfa, Switzerland, and is active in over 100 countries. Sonova has subsidiaries in over 30 countries and a network of independent distributors serving additional markets. Details of its business segments can be found in Note 2.2 to the consolidated financial statements.

Listed companies

Sonova Holding AG is listed on the SIX Swiss Exchange. Of all the companies in the Sonova Group, only the ultimate parent company of the consolidated Sonova Group, Sonova Holding AG, is listed on any stock exchange.

Key data for the shares of Sonova Holding AG as of March 31, 2025:

	2025	2024	2023
Market capitalization in CHF million	15,294	15,569	16,428
In % of equity	570%	625%	736%
Share price in CHF	256.50	261.10	268.60

Registered office	8712 Stäfa, Switzerland
Listed on	SIX Swiss Exchange
Security number	1254978
ISIN	CH0012549785
Ticker symbol	SOON
Par value	CHF 0.05

Non-listed companies

Note 7.6 to the consolidated financial statements provides a list of the significant companies of the Sonova Group as of March 31, 2025. Companies are only listed if, during the financial year, at least one of the following criteria is met: (i) turnover exceeding 1% of the Sonova Group's turnover; (ii) more than CHF 100 million in assets; (iii) more than 200 full time employees; or (iv) greater than CHF 50 million of equity.

Shareholders

Registered shareholders

As of March 31, 2025, the shareholdings of registered shareholders were distributed as follows:

Number of shares	Registered shareholders 31.3.2025	Registered shareholders 31.3.2024
1 – 100	15,476	15,594
101 – 1,000	9,007	9,419
1,001 – 10,000	1,143	1,251
10,001 – 100,000	193	200
100,001 – 1,000,000	23	26
> 1,000,000	5	4
Total registered shareholders	**25,847**	**26,494**

Significant shareholders

According to notifications received from Sonova Holding AG shareholders under the Swiss Financial Market Infrastructure Act, the following shareholders held more than 3% of Sonova Holding AG's registered share capital as of March 31, 2025:

	2025[1]	2025[2]	2024[1]	2024[2]
	No. of shares	In %	No. of shares	In %
Beda Diethelm and Annamaria Diethelm-Pandiani[3]	6,712,878	11.26	6,712,878	11.26
Family of Hans-Ulrich Rihs [3), 4)]	3,683,649	6.18	3,683,649	6.18
BlackRock, Inc.	3,334,293	5.10	3,334,293	5.10
UBS Fund Management (Switzerland) AG	3,263,184	5.48	1,825,453	3.06
T. Rowe Price Associates, Inc.	3,025,893	5.08		<3
The Capital Group Companies, Inc. [5]	1,990,498	3.34		<3
MFS Investment Management [6]	1,847,415	3.02	1,847,415	3.02

1) Or at the last reported date if shareholdings are not registered in the share register.
2) On the basis of the shares of Sonova Holding AG registered in the commercial register at the last reported date which may differ.
3) Beda Diethelm and Hans-Ulrich Rihs were already shareholders before the Initial Public Offering in November 1994. There are no shareholders' agreements among these individuals and they can trade freely.
4) Hans-Ulrich Rihs, Gabriela Rihs and Stefan Rihs as a group jointly control 3,683,649 registered shares (corresponding to 6.18% of total Sonova share capital) pursuant to the last disclosure notice. These shares were previously controlled by Hans-Ulrich Rihs as a single shareholder.
5) The Capital Group Companies, Inc. are held by the following direct or indirect holders: Capital Research and Management Company, Los Angeles, US; Capital International Sarl, Geneva, CH; Capital International Limited, London, GB; and Capital International, Inc., Los Angeles, US.
6) MFS Investment Management, formerly known as Massachusetts Financial Services, is held by Sun Life Financial Inc. which is traded on the TSX, NYSE and PSE (ticker symbol SLF).

For information on shareholders of Sonova Holding AG who have reported shareholdings of over 3% or a reduction of shareholdings below 3% in the 2024/25 financial year, please refer to the website of the Disclosure Office of the SIX Swiss Exchange.

Cross-shareholdings

Sonova Holding AG has no cross-shareholdings with other companies.

Articles of Association

For more details as provided below, please refer to the Articles of Association.

Capital structure

Share capital

As of March 31, 2025, the ordinary share capital of Sonova Holding AG was CHF 2,981,340.45 fully paid up and divided into 59,626,809 registered shares with a par value of CHF 0.05 each.

Sonova Holding AG has issued neither participation certificates nor profit-sharing certificates.

With the exception of the treasury shares held by the company itself, each share entitles to one vote at the Annual General Shareholders' Meeting. All shares have equal dividend rights. As of March 31, 2025, the company held 18,825 treasury shares (13,587 in the previous year).

More information on the share capital can be found in Art. 3 of the Articles of Association.

Conditional share capital and capital range

Conditional share capital

The conditional share capital may be increased by a maximum amount of CHF 266,106.65 by issuing 5,322,133 registered shares with a par value of CHF 0.05 per share which equates to 8.92% of the existing share capital. Out of this conditional share capital, an amount of CHF 101,050.65 (equaling 2,021,013 registered shares) may be used for distribution to key employees of the Sonova Group through an equity participation program, under the exclusion of the subscription rights of shareholders. In addition, an amount of CHF 165,056 (equaling 3,301,120 registered shares) may be used for exercising option and conversion rights granted in connection with bonds or similar debt instruments issued by the company. The subscription rights of shareholders are excluded. The advance subscription rights of shareholders may be excluded if such bonds are issued to finance the acquisition of companies, parts of companies, or shareholdings.

More information on the conditional share capital can be found in Art. 4 of the Articles of Association.

Capital range

Sonova Holding AG has a capital range of 10% of the share capital from CHF 2,683,206.45 (lower limit) to CHF 3,279,474.45 (upper limit). The Board of Directors shall be authorized within the capital range to increase (by issuing up to 5,962,680 registered shares, each with a nominal value of CHF 0.05) or to reduce the share capital (by cancelling up to 5,962,680 registered shares, each with a nominal value of CHF 0.05) once or several times in amounts or to acquire or dispose of shares directly or indirectly at any time until June 12, 2028 or until an earlier expiry of the capital range. The capital increase or decrease may also be effectuated by increasing or reducing the nominal value of the existing registered shares. In certain events, as defined in Art. 5 of the Articles of Association, the Board of Directors is authorized to exclude or restrict the subscription rights of existing shareholders and allocate such rights to third parties, the company, or any of its group companies.

The Board of Directors did not make use of this authorization in the 2024/25 financial year.

More information on the capital range can be found in Art. 5 of the Articles of Association.

Limitations on exercising the conditional share capital and/or the capital range

If the conditional capital and/or the capital range is exercised and subscription or advance subscription rights are excluded or restricted, the total of the capital increase shall not exceed an amount of CHF 298,134 by issuing 5,962,680 registered shares, which correspond to 9.99% of the currently issued share capital.

More information on the limitations of exercising the conditional share capital and/or the capital range can be found in Art. 6 of the Articles of Association.

Options

In the 2024/25 financial year, a total of 99,502 options and Stock Appreciation Rights (SARs) were granted as part of the Sonova Executive Equity Award Plan (EEAP). In the 2023/24 financial year, the number of options and SARs granted totaled 118,673. As of March 31, 2025, there were 773,724 options, performance options and SARs outstanding (compared with 904,085 in the previous year). Each of the options entitles the holder to purchase one registered share in Sonova Holding AG with a par value of CHF 0.05 at the respective exercise price and upon meeting certain performance criteria, while the SAR entitles to receive a cash settlement equal to the option value. The EEAP is described in greater detail in the compensation report and in Note 7.4 to the consolidated financial statements.

Convertible bonds

Sonova Holding AG has not issued any convertible bonds.

Changes in capital

As of March 31, 2025, and the preceding three financial years, the share capital of Sonova Holding AG comprised the following (CHF amounts in this schedule are rounded up to whole numbers):

	2025	2024	2023	2022	2021
Ordinary capital (in CHF)	2,981,340 1)	2,981,340 1)	3,057,986 3)	3,158,608 5)	3,219,907 7)
Total shares	59,626,809	59,626,809	61,159,719	63,172,157	64,398,137
Difference in ordinary capital compared to the pri- or financial year (in CHF)	(76,645)	(76,645)	(100,622)	(61,299)	n.a.
Capital range (in CHF)					
lower limit upper limit	2,683,206 3,279,474	2,683,206 3,279,474	n.a.	n.a.	n.a.
equals cancellation / issuing of up to shares	5,962,680	5,962,680	n.a.	n.a.	n.a.
Authorized share capital (in CHF)	n.a. 2)	n.a. 2)	305,799 4)	321,991 6)	321,991 6)
Authorized shares	n.a. 2)	n.a. 2)	6,115,971 4)	6,439,813 6)	6,439,813 6)
Conditional capital (in CHF)	266,108	266,108	266,108	266,108	266,108
equals issuing of up to shares	5,322,133	5,322,133	5,322,133	5,322,133	5,322,133

1) The 2023 AGM approved a reduction of the share capital by CHF 76,645.50 through the cancellation of 1,532,910 registered shares. This capital reduction was the result of the share buyback program of 2022-2025, announced on April 14, 2022, under which the company repurchased 1,532,910 registered shares between April 19, 2022, and March 31, 2023.

2) The introduction of the capital range was resolved by the 2023 AGM and replaced the authorized capital (for details see the section capital range above).

3) The 2022 AGM approved a reduction of the share capital by CHF 100,621.90 through the cancellation of 2,012,438 registered shares. This capital reduction was the result of the share buyback program announced on May 18, 2021, under which the company repurchased 2,012,438 registered shares between June 4, 2021, and March 28, 2022.

4) The 2022 AGM approved the creation of authorized capital of CHF 305,798.55 allowing for the issuance of up to 6,115,971 registered shares until June 15, 2024.

5) The 2021 AGM approved a reduction of the share capital by CHF 61,299.00 through the cancellation of 1,225,980 registered shares. This capital reduction was the result of the share buyback program announced on August 31, 2018, under which the company repurchased a total of 1,843,090 registered shares between April 1, 2019, and March 31, 2021.

6) The 2020 AGM approved the creation of authorized capital of CHF 321,990.65 allowing for the issuance of up to 6,439,813 registered shares until June 11, 2022.

7) The 2019 AGM approved a reduction of the share capital by CHF 46,637.50 through the cancellation of 932,750 registered shares. This capital reduction was the result of the share buyback announced on August 31, 2018, under which the company repurchased 932,750 registered shares between April 1, 2018, and March 31, 2019.

Share buyback program 2022 – 2025

On April 14, 2022, Sonova announced a share buyback program for the purpose of a capital reduction that started on April 19, 2022. The program allows to buy back shares worth up to CHF 1.5 billion and ended on April 18, 2025. No shares were bought back in the 2024/25 financial year.

Limitations on transferability and nominee registrations

Limitations on transferability for each share category

To be recognized as a shareholder with full voting rights, the acquirer of shares must submit a written application for registration in the share register. The company may refuse registration in the share register if applicants do not explicitly declare that they have acquired and will hold the shares in their own name and for their own account. The company may further refuse entry of the acquirer as a shareholder or usufructuary with a voting right to the extent that the shares held would exceed 5% of the overall number of shares shown in the Commercial Register (Art. 8 para. 6 of the Articles of Association). Linked parties are considered as one person. This registration restriction does not apply to the founding shareholders. The Board of Directors may grant exceptions where there is justified cause, in which case no special quorum is required.

More information on the limitations on transferability and registrations can be found in Art. 8 of the Articles of Association.

Exceptions granted in the year under review

No exceptions were granted by the Board of Directors during the reporting period.

Admissibility of nominee registrations

The Board of Directors can issue regulations specifying the conditions under which trustees/ nominees are recognized as shareholders with voting rights (Art. 8 para. 5 of the Articles of Association).

Procedure and conditions for cancelling statutory privileges and limitations on transferability

A resolution of the General Shareholders' Meeting approved by a relative majority of the votes cast is sufficient for cancellation or relaxation of the provisions for restricting the transferability of shares (Art. 15 para. 5 of the Articles of Association).

Board of Directors

Introduction

The Board of Directors of Sonova Holding AG sets the overall direction and supervision of the management (see Art. 716a para. 1 of the Swiss Code of Obligations). Its working methods are reflected in the Organizational Regulations and the Board Committee Charters (available for the Audit Committee and the Nomination and Compensation Committee).

As determined in Art. 1 of the Organizational Regulations, the Board of Directors plans the succession of its members and defines the criteria for selecting candidates so that the composition is well-balanced in terms of size, professional skills, international experience, and diversity. Sonova ensures that newly elected members receive an appropriate introduction and orientation and that the members of the Board of Directors receive continuing training with respect to their responsibilities.

Board of Directors independence

Members of the Board of Directors are considered to be independent, according to Section 15 of the Swiss Code of Best Practice for Corporate Governance and Art. 6 lit. c of the Organizational Regulations, if they personally or in association with related persons have not been a member of the Management Board during the last three years, have not served as lead auditor of external auditor during the last two years, and have no or only comparatively minor business relations with the company. According to these rules, all members of Sonova's Board of Directors are considered to be independent.

Board of Directors fees

Fees for members of the Board of Directors are structured to be consistent with the principle of independence; members therefore only receive fixed fees paid in the form of a cash retainer and non-discounted shares with a blocking period of five years and four months (Chair of the Board of Directors) or four years and four months (all other members of the Board of Directors). The allocation of shares strengthens alignment with shareholders' interests. In addition, members of the Board of Directors receive committee retainers for their services on Sonova's committees. Members of the Board of Directors do not receive performance-related compensation, severance payments, or benefits (please see the relevant chapters in the compensation report for more information).

Executive management positions

No member of the Board of Directors holds an executive management position with Sonova Holding AG or any of its subsidiaries and has not done so in the past three years.

Business connections of members of the Board of Directors with Sonova Holding AG or its subsidiaries

In the 2024/25 financial year, there were no business connections between individual members of the Board of Directors, including companies or organizations represented by them, and Sonova Holding AG or its subsidiaries.

Other activities and vested interests

Except as disclosed in the biographies of the members of the Board of Directors, no member of the Board of Directors holds any position in a governing or supervisory body of any important private or public sector organization, institution, or foundation; none holds any permanent management or consultancy position with an important interest group, or any public or political office.

Mandates outside Sonova Holding AG

No member of the Board of Directors may hold more than four mandates in listed companies and no more than five mandates in other companies and organizations. Mandates shall mean mandates in comparable functions at other enterprises as well as in (trading) associations, organizations, foundations and similar legal entities with an economic purpose.

The following mandates are not subject to these limitations:

- Mandates in companies which are controlled by Sonova or in companies which control Sonova; and
- Mandates held at the request of Sonova or companies controlled by Sonova, whereby no member of the Board of Directors may hold more than ten such mandates.

For further details see Art. 30 of the Articles of Association, and the compensation report for outside mandates to be disclosed under the Swiss Code of Obligations.

Board of Directors competence and evaluation

The Nomination and Compensation Committee and the Board of Directors evaluate current and prospective members according to a skills and experience competency matrix to ensure that an appropriate mix of relevant skills and experience is represented in the Board of Directors. The matrix includes criteria relating to executive management expertise, board experience, relevant industry know-how, strategic thinking (including M&A), international/regional experience, technology/product development experience (hardware and software), digital expertise, IT expertise, Supply Chain Management expertise, financial expertise, sales/marketing expertise, retail and service expertise, HR expertise, and ESG expertise. When following the matrix criteria in the nomination and evaluation processes, the Nomination and Compensation Committee and the Board of Directors are committed to considering characteristics including but not limited to, gender, age, nationalities or country of origin, ethnicity, cultural background, ways of believing and mindsets, in order to establish balance in terms of diversity and inclusion

The Nomination and Compensation Committee and the Board of Directors make use of this information to identify potential gaps, and to help create profiles for new director searches.

The Board of Directors also conducts an annual self-assessment to:

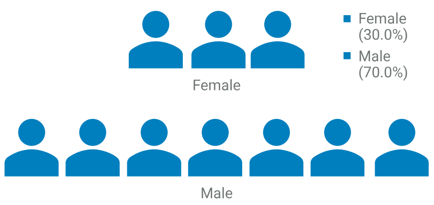
- Ensure and enhance its comprehensive understanding of the business and the company;
- Evaluate the work of the Board of Directors, its committees, the individual members of the Board of Directors, and the Chair;
- Make the best use of the human capital represented on the Board of Directors; and
- Optimize efficiency, effectiveness of working methods, and cooperation among members of the Board of Directors and members of the Management Board.

The Chair of the Board of Directors initiates the annual Board of Directors self-assessment by distributing an evaluation questionnaire, previously approved by the Board of Directors. The Chair of the Board of Directors is responsible for collecting the assessments and for initiating the review of the consolidated results by the Nomination and Compensation Committee and subsequently the full Board of Directors.

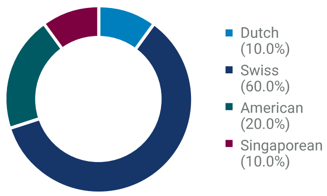
Composition of the Board of Directors

As of March 31, 2025, the composition of the Board of Directors is as follows:

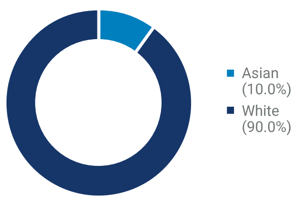
Gender



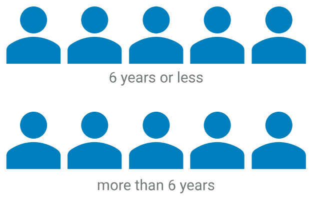
Nationality



Ethnicity



Board Tenure



	Robert F. Spo-erry	Stacy Enxing Seng	Gilbert Acher-mann	Gregory Behar	Lynn Dorsey Bleil	Lukas Braun-schweil-er	Roland Diggel-mann	Julie Tay	Ronald van der Vis	Adrian Widmer
Age	69	60	61	55	61	68	57	58	57	56
Tenure (years)	22	11	1	4	9	7	4	3	16	5
Gender										
Female		x			x			x		
Male	x		x	x		x	x		x	x
Race/Ethnicity										
White	x	x	x	x	x	x	x		x	x
Non-White								x		
Committee Member										
Audit				x	x				x	x
Nomination & Compensation		x				x	x	x		
Independent	x	x	x	x	x	x	x	x	x	x

Elections, terms of office, and biographies

Election procedure and limits on the terms of office

Art. 16 para. 1 of the Articles of Association of Sonova Holding AG states that the Board of Directors must consist of a minimum of five and a maximum of ten members. The members of the Board of Directors are elected by the shareholders at the General Shareholders' Meeting (Art. 10 no. 2 of the Articles of Association).

Re-elections for successive terms are possible. Members of the Board of Directors shall retire automatically at the first General Shareholders' Meeting following their seventieth birthday. In justified individual cases, the Board of Directors may make an exemption. For further details see Art. 6 of the Organizational Regulations.

First election and remaining term of office

The following table shows the date of the first election for each member of the Board of Directors. The Articles of Association require that the term of office of a member of the Board of Directors ends after the completion of the next Annual General Shareholders' Meeting. As a consequence, each such member will have to be re-elected annually at the Annual General Shareholders' Meeting. All members of the Board of Directors were re-elected by the 2024 Annual General Shareholders' Meeting, except Gilbert Achermann, who was initially elected at that meeting.

Name	Position	First elected
Robert F. Spoerry	Chair	2003
Stacy Enxing Seng	Vice Chair	2014
Gilbert Achermann	Member	2024
Gregory Behar	Member	2021
Lynn Dorsey Bleil	Member	2016
Lukas Braunschweiler	Member	2018
Roland Diggelmann	Member	2021
Julie Tay	Member	2022
Ronald van der Vis	Member	2009
Adrian Widmer	Member	2020

Robert F. Spoerry

(born 1955, Swiss citizen) has been Chair of the Board of Directors of Sonova Holding AG since March 30, 2011, and a non-executive member of the Board of Directors since 2003.

Robert F. Spoerry is also the non-executive Chair of the Board of Directors of Mettler Toledo International Inc., a leading global manufacturer and marketer of precision instruments and related services for use in laboratory, manufacturing, and food retailing applications. He joined Mettler Toledo in 1983 and was CEO from 1993 to 2007. He led the buyout of Mettler-Toledo from Ciba-Geigy in 1996, and the company's subsequent Initial Public Offering on the New York Stock Exchange (NYSE) in 1997. From 1998 until May 2024, he was Chair of the Board of Directors of Mettler-Toledo International Inc.

His long-standing experience in the technology sector, his deep knowledge of Sonova and his strong technical background with innovation-driven companies provides a substantial benefit to the Group and its shareholders. Robert F. Spoerry devotes a substantial amount of his time to his service as Chair of the Board of Directors.

Robert F. Spoerry graduated in mechanical engineering from the Swiss Federal Institute of Technology (ETH) in Zurich, Switzerland, and holds an MBA from the University of Chicago, USA.

Outside mandates

Listed companies:
- Member of the Board of Directors of Bystronic Holding AG (former Conzetta Holding AG)

Other mandates:
- n.a.

Stacy Enxing Seng

(born 1964, US citizen) has been a non-executive member of the Board of Directors since 2014 and serves on the Nomination and Compensation Committee. She became Vice Chair of the Board of Directors at the 2021 AGM.

She previously served as President of Covidien's Vascular Therapies division. Stacy Enxing Seng joined Covidien as president of its vascular therapies division in July 2010 through its acquisition of ev3 where she was a founding member and executive officer responsible for leading ev3's Peripheral Vascular Division from inception. She has also held various positions at Boston Scientific, SCIMED Life Systems Inc., Baxter Healthcare, and American Hospital Supply.

With her broad experience in the medical technology sector and her strong track record in growing startups and leading multinational companies, she brings further important perspectives to the Group. Her expertise in working with regulatory agencies around the globe brings valuable insight to the Board of Directors.

Stacy Enxing Seng received an MBA from Harvard University and has a Bachelor of Arts in Public Policy from Michigan State University, USA.

Outside mandates

Listed companies:

- Member of the Board of Directors of LivaNova Inc.

Other mandates:

- Chair of the Board of Directors of Cala Health
- Executive Chair of the Board of Directors of Contego Inc.
- Member of the Board of Directors of Corza Inc.
- Member of the Board of Directors of Imperative Care
- Operating Partner of Lightstone Ventures

Gilbert Achermann

(born 1964, Swiss citizen) has been a non-executive member of the Board of Directors since 2024.

Gilbert Achermann served as Chair of the Board of Directors of the Straumann Group from 2010 until 2024. Before that, he was Straumann Group's CFO and later CEO totaling up to more than 12 years, during which time he played a central role in building the company into a global leader in the dental industry. In 2020, he became a member, and in 2022 the Chair of the Board of Directors of Ypsomed Group. Since 2022 Gilbert Achermann is a member of the Board of Directors of Unilabs, and since 2023 its Chair. Since 2022 he is also a member of the Board of Directors of Greentech, a start-up company.

Since 2018 he serves on the Board of IMD in Lausanne and has been elected Vice Chair as of 2026. Since 2020, Gilbert Achermann is also a member and since 2024 Vice President of the Management Board of the Swiss Medtech Association. From 2012 until 2024, he served on the Board of Directors of Julius Baer Group.

With his extensive international business and executive experience, along with a profound understanding of the MedTech industry paired with his long-standing tenure as Chair of the Board of Directors at various companies, he provides valuable insights to the Board of Directors.

Gilbert Achermann holds a degree in Business Administration from the University of Applied Science in St. Gallen and completed the Executive MBA program at the IMD in Lausanne, Switzerland.

Outside mandates

Listed companies:

- Chair of the Board of Directors of Ypsomed Group

Other mandates:

- Chair of the Board of Directors of Unilabs Group
- Member of the Board of Greentech
- Designated Vice Chair of the Supervisory Board of IMD Lausanne
- Vice Chair of the SwissMedtech Association

Gregory Behar

Gregory Behar (born 1969, Swiss citizen) has been a non-executive member of the Board of Directors since 2021.

Since January 2024 he is the CEO of Recipharm AB, a leading Contract Development and Manufacturing Organization (CDMO) in the pharmaceutical industry. From 2014 until December 31, 2023, he served as CEO of Nestlé Health Science, a global leader in the science of nutrition, and became a member of the Nestlé Executive Board in 2017. From 2011 to 2014, he was President & CEO of Boehringer Ingelheim Pharmaceuticals Inc. (USA). Prior to that, he held various leadership positions with Boehringer Ingelheim GmbH (Germany), Novartis AG, and Nestlé SA.

With his broad international business and executive experience in the healthcare industry as well as his strong track record in leading successful global businesses, Gregory Behar brings valuable insight to the Board of Directors.

Gregory Behar earned an MBA from INSEAD, France, a Master of Science in mechanical engineering and manufacturing from EPFL Lausanne, Switzerland, and a Bachelor of Science in mechanical engineering from the University of California in Los Angeles, USA.

Outside mandates

Listed companies:
- n.a.

Other mandates:
- CEO of Recipharm AB
- Member of the Board of Directors of Amazentis SA
- Member of the Board of Directors of New Biologix (mandate held at the direction of Recipharm AB as part of his role as its CEO and thus, shall not be considered as an additional outside mandate)

Lynn Dorsey Bleil

(born 1963, US citizen) has been a non-executive member of the Board of Directors since 2016 and serves as a member of the Audit Committee.

She retired as Senior Partner (Director) from McKinsey & Company in the US in 2013 after more than 25 years of advising senior management and boards of leading healthcare companies on corporate and business unit strategy, mergers and acquisitions, and public policy across all segments of the healthcare value chain. She was also a member of the Board of Directors of Auspex Pharmaceuticals until its sale to Teva in March 2015, of DST Systems until its sale to SS&C in April 2018, and of Stericycle Inc. until its sale to Waste Management in November 2024.

With her extensive experience in advising North American healthcare companies across the entire value chain and through her various board mandates in this sector, she brings very valuable strategic perspectives to the Group and contributes her broad know-how as a Board member.

Lynn Dorsey Bleil holds a Bachelor's degree in Chemical Engineering from Princeton University and a Master's degree in Business Administration from the Stanford University Graduate School of Business, USA.

Outside mandates

Listed companies:
- Member of the Board of Directors of Alcon Inc..
- Member of the Board of Directors of Amicus Therapeutics Inc.

Other mandates:
- Chair of the Intermountain Healthcare Wasatch Back Hospitals Community Board (a non-profit organization)

Lukas Braunschweiler

(born 1956, Swiss citizen) was the CEO of the Sonova Group from November 2011 until March 31, 2018 and has been a non-executive member of the Board of Directors since 2018 and serves as member of the Nomination and Compensation Committee.

Before joining the company, Lukas Braunschweiler was CEO of the Swiss technology group RUAG from 2009 until 2011. From 2002 to 2009, as President and CEO, he headed the Dionex Corporation. The California-based company, active in the life sciences industry, was listed on the Nasdaq stock exchange. Previously, from 1995 to 2002, he held various group executive positions in Switzerland and the US for Mettler Toledo, a precision instruments manufacturer.

Lukas Braunschweiler brings broad CEO experience from a variety of tech-oriented companies and industries in an international environment. Having served as CEO of Sonova from 2011 to 2018, he has not only a comprehensive knowledge of Sonova as a company and its business but also a broad experience in the global hearing aid industry.

Lukas Braunschweiler received a Master of Science in analytical chemistry (1982) and was awarded a Ph.D. in physical chemistry (1985) from the Swiss Federal Institute of Technology (ETH) in Zurich, Switzerland.

Outside mandates

Listed companies:
- Chair of the Board of Directors of Tecan Group AG

Other mandates:
- n.a.

Roland Diggelmann

(born 1967, Swiss citizen) has been a non-executive member of the Board of Directors since 2021 and serves as a member and Chair on the Nomination and Compensation Committee.

From 2019 until March 31, 2022, he has been CEO of Smith & Nephew plc, a UK-based leading global medical technology company active in orthopedics, sports medicine, and advanced wound management. From 2008 to 2012 he was managing director for the Asia/Pacific region and from 2012 until 2018 CEO of Roche Diagnostics. He previously held senior management positions in sales and marketing as well as strategic planning at Zimmer Holdings and Sulzer Medica (later known as Centerpulse).

With more than 20 years of executive experience in the medical device and life sciences industry across many parts of the world and as CEO, Roland Diggelmann provides valuable input to the implementation of Sonova's strategy.

Roland Diggelmann studied Business Administration at the University of Bern, Switzerland.

Outside mandates

Listed companies:
- Chair of the Board of Directors of Mettler Toledo International Inc.

Other mandates:
- Member of the Board of Directors Berlin Heals AG
- Member of the Board of Directors of HeartForce AG
- Member of the Board of Directors Navignostics AG
- Member of the Board of Directors Osler Diagnostics Ltd.

Julie Tay

(born 1966, Singapore citizen) has been a non-executive member of the Board of Directors since 2022 and serves as a member on the Nomination and Compensation Committee.

She served as Senior Vice President and Managing Director, Asia Pacific in Align Technology Inc from 2013 to 2022. She was also a member of the global Executive Management Committee. Align Technology is a leading global medical device company that designs, manufactures, and sells the Invisalign system of clear aligners, iTero intraoral scanners, and exocad CAD/CAM software for digital orthodontics and restorative dentistry.

Before that she held various management positions at Bayer Healthcare, JohnsonDiversey, and Johnson & Johnson Medical. With her broad executive experience in the medical device industry and her executive experience, Julie Tay brings valuable insight to the Board of Directors.

Julie Tay holds a BA from the National University of Singapore and an MBA in International Marketing from the Curtin University of Technology, Australia.

Outside mandates

Listed companies:

- Member of the Board of Directors of EBOS Group Ltd.

Other mandates:

- n.a.

Ronald van der Vis

(born 1967, Dutch citizen) has been a non-executive member of the Board of Directors since 2009 and serves as a member of the Audit Committee, which he chaired from 2019 to 2021.

Ronald van der Vis served as Group CEO of Esprit Holdings Limited, a global fashion and lifestyle company listed on the Hong Kong Stock Exchange, from 2009 until November 2012. Prior to this, since 1998, he held various general management positions at GrandVision NV, the world's leading optical retailer. He was Group CEO at GrandVision NV from 2004 to 2009.

With his extensive international expertise in the retail sector and his broad M&A, corporate finance and strategic experience, Ronald van der Vis provides valuable input to the Group's vertically integrated business strategy.

Ronald van der Vis graduated from the Nyenrode Business University in the Netherlands and received his Master's degree in business administration from the Alliance Manchester Business School in the UK. He has gained significant financial expertise both through his education and through his business experience as CEO and private equity partner.

Outside mandates

Listed companies:

- n.a.

Other mandates:

- Operating Partner, Co-Investor and Industry Advisor
- Chair of the Supervisory Board of European Dental Group
- Chair of the Supervisory Board of Equipe Zorgbedrijven
- Chair of the Supervisory Board of United Veterinary Care
- Member of the Supervisory Board of HEMA BV

Adrian Widmer

(born 1968, Swiss citizen) has been a non-executive member of the Board of Directors since 2020 and serves as a member and Chair on the Audit Committee.

Since 2014 he is Group CFO of Sika AG, a global specialty chemical company based in Switzerland. He previously served as Head Group Controlling and M&A at Sika from 2007 to 2014. Prior to joining Sika, he held various management positions at BASF, Degussa and Textron Inc. in the areas of finance and controlling, business development and general management.

With his broad management background, his experience in M&A and business development, and particularly his financial expertise as active CFO, Adrian Widmer is well qualified to serve on and lead the Audit Committee as a financial expert and is an ideal sparring partner for Sonova's CFO.

Adrian Widmer holds a Master of Science degree in Business and Economics from the University of Zurich, Switzerland and completed the Advanced Management Program of INSEAD Fontainebleau in France.

Outside mandates

Listed companies:
- Group CFO of Sika AG

Other mandates:
- n.a.

Internal organizational structure

Allocation of tasks within the Board of Directors

As specified in Art. 17 para. 1 of the Articles of Association, the Board of Directors constitutes itself, except for the Chair and the members of the Nomination and Compensation Committee, who must be elected by the shareholders. If the office of the Chair or a member of the Nomination and Compensation Committee is vacant, pursuant to Art. 16 para. 4 of the Articles of Association, the Board of Directors appoints a replacement from among its members for the remaining term of office. The duties of the Chair are set out in Art. 16 of the Organizational Regulations, and the duties of the Vice-Chair are set out in Art. 18 of the Organizational Regulations.

In accordance with Art. 13 para. a of the Organizational Regulations, which supplements the Articles of Association, the Board of Directors appoints an Audit Committee.

Tasks and areas of responsibility of Board of Directors' committees

The duties and authorities of the committees are defined in the Articles of Association, the Organizational Regulations, and the Board Committee Charters (available for the Audit Committee and the Nomination and Compensation Committee).

The committees usually meet before the Board of Director's meetings, report regularly on activities and make proposals to the Board of Directors based on their findings. The overall responsibility for duties delegated to the committees remains with the Board of Directors.

Audit Committee

The members of the Audit Committee are Adrian Widmer (Chair), Gregory Behar, Lynn Dorsey Bleil and Ronald van der Vis.

The duties of the Audit Committee include reviewing the performance and effectiveness of external and internal audits on behalf of the entire Board of Directors; evaluating the company's financial control systems, financial structure, and risk management control mechanisms; and verifying the interim and annual accounts and financial statements of the Sonova Group. The Audit Committee is also kept regularly informed on the company's compliance program. Further details can be found in the Audit Committee Charter.

The Audit Committee meets as often as required but no fewer than four times per year. During the reporting period, the Audit Committee met four times. The Chair of the Board of Directors was invited to, and attended, every Audit Committee meeting as a guest.

Nomination and Compensation Committee

The members of the Nomination and Compensation Committee are Roland Diggelmann (Chair), Lukas Braunschweiler, Stacy Enxing Seng, and Julie Tay.

The Nomination and Compensation Committee supports the mission of the Board of Directors to attract, retain, and motivate people with outstanding professional and human capabilities at the Board of Directors and top management levels. In the selection and nomination processes, the committee considers independence, expertise, experience, and skills (including those related to economic, environmental and social aspects) needed for the respective corporate body's tasks, seeking where possible to establish balance in diversity terms including but not limited to: gender, age, nationalities or country of origin, ethnicity, competencies, experiences, ways of believing and mindsets. The Nomination and Compensation Committee also supports the Board of Directors in preparing the compensation report, establishing and reviewing the company's compensation principles, guidelines, and performance metrics, and preparing proposals to the Annual General Shareholders' Meeting on the compensation of the Board of Directors and Management Board. The committee may also submit proposals and recommendations to the Board of Directors on other compensation-related issues. Further details can be found in the Nomination and Compensation Committee Charter.

The Nomination and Compensation Committee meets as often as required but no fewer than four times per year. During the reporting period, the committee met four times and held two additional conference calls on relevant subject matters. The Chair of the Board of Directors was invited to, and attended, every Nomination and Compensation Committee meeting as a guest.

Working methods of the Board of Directors and its committees

During the reporting period, the Board of Directors held five regular meetings and one additional conference call on relevant subject matters. The table below shows the individual members' attendance at Board of Directors and committee meetings, as well as the average length of the meetings:

	BoD meetings [1)]	BoD add. calls [2)]	AC meetings [3)]	AC add. calls [4)]	NCC meetings [5)]	NCC add. calls [6)]
No. of meetings in 2024/25	5	1	4	1	5	1
Robert F. Spoerry	5	1	4 [7)]		5 [7)]	1 [7)]
Stacy Enxing Seng	5	1			5	1
Gilbert Achermann	5 [8)]	1				
Gregory Behar	5	1	4	1		
Lynn Dorsey Bleil	5	1	4	1		
Lukas Braunschweiler	5	1			5	1
Roland Diggelmann	5	1	4		5	1
Julie Tay	5	1			5	1
Ronald van der Vis	5	1	4	1		
Adrian Widmer	5	1	4	1		
Average meeting length	8.5 h	1 h	3 h	1 h	2 h	1 h

1) Regular Board of Directors meetings in person.
2) Additional calls of the Board of Directors.
3) Regular meetings of the Audit Committee (AC) in person.
4) Additional calls of the Audit Committee (AC).
5) Regular meetings of the Nomination and Compensation Committee (NCC) in person.
6) Additional calls of the Nomination and Compensation Committee (NCC).
7) As a guest.
8) Participated in two meetings as a guest before being elected at the 2024 AGM.

Urgent business matters were discussed in various telephone conferences. In addition to formal meetings at which minutes were taken, members of the Board of Directors or the committees also frequently met informally for other topics and discussions that required additional time. These included but were not limited to, preparations for formal meetings, interviews, nomination of key individuals, and reviewing M&A projects.

The agenda for a meeting of the Board of Directors or of a Board committee is set by its respective Chair. Any member of the Board of Directors or a committee may request a meeting or ask that an item be put on the agenda. Members of the Board of Directors and the committees are provided in advance of meetings with all relevant documents that enable them to prepare for the discussion of the agenda items during the meeting. The Board of Directors and its committees constitute a quorum if at least half of the members are present. The Board of Directors and its committees approve resolutions by a majority of members present at the meeting. In the event of an equal number of votes, the Chair has the casting vote.

The Board of Directors works closely with the Management Board. In general, the meetings of the Board of Directors and its committees are also attended by the CEO and the CFO and, depending on the agenda, other members of the Management Board. The Board of Directors and the committees meet in an executive session after every Board and committee meeting, respectively. The Board of Directors consults external experts in connection with specific tasks when necessary.

During the 2024/25 financial year, the five regular meetings of the Board of Directors were attended by the CEO and other members of the Management Board to review, amongst other topics, performance against plan, key initiatives, and strategic matters. If necessary, the Board of Directors also consults with other internal experts (such as the Group General Counsel) or external advisors.

All four meetings of the Audit Committee were attended by the Chair as a guest. The CEO, the CFO, and the Head of Internal Audit and Risk participated in all four meetings of the Audit Committee. Representatives of the auditors participated in one out of these four meetings.

All five meetings of the Nomination and Compensation Committee were attended by the Chair as a guest and were held in the presence of the CEO and the Group Vice President Corporate Human Resources.

Definition of areas of responsibility

The Board of Directors of Sonova Holding AG is responsible for the overall direction of the company, except in matters reserved by law to the Annual General Shareholders' Meeting. The Board of Directors decides on all matters that have not been reserved for or conferred upon another governing body of the company by law, by the Articles of Association, or by the company's Organizational Regulations. The division of responsibility between the Board of Directors and the Management Board is set out in detail in the company's Organizational Regulations.

Information and control instruments vis-à-vis the Management Board

The Management Board reports regularly to the Board of Directors and its committees. At each Board of Directors' meeting, the Management Board informs the Board of Directors on the status of current business matters and financial results, and presents relevant strategic initiatives as well as major business transactions such as M&A. Each year a Board of Directors' meeting is reserved for the presentation and discussion of the company's strategy and long-term financial plan. The Board of Directors is provided with monthly consolidated sales reports containing data on revenue, average selling prices, and units for each major product, subsidiary, and market. The Board of Directors also receives, on a monthly basis, the financial report with the full profit and loss statement, the balance sheet, and the cash flow statement, as well as the CEO's report on business performance, the competitive situation, updates on various initiatives, and an outlook. Telephone conferences are held as required between the members of the Board and the CEO or

CFO. Furthermore, each member of the Board of Directors may request information on all matters concerning the company.

Internal audit, risk, and compliance

The mandates of the Internal Audit and Risk Management functions, along with their reporting lines and scope of activities, are defined in the Internal Audit & Risk Charter approved by the Audit Committee and the Board of Directors. Internal Audit carries out compliance and operational audits and assists the business units in attaining their goals by providing assurance from an independent evaluation of the effectiveness of internal control processes. The Management is responsible for the control of business risks and for 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 regularly reports progress to the Audit Committee. The Head of Internal Audit & Risk reports to the Chair of the Audit Committee. In addition, the Chair of the Board of Directors is invited to the Audit Committee as a guest and is thus kept fully informed, but has no voting rights.

The Group has implemented an efficient and comprehensive system to identify and assess strategic, operational, financial, legal, cyber, and compliance risks related to the Group's business activities. Risk management and mitigation proposals are prepared by the Management Board, reviewed by the Audit Committee and subsequently approved by the entire Board of Directors. The risk management function categorizes risks by severity and probability and supports the Management Board in determining the measures necessary to address or mitigate them. Our risk management approach is aligned with international standards, such as the Committee of Sponsoring Organizations (COSO) internal control framework.

The Board of Directors approves the risk assessment and provides guidance from a strategic point of view. To continuously monitor key risks and their mitigation, Risk Management prepares risk status reports which are presented to the Audit Committee on an ad hoc basis.

Risk Management also assumes responsibility for the Internal Control System (ICS) for financial reporting risks. The Board of Directors receives annual updates on the Group companies' compliance with the ICS guidelines.

The Group compliance program supports Sonova's core values of ethical behavior and unquestionable integrity. The program is administered by the Head Group Compliance & Data Privacy and ultimately overseen by the Group General Counsel. Among other activities, the program administers the ethics hotline, and other reporting channels and ensures that reports are adequately addressed; structures the policy framework for ethical business conduct and trains the businesses on it; counsels and advises on proposed business approaches; and supports the businesses in their vetting of business partners. Quarterly compliance reports are provided to the Audit Committee and an annual compliance report is addressed to the Board of Directors. The Group General Counsel has an activity-specific or "dotted-line" reporting relationship to the Chair of the Audit Committee with respect to compliance responsibilities.

Environmental, Social and Governance Management (ESG)

Sonova's environmental, social and governance (ESG) strategy is integrated into its overall strategy and is an essential part of Sonova's way of doing business. "We take accountability" is one of our core values: ESG improvement indicators are therefore embedded throughout our business, and we strive to optimize them with the same intensity as we do our financial ones, making significant efforts and setting ambitious targets.

Sonova has established an ESG Council, which oversees and further develops the Group's ESG strategy, including commitments and targets, and monitors progress on key performance indicators and initiatives. The ESG Council meets at least on a quarterly basis and consists of the Group CEO, selected members of the Management Board, the Group General Counsel, and the

Corporate Sustainability team. Progress on ESG targets is also regularly reviewed by the full Management Board and ESG targets are an element of each Management Board member's variable compensation. The Audit Committee regularly reviews the data collection and reporting consolidation of ESG targets, while the Nomination and Compensation Committee reviews the achievement of ESG targets as part of determining the variable compensation. The Board of Directors approves the ESG strategy, initiatives, and targets, and regularly receives progress updates from the Management Board (see the comprehensive ESG Report).

Some of the key ESG topics at Sonova include climate change, access to hearing care, product quality, -reliability, and -safety, talent management, data privacy, and digital ethics. Among other reports, a comprehensive D&I report including initiatives and specific targets is prepared by the CEO and Corporate Human Resource Management and reviewed annually by the entire Board of Directors.

Responsible behavior also includes full compliance with tax laws and regulations at all times. Sonova's tax principles provide high level information on procedures and internal guidelines for tax compliance throughout the Sonova Group.

Good governance is supported by a regular dialogue on ESG topics with proxy advisors, investors, and rating agencies, and by Sonova's continuously active risk management and our compliance functions.

Management Board

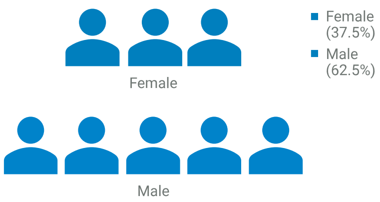
The Management Board is responsible for the business and affairs of the company and the preparation, implementation, and monitoring of Sonova's strategy, the management of the members' respective Group functions, and the preparation, implementation, and delivery of the annual plan and budget. The Management Board also prepares for and executes decisions made by the Board of Directors. In accordance with the Organizational Regulations of Sonova Holding AG, the Management Board is chaired by the CEO and comprises at least the CFO, plus such additional members as appropriately reflect the company's structure and activities. The members of the Management Board are proposed by the CEO and are appointed by the Board of Directors based on the recommendation of the Nomination and Compensation Committee (NCC).

The yearly evaluation of the CEO is based on the input of each member of the Board of Directors addressed to the Chair. The consolidated input is reviewed first by the NCC and subsequently finalized by the entire Board of Directors. Finally, the results are reviewed and discussed between the Chair and the CEO.

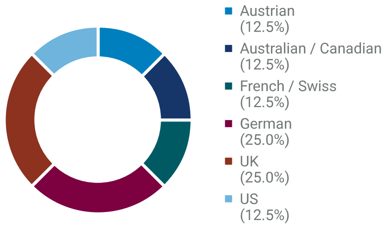
Composition of the Management Board

As of March 31, 2025, the composition of the Management Board is as follows:*

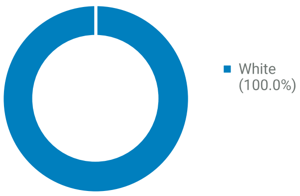
Gender



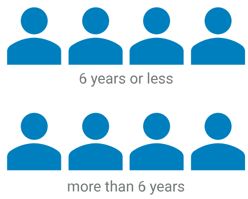
Nationality



Ethnicity



Board Tenure



*Graphics already include the new CFO, Elodie Carr-Cingari, who will start with the company in May 2025 and will be appointed to the Management Board as of July 2025.

Arnd Kaldowski
Chief Executive Officer

(born 1967, German citizen) joined the Sonova Group in October 2017 as Chief Operating Officer and became CEO as of April 1, 2018.

He joined Sonova from Danaher Corporation, where he served in various leadership capacities since 2008, as Group Executive of the Diagnostics Platform and President Beckman Coulter Diagnostics from 2013 until 2017. Arnd Kaldowski led significant sales growth, innovation and productivity initiatives. He also brings significant experience and a successful track record in M&A, commercial excellence, and new product introduction, which he gained during his career at Danaher and as SVP Point-of-Care Solutions at Siemens Medical, following his previous assignments as Investment Director of Atila Ventures and as a Manager with the Boston Consulting Group.

Arnd Kaldowski holds a Master of Science in Physics from the Technical University Darmstadt, Germany, and an MBA from INSEAD in Fontainebleau, France.

Outside mandates

Listed companies:
- n.a.

Other mandates:
- President of European Hearing Instrument Manufactures Association (EHIMA) (mandate held at the direction of Sonova as part of his role as its CEO and thus, shall not be considered as an additional outside mandate)

Ludger Althoff

Group Vice President Operations

(born 1964, German citizen) joined the Sonova Group in January 2019 as Vice President (VP) Operations and became Group Vice President Operations as of April 1, 2019.

Before joining Sonova, he was Senior VP Quality and Operations at ABB Power Grids from 2016 until 2018 where he held functional responsibility for all factories and engineering centers of the business. Before that, he held various key operation leadership positions within the Danaher Corporation from 2001 until 2016, including the role of VP Global Operations of Danaher's Dental Group and the role of VP Global Operations of Leica Microsystems. Ludger Althoff brings with him over 25 years of international management experience in operations, global sourcing and logistics as well as continuous improvement.

Ludger Althoff completed his education at the City of Mönchengladbach Technical School and was certified Quality Manager (EOQ) by the European Organization for Quality.

Outside mandates

Listed companies:
- n.a.

Other mandates:
- n.a.

Lilika Beck

Group Vice President Consumer Hearing

(born 1979, Australian and Canadian citizen) joined the Sonova Group in 2009 and held several leadership roles within Hearing Instruments and Audiological Care, before being appointed Group Vice President Consumer Hearing in June 2024.

Her experience in Hearing Instruments includes the leadership of the Unitron brand as Vice President Global Marketing and as Unitron Country Director Australia. Between 2019 and 2024, she was Managing Director of Connect Hearing Canada in Sonova's Audiological Care business. Under her leadership, Connect Hearing grew into a market-leading brand, with high client satisfaction and employee engagement scores. Lilika has a strong track record in delivering impactful product launches, she has rapidly expanded the clinic network through M&A and deployed a company-owned subscription model for hearing aids.

Lilika Beck holds a Master's degree in International Business from the Macquarie University, Australia.

As publicly announced on May 7, 2024, Lilika succeeded Martin Grieder; further details on him can be found in last year's Annual Report.

Outside mandates

Listed companies:
- n.a.

Other mandates:
- n.a.

Katya Kruglova
Group Vice President Human Resources & Communications

(born 1971, British citizen) joined the Sonova Group in March 2023 and was appointed Group Vice President Human Resources & Communications in May 2023.

She has more than 25 years of global HR experience in large-scale organizations and various industries, including medical devices, life sciences and financial services. She joined Sonova Group from GE Healthcare, a global medical technology company, where she led a global HR team located in more than 30 countries as VP Human Resources from 2017 until 2023. She also played a key role in the spin-off of GE Healthcare into a publicly listed company in 2022. Prior to that, from 1998 until 2017, Katya Kruglova held HR positions with growing responsibilities in various General Electric entities, including GE Healthcare Life Sciences and GE Capital.

Katya Kruglova has a Master's degree in English/Spanish Linguistics and Psychology from the State Linguistic University in Moscow, Russia.

Outside mandates

Listed companies:
- n.a.

Other mandates:
- n.a.

Oliver Lux
Group Vice President Audiological Care

(born 1976, Austrian citizen) joined the Sonova Group in 2010 and held various general management roles in Audiological Care, before being appointed as Group Vice President Audiological Care in June 2024.

During Oliver Lux's longstanding experience in Audiological Care, he has held managing director roles in various markets, including Austria, Hungary, the US, and most recently Managing Director of Germany. He also held global corporate roles, such as VP of Strategy & Transformation and Commercial Excellence, has helped to strategically expand the global presence of the Audiological Care business and was in charge of business development and M&A to expand sales structures and integrate new stores. He was involved in the launch of "World of Hearing" at a global scale and was also responsible for new markets (e.g. Brazil, China and, Japan).

Before joining Sonova, Oliver was a Principal at Arthur D. Little focusing on consulting Strategy and M&A mandates in Central Europe East (CEE), Europe, Middle East and Africa (EMEA) regions.

Oliver Lux holds a Master's degree in Economics and Trade from the Vienna University of Economics & Business in Austria and has an Executive Diploma in Financial Strategy from Oxford University, Saïd Business School, UK.

As publicly announced on May 7, 2024, Oliver succeeded Christophe Fond; further details on him can be found in last year's Annual Report.

Outside mandates

Listed companies:
- n.a.

Other mandates:
- n.a.

Alistair Simpson

Group Vice President Cochlear Implants and President of Advanced Bionics

(born 1969, UK citizen) was appointed Group Vice President Cochlear Implants as of July 2024.

Alistair Simpson is an experienced business executive with an excellent track record in managing full P&Ls as a General Manager, including leading marketing, sales, and R&D functions. He brings longstanding expertise in operational excellence and highly regulated medical devices, including the successful commercialization of multiple new products in a variety of therapeutic areas. Alistair is well-versed in interacting and building relationships with key physician contacts and looks back to more than 10 years of experience in operating as well as building business systems. Thus, he successfully combines customer-centricity with being a process-driven business leader. Additionally, he has multi-region professional experience and has held various senior leadership positions in companies including Johnson & Johnson, Danaher and LivaNova.

Alistair Simpson holds an MBA from the Joseph M. Katz Graduate School of Business at the University of Pittsburgh, USA, and a Bachelor of Science in Geography from the University of Glasgow, UK.

As publicly announced on May 7, 2024, Alistair succeeded Victoria Carr-Brendel; further details on her can be found in last year's Annual Report.

Outside mandates

Listed companies:
- n.a.

Other mandates:
- n.a.

Robert Woolley

Group Vice President Hearing Instruments

(born 1976, US citizen) joined the Sonova Group in January 2022 and was appointed Group Vice President Hearing Instruments in April 2022.

He previously held the position of Executive Vice President for North America from September 2019 until December 2020 and became Executive Vice President Western Europe in January 2021. Prior to Straumann, Robert worked for Stryker as the Global Vice President and General Manager of Stryker ENT. He has longstanding experience in leadership roles in the medical device and healthcare sector, both in the USA and Switzerland. Robert has a broad range of functional experiences including roles with increasing responsibility in general management, sales and marketing, research, and product- and business development.

Robert Woolley is an engineer by training with a BSc in Mechanical Engineering from Brigham Young University and holds an MBA from Harvard Business School.

Outside mandates

Listed companies:
- n.a.

Other mandates:
- n.a.

Other activities and vested interests

Except as disclosed in the biographies of the members of the Management Board, no member of the Management Board holds any position in a governing or supervisory body of any important private or public sector organization, institution, or foundation; none holds any permanent management or consulting position with an important interest group, or any public or political office.

Mandates outside Sonova Holding AG

No member of the Management Board may hold more than one mandate in a listed company and no more than three mandates in other companies and organizations. Each of these mandates shall be subject to approval by the Board of Directors. Mandates shall mean mandates in comparable functions at other enterprises as well as in (trading) associations, organizations, foundations and similar legal entities with an economic purpose.

The following mandates are not subject to these limitations:

- Mandates in companies which are controlled by Sonova or in companies which control Sonova; and
- Mandates held at the request of Sonova or companies controlled by Sonova, whereby no member of the Management Board may hold more than ten such mandates.

For further details see Art. 30 of the Articles of Association.

Management contracts

The Board of Directors and the Management Board conduct business directly and have not delegated any management tasks to companies outside the Group.

Compensation, shareholdings, and loans

Details of Board and Management compensation are contained in the Compensation Report. In accordance with the Articles of Association, no loans were granted to the members of the Board of Directors or the members of the Management Board.

Shareholders' participation rights

Voting rights and representation restrictions

Voting rights restrictions

When exercising voting rights, no shareholder can combine, with their own and represented shares, more than 10% of the total number of shares as shown in the Commercial Register (Art. 14 para. 2 of the Articles of Association). Legal entities and partnerships who are combined or associated in terms of capital or votes or by single management or in a similar way, as well as natural persons, legal entities, and partnerships that act jointly or in a coordinated way, shall count as one person. The Board of Directors may enact specific regulations for justified cause. Shareholders who were already entered in the share register at the time of the introduction of the aforementioned provision, as well as purchasers or usufructuaries, shall be excluded from the limitation of voting rights.

Exceptions granted in the year under review

During the reporting period, no exceptions to the above-listed rules were granted.

Statutory rules on participation in the General Shareholders' Meeting

According to Art. 14 para. 4 of the Articles of Association, shareholders entered in the share register with voting rights may have their shares represented by a person with written authorization from them who does not need to be a shareholder, or by the Independent Proxy. All the shares owned by a shareholder can only be represented by one person.

Independent Proxy and electronic voting

Anwaltskanzlei Keller AG, Zurich, was elected as the Independent Proxy by the 2024 AGM for the period until the completion of the 2025 AGM.

Sonova Holding AG offers shareholders the option of using an online platform for granting proxy and providing voting instructions to the Independent Proxy electronically.

The Board of Directors determines the venue of the General Shareholders' Meeting. In case the Board of Directors may determine to hold a virtual or hybrid General Shareholders' Meeting, shareholders who are not present in person may exercise their rights by electronic means (Art. 12a para. 2 of the Articles of Association).

Statutory quorums

According to Art. 15 of the Articles of Association, resolutions and elections by the Annual General Shareholders' Meeting require the approval of a relative majority of the votes cast, except as otherwise provided by law or the Articles of Association.

Convocation of the General Shareholders' Meeting

The ordinary Annual General Shareholders' Meeting is held within six months following the close of the financial year.

Extraordinary General Shareholders' Meetings may be called as often as necessary, especially if required by law.

General Shareholders' Meetings are convened by the Board of Directors and, if necessary, by the auditors. Shareholders with voting rights, who together represent at least 5% of the share capital or votes, may issue a written demand to the Board of Directors to convene an Extraordinary General Shareholders' Meeting, indicating the matters to be discussed and the corresponding proposals, and, in case of elections, the names of the nominated candidates (Art. 11 of the Articles of Association).

Inclusion of items on the agenda

According to Art. 12 para. 3 of the Articles of Association, shareholders with voting rights who represent at least 0.5% of the share capital or the votes may demand that an item be included on the agenda with a statement of the motions or that a motion relating to an agenda item be included in the invitation convening the General Shareholders' Meeting. Such requests must be addressed in writing to the Chair of the Board of Directors no later than 60 days before the meeting.

Registration in the share register

For administrative reasons, the share register is closed approximately one week prior to the date of the Annual General Shareholders' Meeting, which is scheduled to be held on June 10, 2025. Admission cards and voting forms are sent to shareholders during this period. The shares can be traded at any time and are not blocked. For detailed information, we refer to the invitation to the 2025 AGM.

Changes of control and defense measures

Duty to make an offer

The Articles of Association of Sonova Holding AG do not contain provisions for opting out or opting up. The result is that an investor who directly, indirectly, or in concert with third parties acquires shares in the company and, together with the shares he/she/it already possesses, thereby exceeds the 33⅓% threshold of voting rights in the company, is required to submit an offer for all shares outstanding, according to Swiss stock exchange law.

Clauses on changes of control

In case of a change of control and a related termination of employment (double trigger), unvested equity instruments granted under the Sonova Executive Equity Award Plan (EEAP) vest on a pro-rata basis only. The EEAP is described in more detail in the Compensation Report and in Note 7.4 to the consolidated financial statements.

Auditors

Duration of the mandate and term of office of the lead auditor

At the Annual General Meeting on June 11, 2024 Ernst & Young AG, Zürich, was re-elected as auditor for Sonova Holding AG and the Sonova Group for the 2024/25 financial year. Ernst & Young AG, Zürich, was first elected at the Annual General Shareholders' Meeting on June 11, 2020. Martin Mattes has served as lead auditor for the auditing mandate since then.

Fees

The auditors charged the following fees during the 2024/25 and the 2023/24 financial year:

1,000 CHF	Ernst & Young 2024/25	Ernst & Young 2023/24
Audit services	3,122	2,968
Audit-related services	255	259
Other non-audit services	201	187
Total	**3,578**	**3,414**

Audit services are defined as the standard audit work performed each year to issue an audit opinion on the parent company and consolidated financial statements of the Sonova Group, as well as opinions on the local statutory financial accounts or statements. Also included is extra work within the audit that can only be provided by the Sonova Group auditor, such as auditing of non-recurring transactions or the implementation of new accounting policies, as well as consents and comfort letters in relation to regulatory filings.

Audit-related services consist of support for the audit, such as providing advice on new accounting rules; this could be provided by sources other than the auditor who signs the audit report.

The values of audit, audit-related, tax, and non-audit services are in line with ratios suggested by commonly applied good practice standards that relate to the independence of auditors. A formal policy issued by the Audit Committee is in place that regulates all non-audit assignments of the auditors.

Informational instruments pertaining to the external audit

The external auditors report their findings semi-annually directly to the Audit Committee of the Board of Directors. In the 2024/25 financial year, the external auditors attended three out of four Audit Committee meetings physically or by telephone conference. The Audit Committee of the Board of Directors reviews the performance, compensation, and independence of the external auditors on a regular basis. The Audit Committee reports its findings to the Board of Directors on a quarterly basis.

Information policy

The Sonova Group pursues an open and active information policy. A governing principle of this policy is to treat all stakeholders alike and to inform them at the same time. It is our aim to inform our shareholders, employees, and business partners in the most direct, open, and transparent way possible about our strategy, our global activities, and the current state of the company.

All publications are made available to all shareholders, the media, and the stock exchange at the same time. All shareholders entered in the share register automatically receive the summary report and an invitation to the Annual General Shareholders' Meeting of Sonova Holding AG. Sonova uses a news service that delivers press releases to interested stakeholders.

The website of the Sonova Group, www.sonova.com, contains information on the company results and the financial calendar as well as current investor presentations. The Investor Relations function includes presentations of annual and interim results, investor presentations, and presentations held at other events.

The official means of publication of Sonova Holding AG is the Swiss Official Gazette of Commerce.

On the www.sonova.com/en/registration-sonova-news-alert website, it is possible to subscribe to news alerts about Sonova via email. Messages are sent in English and German, and it is possible to state theme preferences for the alerts received. All Sonova media releases can be found at www.sonova.com/en/media/news.

More information tools, permanent sources of information, and contact addresses are shown at the end of this Annual Report.

Securities trading policy and black-out periods

The Board of Directors maintains a policy that prohibits the use of confidential information by corporate insiders. It institutes blocking periods to prevent insiders from trading in securities of Sonova Holding AG during sensitive time periods and requires pre-trading clearance for members of the Board of Directors, the Management Board, and selected employees.

This policy defines general trading black-out periods, during which the members of the Board of Directors and the Management Board as well as certain employees of Sonova Group are prohibited from trading in securities of Sonova Holding AG and/or related financial instruments, subject to exemptions provided by Swiss law (e.g., for share buyback programs). The recurring trading black-out periods begin one month prior to the end of any half year or full year reporting period of Sonova and end two full trading days following the respective public release. The exact dates are communicated by email to all persons involved. Sonova may impose additional special trading black-out periods at any time for any reason.

In cases of personal hardship, the CEO and the CFO, acting jointly and following consultation with the Group General Counsel, may allow exceptions to a black-out period upon a reasoned request by the employee concerned. In case options or warrants granted under any employment compensation plan fall within a black-out period, and, if the applicable plan provides for the automatic exercise or sale of such options or warrants during the black-out period, such options or warrants may be automatically exercised or sold during the black-out period by the plan administrator and as provided for in the relevant plan.

Compensation report

At Sonova, employees help people to hear the world, and with it improving their lives. We come to work every day knowing that continuous innovation across all disciplines, our shared engagement as a team, and our responsible approach to all things we do bring the delight of hearing to millions of people. Therefore, we team up. We grow talent. We bring together people of diverse backgrounds to win with the best team in the marketplace. We attract, retain, and develop skilled, dedicated, and ambitious colleagues who continuously improve and grow the company for all our stakeholders.

This compensation report describes Sonova's compensation principles and system, as well as the method of determining the compensation of members of the Board of Directors and the Management Board. It also explains the roles, responsibilities, and governance procedures involved in the design, approval, and implementation of compensation plans. More information on topics such as Board composition, independence, diversity, competence, evaluation, and risk and compliance management, as well as sustainability, can be found in the corporate governance report.

The compensation report provides the context for the shareholder votes on the compensation of the Board of Directors and the Management Board, submitted for approval at the 2025 Annual General Shareholder Meeting (AGM). This report complies with the requirements of the Swiss Code of Obligations (OR), the standard relating to information on corporate governance of the SIX Swiss Exchange, and the principles of the Swiss Code of Best Practice for corporate governance of the Swiss national federation EconomieSuisse.

It has the following structure:

1. Introduction by the Chair of the Nomination and Compensation Committee
2. Enhanced disclosure
3. At a glance
4. Compensation policy and principles
5. Compensation governance
6. Compensation components and system
7. Compensation for the financial year
8. Share ownership information

For ease of reference, abbreviations are also summarized in a glossary at the end of this report.

1. Introduction by the Chair of the Nomination and Compensation Committee

Dear Shareholders,

I am pleased to share with you Sonova's compensation report.

Throughout the year, the Nomination and Compensation Committee (NCC) focused among other topics on succession planning and the composition of both the Board of Directors and the Management Board. Additionally, the committee addressed the compensation of the Board of Directors and the Management Board. This work also involved preparing the compensation report and organizing the say-on-pay vote at the Annual General Meeting (AGM).

Enhanced disclosure

In response to shareholder feedback and last year's votes at the AGM, which fell below our expectations regarding the approval of the compensation report, the NCC, in collaboration with the management and external advisors thoroughly reviewed the disclosure and transparency principles of the compensation disclosure. This review was based on benchmark analyses and direct engagement with major shareholders and proxies. Because the main feedback was predominantly focused on disclosure and not on the compensation systems or levels, we have decided to enhance the ex-post disclosure of targets and respective targets achievement for group targets for the variable cash compensation as well as for the performance options vesting. Furthermore we will adjust the payout curve for relative Total Shareholder Return (rTSR) and introduce clawback and malus provisions in the long-term incentive plan. In this report you will find a dedicated section, highlighting the enhancements in disclosures.

Compensation

Our compensation system is well aligned with our company strategy, business results, and the interests of our shareholders. In 2024, we conducted a comprehensive benchmark review of the compensation levels for the Board of Directors and the Management Board, comparing them against both international and national peer benchmarks. The results indicate that our compensation levels are fully in line with these benchmarks.

ESG

To emphasize our corporate sustainability and sustainable business approach, relevant environmental, social and governance (ESG) targets are reflected in the Variable Cash Compensation (VCC) of the Management Board. These ESG objectives align with our broader ESG strategy, IntACT, as outlined in our ESG Report and cover objectives across the environmental, social and governance pillars.

Talent Management

An important focus for the NCC is on talent management. Identifying and developing talent is crucial for Sonova as we strive for customer care and innovation in the hearing care industry. We invest significant time and resources developing our employees across our businesses and locations.

We believe that a diverse gender representation at the Board of Directors and at the Management Board leads to the best results and is also in the best interest of the Group and its shareholders. In fiscal year 2024/25 three of the ten members of the Sonova Board of Directors were women (30%), as were three[1] of the eight members (37.5%) of the Management Board. The share of women in senior management was 30.5% and 41.6% in middle management.

[1] Including our new CFO, Elodie Carr-Cingari, who will start with the company in May 2025 and will be appointed to the Management Board as of July 2025.

The Board of Directors continues to focus on succession planning, ensuring a diverse and competent board composition. The criteria used are the breadth and depth of competencies, the business and managerial expertise and the team spirit required to govern the company's businesses and the implementation of the strategy.

Board of Directors

As previously communicated, the Board of Directors will propose changes to its membership at the upcoming AGM, in line with its established long-term succession planning. After many years of dedicated service, the current Chair Robert Spoerry, as well as Stacy Enxing Seng, and Lukas Braunschweiler will not stand for re-election; Robert Spoerry and Lukas Braunschweiler are approaching the age limit stipulated in the Organizational Regulations of Sonova Holding AG. The Board has nominated Gilbert Achermann, who was elected as a member of the Board at the 2024 AGM, for election as Chair and Laura Stoltenberg for election as a new member of the Board at the upcoming AGM. After a transition period in the 2024/25 financial year, the Board will reduce its membership from 10 to 8 members.

2025 AGM

At the 2025 AGM, shareholders will be asked to vote on:

1. This 2024/25 compensation report (Advisory vote)
2. The maximum aggregate amount of compensation of the Board of Directors from the 2025 AGM to the 2026 AGM
3. The maximum aggregate amount of compensation of the Management Board for the financial year 2026/27

The total compensation to the members of the Board of Directors for the actual term in office is well within the limit approved at the 2024 AGM. Similarly, the compensation awarded to the members of the Management Board for the reporting year is also within the limits approved at the AGM 2023.

We trust that this year's compensation report provides you with the information required to vote in favor of the Board proposals. We are confident that our compensation system rewards performance in a balanced, sustainable and transparent manner that aligns with shareholders' interests.

Yours sincerely,

Roland Diggelmann
Chair of the NCC

2. Enhanced disclosure

Following the outcome of the AGM vote on the compensation report 2023/24, we established a task force led by the NCC to thoroughly review the feedback received by shareholders and to develop a comprehensive action plan. We have engaged in extensive outreach and have held numerous meetings with our key shareholders and proxy advisors followed by discussions with the NCC and the Management Board. The NCC values the feedback received on the compensation report which predominantly related to disclosure matters rather than the compensation levels or the compensation system. In this regard, the following advancements were made in this year's report:

	Shareholder Concern	Sonova's Response
Disclosure	Clarity on Targets and Achievements	First of all, we simplified the disclosure around the structure of the performance objectives of the short-term cash incentive (VCC) and we provided more details around the categories of individual objectives for the CEO and the Management Board.
		Secondly, for both the VCC and long-term incentive plans (EEAP), we will disclose the performance targets, achievements and related payout percentages for all Group objectives (Group financial and Group ESG objectives.). This includes the ex-post disclosure of the ROCE targets and achievements for all the tranches that vest in the reporting year under EEAP.
	Disclosure of vesting value of the long-term incentive / realized pay	As mentioned above, the performance targets, achievements and related payout percentages are now disclosed ex-post for all Group objectives, which includes the relative TSR and ROCE targets and achievements under the EEAP for each tranche that vests in the reporting year.
		As in previous years, the disclosure in the compensation tables is based on the grant value of the EEAP, as per Swiss regulations and market standards.
LTI	Vesting period for performance options	Shareholders expressed that they consider the vesting period of the performance options to be too short, because it is below three years for two of the four tranches. However, the EEAP awards (performance options and PSUs) are subject to a blocking period of five years counted from the grant date, which means that the overall plan duration (vesting + blocking period) is five years.
		The NCC is convinced that the current plan set-up is well aligned with shareholder's interests.
	Possible payout for below median TSR performance of the PSU	Our remuneration philosophy is to pay for performance and to maintain a reasonable risk profile for our incentive plans. Therefore, a partial payout is possible if the performance exceeds the first quartile of the peer group. Symmetrically, the payout is capped in case of outstanding performance. This mechanism provides for a robust balance. Nevertheless, the NCC decided to align the payout curve for the PSU grant with market practice by increasing the threshold from 20th to 25th percentile and decreasing when the cap is met from 80th to 75th percentile.
		We will continue to apply the existing rule to cap the vesting at 100% in case of negative TSR regardless of the positioning in the peer group.
	Clawback/malus provisions	The NCC has decided to introduce clawback and malus provisions in the EEAP, starting with the grant in 2025. Those provisions will allow the company to reduce the vesting level of unvested awards (malus) or recover paid EEAP awards (clawback) in case of fraud, violation of law or financial restatement due to material non-compliance with accounting standards. These provisions are comparable to those already existing in the VCC.

3. At a glance

Board of Directors compensation

To ensure their independence in their supervisory function, members of the Board of Directors receive a fixed compensation in form of board retainer in cash and restricted shares and committee fees in cash.

Shares are restricted for a period of 5 years and 4 months (chair) and 4 years and 4 months (members) to strengthen the alignment with shareholder interests.

Annual retainer	Cash (CHF)	Shares (CHF)
Board chair	430,000	370,000
Board member	100,000	160,000
Additional fees	**Chair (CHF)**	**Member (CHF)**
Vice-chair	15,000	n.a.
AC/NCC	40,000	20,000

The expected compensation paid for the period from the 2024 AGM until the 2025 AGM of CHF 3,355,000 is within the amount of CHF 3,500,000 approved by shareholders.

The effective compensation paid for the period from the 2023 AGM until the 2024 AGM of CHF 3,100,000 is within the amount of CHF 3,230,000 approved by the shareholders.

Approved versus effective total compensation for the members of the Board of Directors

Total compensation	Approved	Effective
in CHF 1,000		
2024 AGM–2025 AGM	3,500	3,360[1)]
2023 AGM–2024 AGM	3,230	3,100

1) this compensation period is not completed yet, estimated amount.

Members of the Board of Directors are subject to minimum share ownership requirements of CHF 200,000.

Management Board compensation

The compensation of the Management Board consists of fixed and variable performance-based compensation and is based on the following principles:

- Pay for performance
- Alignment with shareholder interests
- Market competitiveness
- Alignment with Company's values

Management Board	Fixed salary[1)]	Short-term cash incentive (VCC)	Long-term equity incentive (EEAP)
CEO	926,100	89% of fixed salary (at target)	234% of fixed salary (at target)
MB members	426'000 on average	up to 50% of fixed salary (at target)	up to 107% of fixed salary (at target)

1 Fixed salary effective June 1, 2024.

The STI payout amounts to 80.9% for the CEO and 72.6% for the other members of the Management Board on average.

The LTI vesting level amounts to:

- 100% for the options awarded in 2024 and 2023, 93.8% for the options awarded in 2021 and 68.3% for the options awarded in 2022
- 50.96% for the PSUs

The compensation awarded for the 2024/25 financial year of CHF 12,300,000 is within the amount of CHF 16,500,000 approved by the shareholders.

Approved versus effective total compensation for the members of the Management Board

Total compensation	Approved	Effective
in CHF 1,000		
2024/25 financial year	16,500	12,300
2023/24 financial year	16,000	12,500

The CEO and members of the Management Board are subject to minimum share ownership requirements of CHF 1,000,000 and CHF 200,000 respectively.

Governance

- Authority for decisions related to the compensation of the Board of Directors and the Management Board is governed by the Articles of Association.
- The prospective maximum aggregate amounts of compensation of the Board of Directors and of the Management Board are subject to binding shareholder votes at the AGM. The compensation report is subject to a consultative shareholder vote at the AGM.

4. Compensation policy and principles

At Sonova, our mission is to improve and grow the company for all our stakeholders drives us to attract and hire the best talent essential for our continued success. We are committed to fostering a culture of excellence, where our competitive compensation systems reflect our dedication to recognizing and rewarding the contributions of our exceptional team members. By bringing together individuals with diverse backgrounds and experiences, we empower our workforce to innovate and excel, ensuring that we remain at the forefront of the medical device industry. Sonova's competitive compensation systems are based on the following principles:

Sonova's compensation principles

Pay for performance

Compensation rewards best-in-class performance. A large portion of compensation depends on the company's performance and individual contributions. We recognize both short-term success and long-term value creation through a well-balanced combination of incentive plans.

Market competitiveness

To be able to attract, motivate, and retain talented executives and employees, compensation is periodically benchmarked and is in line with competitive market practice.

Alignment with shareholders' interests

A substantial portion of the compensation of the Board of Directors and the Management Board is delivered in company equity. We also apply share ownership guidelines to foster the long-term commitment and alignment of their interests with those of our shareholders.

Alignment with company's values

Compensation incentivizes behaviour that is in line with our high standards of integrity and our values: we care, we drive innovation, we strive for excellence, we take accountability and we build the best team. We are committed to diversity, inclusion and to the principle of equal pay for equal work. ESG considerations are integrated in the compensation of the Management Board.

We are committed to the principle of equal pay for equal work and are taking all necessary steps in our job evaluation and leveling processes to ensure a fair compensation system. We regularly review compensation in terms of relevant local legal and regulatory equal pay requirements as they continue to evolve. Internally, we analyze whether we pay female and male employees equally for the same job or an equally valued role and take corrective actions if necessary.

The compensation of the Board of Directors consists of fixed compensation only, paid partly in cash and partly in restricted shares. The independence of the Board of Directors in its supervisory function is reinforced by the practice that no performance-related compensation is awarded.

The compensation of the Management Board consists of fixed and variable, performance-based, compensation components. The base salary and benefits form the fixed components are determined based on the reference peer group. The performance-based compensation includes a short-term cash incentive and a long-term equity incentive. Performance targets for the VCC and EEAP are defined at the beginning of the performance period and assessed at the end.

To avoid compensation for inappropriate risk taking or short-term profit maximization at the expense of the long-term health of the company, a cap and claw-back provision apply to both the short-term and the long-term variable compensation components.

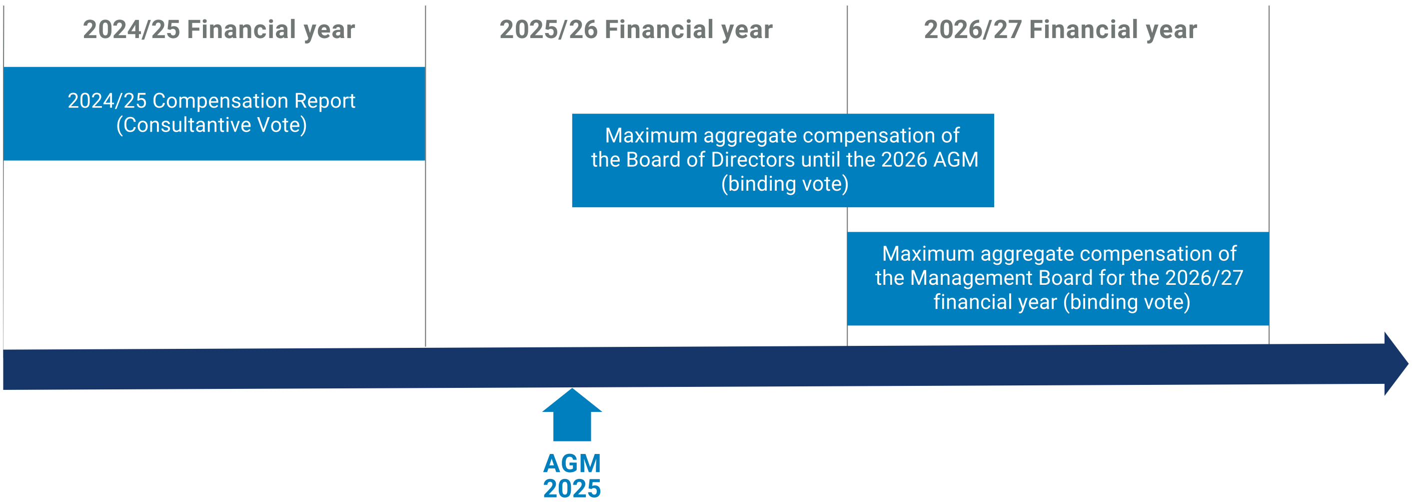
5. Compensation governance

5.1 Governance and shareholder involvement

Authority for decisions related to compensation of the members of the Board of Directors and the Management Board is governed by the Articles of Association.

The prospective maximum aggregate compensation amounts to be awarded to the Board of Directors and the Management Board are subject to a yearly binding shareholder vote at the AGM. The provisions of the Articles of Association foresee that shareholders vote prospectively: on the maximum aggregate compensation for the Board of Directors for the period until the next ordinary AGM, and for the Management Board for the following financial year. In addition, Sonova annually submits the compensation report to a consultative shareholder vote, so that our shareholders have an opportunity to express their opinion on the compensation of the previous financial year.

This year, Sonova has engaged with in depth dialogue with shareholders and proxy advisors and has made significant efforts to improve its compensation disclosure in terms of transparency and level of detail provided about its principles and system of compensation. In 2024/25 we have introduced several improvements to the compensation report in response to the feedback received from our shareholders.



Matters to be voted on at the 2025 Annual General Shareholders' Meeting

The maximum aggregate compensation amount for the Board of Directors comprises fixed compensation components, including a cash retainer and restricted shares as well as committee fees (as applicable).

The maximum aggregate compensation amount for the Management Board (including the CEO) comprises:

Fixed compensation components:

- Fixed base salary, value of benefits and employer's contributions to Sonova's pension plan.

Variable compensation components:

- Short-term cash incentive award (VCC): maximum possible payout under the VCC, should the achievement of all performance objectives reach the cap.
- Long-term equity incentive award (EEAP): fair value of the equity awards at grant (performance options and PSUs).

Due to the maximum possible VCC payout, the maximum aggregate compensation amount submitted to shareholder vote is very likely to be higher than the actual amount of total compensation for the members of the Management Board based on the performance achieved in the financial year. The total compensation amount awarded to the Management Board will be disclosed in the compensation report for the respective financial year, which will be subject to a consultative shareholder vote at the AGM.

We are convinced that the binding prospective votes on the maximum aggregate compensation amounts, combined with a consultative retrospective vote on the compensation report, provide Sonova's shareholders with a far-reaching "say on pay."

Articles of Association

The Articles of Association regarding the compensation of the members of the Board of Directors and the Management Board were revised and approved by the 2014 AGM, and amended and approved to be compliant with the revised OR by the 2023 AGM. The Articles of Association include the following provisions on compensation:

- Powers and duties (Art. 24)
- Approval of compensation by the General Shareholder Meeting (Art. 10 para. 5/Art. 26)
- Additional reserve amount for changes in the Management Board (Art. 27)
- General compensation principles (Art. 28)
- Maximum consideration for non-competition agreement (Art. 29 para.3)
- Prohibition on loans (Art. 31)

The Articles of Association are available in their entirety here.

5.2 Nomination and Compensation Committee

As determined in the Articles of Association, the Organizational Regulations, and the NCC Charter of Sonova Holding AG, the NCC supports the Board of Directors in the fulfillment of its duties and responsibilities in the areas of compensation and in personnel related matters. Its tasks and responsibilities include, among others:

- Periodical review of Sonova's compensation principles
- Periodical benchmark reviews covering the compensation of the members of the Board of Directors (including the Chair of the Board of Directors), the CEO, and the other members of the Management Board
- A yearly review of the individual compensation of the CEO and of the other members of the Management Board, including the VCC and the EEAP
- Review and amendment of the target setting and related performance appraisal of the members of the Management Board (prepared by the CEO) and of the CEO (prepared by the Chair of the Board of Directors)
- Preparation of the compensation report
- Succession planning of the Management Board and the Board of Directors
- Selection and nomination of candidates for the role of the CEO, for nomination to the Management Board as proposed by the CEO, as well as pre-selection of suitable candidates for the Board of Directors
- Periodical review of the employment terms and policies

Decision on	CEO	NCC	Board of Directors	AGM
Compensation principles and system for the Board of Directors and the Management Board		proposes	approves	
Maximum aggregate amount of compensation for the Board of Directors and the Management Board to be submitted to shareholders' vote		proposes	reviews and proposes to AGM	binding vote
Individual compensation, including cash components and shares, to be granted to the members of the Board of Directors [1]		proposes	approves	
Individual compensation, including fixed base salary, variable cash compensation and long-term equity incentives, of the CEO [1]		proposes	approves	
Employment terms of the CEO [1]		proposes	approves	
Individual compensation, including fixed base salary, variable cash compensation and long-term equity incentives, of the Management Board (excluding CEO) [1]	recommends	proposes	approves	
Annual total amount of long-term equity incentives to be granted to all other eligible employees	recommends	proposes	approves	
Compensation report		proposes	approves	consultative vote

[1] Within the framework of the Articles of Association and the maximum aggregate amount of compensation approved by the AGM.

The NCC consists exclusively of independent and non-executive members of the Board of Directors, who are elected individually and annually by the AGM. For the period under review, the NCC consisted of Roland Diggelmann (Chair of the NCC), Lukas Braunschweiler, Stacy Enxing Seng, and Julie Tay.

The NCC meets as often as business requires but at least four times per year. In the 2024/25 financial year, it held four meetings covering, among others, the following pre-defined recurring agenda items:

Item	May	September	November	January
	Beginning of the financial year			
Compensation policy& process	– Approval of MB compensation benchmark peer group	– Update on feedback from key investors and proxy advisors following AGM vote – Information on top executives compensation review process	– Preview of group wide salary review for the following financial year	– Approval of group wide EEAP grant size – Approval of EEAP plan regulations
Management Board (MB) & Board of Directors (BoD) matters	– Approval of payout of VCC for the previous financial year and vesting of EEAP for the previous EEAP cycle	– Review of MB and BoD compensation benchmark	– Preview of target compensation review for the following financial year (incl. EEAP grant)	– Review of target compensation for the following financial year (incl. EEAP grant) – Approval of VCC performance scheme for following financial year – Setting of EEAP performance targets for the next EEAP cycle
Governance	– Approval of corporate governance and compensation report as well as compensation part of the AGM invitation – Proposal of maximum aggregate amount of compensation of MB and BoD to be submitted to AGM vote – Share ownership status review of the MB and BoD – Review and approval of NCC charter	– Review of proxy advisor/shareholder feedback on compensation report – Board evaluation	– Review of first draft of compensation report – Approval of EEAP pool for yearly grant	– Approval of draft compensation report 2024/25 without financials
Nomination			– Succession planning for the MB	

Special ad hoc items such as personnel changes at executive level are covered as and when appropriate.

As a general rule, the Chair of the Board of Directors, the CEO, and the GVP Corporate Human Resource Management & Communications (HRM) participate in the NCC meetings. However, they do not participate during the sections of the meetings where their own performance and/or compensation is discussed.

There is a closed session (without the participation of any executive or guest) after each NCC meeting. The Chair of the NCC reports to the Board of Directors on its activities and recom¬mendations after each meeting. The minutes of the NCC meetings are available to the Board of Directors.

External advisors

The NCC may decide to consult external advisors for specific compensation matters. In the 2024/25 reporting year, Aon was tasked with the performance share unit (PSU) valuation and performance measurement under the EEAP; Algofin performed the option valuation. PwC and Willis Towers Watson provided support in the context of the market review of compensation for the Board of Directors and the Management Board. PwC provided also support in the preparation of the compensation report and CSRD. The above mentioned external advisors have no other mandates within Sonova.

5.3 Process of determining compensation

Compensation structure and components

The compensation structure and components for the Board of Directors and the Management Board are reviewed periodically (at least every three years) to ensure they continue to be aligned with Sonova's strategy as well as with market practice.

Benchmarks

Sonova conducts benchmarking analysis of the levels and structure of total compensation for the members of the Board of Directors and of the Management Board at regular intervals. A benchmark analysis was conducted in 2024/25 for the compensation of the Board of Directors and the Management Board. For the Management Board the analyses were based on two peer groups: a primary peer group of Swiss listed companies and a secondary peer group of international companies that are active in similar fields of activity.

Swiss Listed Companies

Barry Callebaut (SMIM), Bucher Industries (SPI50), Clariant (SMIM), Dormakaba (SPI50), EMS-Chemie (SMIM), Geberit (SMI), Georg Fischer (SMIM), Givaudan (SMI), Lindt + Spruengli (SMIM), Mettler Toledo (NYSE), Schindler (SMIM), SGS (SMIM), SIG Combibloc (SMIM), Sika (SMI), Straumann (SMIM), Sulzer (SPI50), Swatch (SMIM), Tecan (SMIM), VAT Group (SMIM)

International companies

Alcon, Align Technology, Amplifon, Carl Zeiss Meditec, Cochlear, Coloplast, Demant, Dentsply Sirona, Fielmann, Fresenius, GN Store Nord, Hologic, Philips, Smith & Nephew, Teleflex, WS Audiology, Zimmer Biomet

As a general outcome, the compensation structure of the Management Board continues to be more performance oriented (and less fixed) than that of the Swiss peer companies. Otherwise, the compensation levels are generally in line with Swiss market practice.

For the Board of Directors, the benchmarking analysis was based on the same peer group of Swiss listed companies as for the Management Board and confirmed that while the compensation is aligned with market practice overall, the mix of equity based compensation is a bit higher and the restriction period on the shares is longer, both of which are strengthening alignment with shareholder interests.

Performance management

The actual compensation of the members of the Management Board in a financial year depends on the performance of the Group and/or respective business unit, as well as on individual performance, which is assessed through the formal annual performance review process. Financial, business unit, ESG and individual performance objectives are approved at the beginning of the financial year and achievements against those objectives are generally assessed at the end of the financial year, according to Sonova's performance appraisal process.

6. Compensation components and system

6.1 Overview of compensation components

The table below provides an overview of the compensation components for the Board of Directors and the Management Board, with more details on both included later in the report:

	Management Board [1]	Board of Directors [1]
	CEO/CFO/GVPs	**BoD**
Fixed compensation components		
Fixed base salary	X	
Benefits [2]	X	
Expense allowance [3]	X	
Cash car allowance [3] [4]	X	
Cash retainer (fixed fee)		X
Restricted shares		X
Committee fee [5]		X
Pension benefits		
	X	
Variable compensation components (performance related)		
Short-term cash incentive award VCC	X	
Long-term equity incentive award [6] EEAP	X	
Social and other benefits		
Other benefits	X	

1) Mandatory social security contributions (AHV/ALV or for the international MB the local equivalent company costs) are paid by Sonova and disclosed in the compensation report.
2) MB members under a non-Swiss employment contract receive benefits in line with local practice.
3) Only for MB members with a Swiss employment contract.
4) Flat rate cash car allowance.
5) If applicable.
6) Awarded in the form of Performance Options and PSUs.

6.2 Board of Directors compensation system

Role, responsibility and commitment

Sonova needs to be able to attract and retain members of the Board of Directors who are highly experienced and motivated to contribute their specific business expertise and perform a critical role in the strategic oversight of the company

Requirements – the terms of qualifications, skills, and experience – for directors of international listed companies are becoming ever more stringent. Sonova's Board of Directors has the relevant and necessary skill set to ensure proper professional supervision, including international, industry, and subject specific experience.

The compensation structure reflects varying responsibilities, committee memberships, workloads and time commitments, so individual compensation levels are not the same. The Chair of the Board of Directors, for example, devotes a substantial amount of his time to mandated duties, including leading the Board of Directors, coordinating Board and committee meeting agendas and topics with committee chairs, and contributing to and participating in committee meetings as guest.

The Chair of the Board of Directors is also responsible for the continued development and adaptation of Sonova's governance to meet regulatory and corporate requirements, preparing for and conducting the AGM, and overseeing the Annual Report, as well as advising the CEO on key strategic, financial, HR, and operational matters. His role also encompasses third party interactions such as shareholder inquiries and requests about corporate governance and corporate responsibility as well as meetings with proxy advisors. His sound understanding of the company, is a unique and valuable qualification that we believe provides a substantial benefit to Sonova and its shareholders.

More details on the Board of Directors' composition, diversity, competencies, evaluation, risk and compliance management, as well as corporate responsibility, can be found in the corporate governance report.

Compensation structure

It is important that compensation components are structured to create a strong alignment with the interests of our shareholders. In line with best practice, a significant portion of the compensation of the Board of Directors consists of restricted shares; members of the Board of Directors receive no variable or performance-based compensation and are not eligible to participate in the occupational pension plan.

The compensation of members of the Board of Directors is defined in a regulation adopted by the Board of Directors. It consists of fixed compensation: a cash retainer and shares with a restriction period of five years and four months (Chair of the Board of Directors) or four years and four months (all other members). In addition, members of the Board of Directors receive committee fees in cash (if applicable).

Compensation structure 2024 AGM to 2025 AGM

Annual fees in cash in CHF	Chair[1)]	Board members excl. Chair
Cash retainer	430,000	100,000
Vice-Chair	n.a.	15,000
Chair of AC/NCC	n.a.	40,000
Member of NCC/AC	n.a.	20,000

1) Including attendance as guest in the NCC and the AC.

Restricted shares in CHF	Chair	Board members excl. Chair
Market value at grant	370,000	160,000

The annual fees in cash are paid shortly after the end of the respective term of office. The restricted shares are granted in February following the start of the term of office. The compensation of members of the Board of Directors is subject to mandatory employer social security contributions (AHV/ALV). The contributions paid by the Company are disclosed in the compensation report in compliance with Sonova's reporting obligations.

Sonova does not grant contractual severance payments to members of the Board of Directors, nor does Sonova make advance payments or grant loans to them.

Sonova Share Ownership Guidelines

To further align the interests of the Board of Directors with those of our shareholders, the Sonova share ownership guidelines require the members to hold a fixed monetary value in shares.

Members of the Board of Directors are required to maintain a minimum shareholding equivalent to CHF 200,000. They have two months from the first grant of restricted shares to achieve 80% of the required shareholdings, and one year and two months from the same point in time to achieve the full required shareholdings. The requirements of the guidelines can be met through shareholdings in the form of the restricted shares awarded as part of compensation and, if applicable, through share purchases on the open market. Compliance with the shareholding requirement is reviewed annually by the NCC with an effective date March 31.

6.3 Management Board compensation system

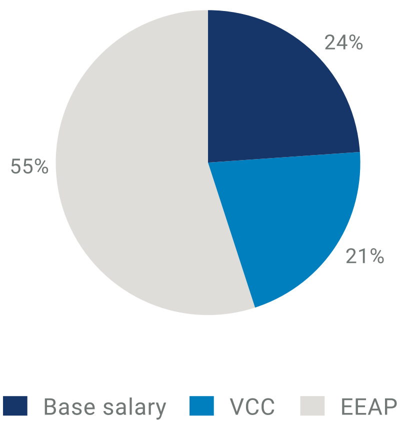
As outlined in the introduction to this compensation report, the compensation system of the Management Board is linked to the company's strategy and business results, and aligns with the interests of our shareholders, rewarding performance in the context of the business and the market. This compensation system has proven to be effective over several years.

The compensation of the Management Board (including the CEO) is defined in several regulations adopted by the Board of Directors and comprises:

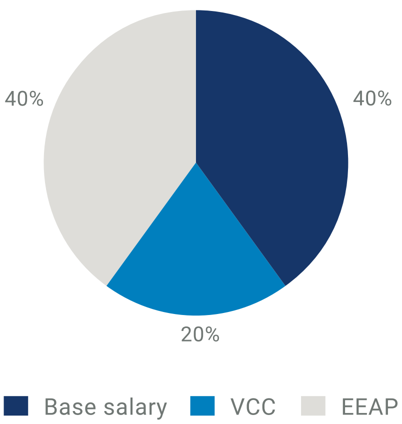
- A fixed base salary;
- A short-term cash incentive award (VCC);
- A long-term equity incentive award (EEAP); and
- Employee benefits, such as pension benefits, flat rate cash car allowance, expense allowance, relocation benefits for certain affected members, as well as social security contributions.

The charts below illustrate the compensation mix excluding employee benefits at target for the CEO, Arnd Kaldowski, and the Management Board in the 2024/25 financial year:

Compensation mix of the CEO, Arnd Kaldowski



Compensation mix of the other members of the Management Board[1]



[1] Average mix

The table below provides an overview of the compensation components of the Management Board, with more details on the following pages. The ratio of the VCC and the EEAP as a percentage of the fixed base salary shown in the table on below can vary slightly year-on-year, depending on which component (if any) is adjusted as a result of the compensation review.

Compensation structure 2024/25 financial year

	Fixed compensation components		Variable compensation components		
	Fixed base salary	**Benefits**	**Short-term cash incentive award (VCC)**	**Long-term equity incentive award (EEAP)**	
Purpose	Ensures a predictable payment, depends on the market value of the role and the profile of the incumbent	Establishes level of security in line with local market practice Mandatory and voluntary benefits plans offered by the employer	Rewards performance against key performance indicators (KPIs) at Group and business unit level as well as the achievement of individual objectives	Rewards long-term value creation and reinforces alignment with shareholder interests	
Vesting Period	n.a.	n.a.	financial year	Options 16–52 months	PSUs 40 months
KPIs	n.a.	n.a.	**A – Group** Sales, EBITA, FCF, EPS **B – Business Unit** Sales, EBITA, DWCO **C – ESG objectives** **D – Individual objectives**	ROCE	rTSR
Delivery	Cash, regularly	Country specific	Cash	Options	PSUs
Restriction period	n.a.	n.a.	n.a.	Five years from grant date	
Cap	n.a.	n.a.	yes	yes	
CEO Ratio in % of fixed base salary:	n.a.	n.a.	Target of fixed base salary: **89%** Range of fixed base salary: **0% – 178%**	Target of fixed base salary: **234%** Range of fixed base salary: **0% – 322%**	
MB (excl. CEO) Ratio in % of fixed base salary:	n.a.	n.a.	Target of fixed base salary: **up to 50%** Range of fixed base salary: **0% up to 100%**	Target of fixed base salary: **up to 107%** Range of fixed base salary: **0% – 161%**	

[1] Within the framework of the Articles of Association and the maximum aggregate amount of compensation approved by the AGM.

Fixed base salary

The fixed base salary ensures a recurrent payment in cash in regular instalments. The salary level is based on the scope and complexity of the position, market norms and benchmarks, and the individual's profile in terms of experience and skills. Salary progression depends primarily on the individual's performance, as well as on market developments and the economic environment.

Short-term cash incentive award (Variable Cash Compensation)

Sonova's VCC aims at aligning a significant part of compensation to budget achievements in a given financial year. The VCC is an integral component of the compensation for members of the Management Board, defined as a percentage of the annual fixed base salary. At target, it amounts to 89% of the fixed base salary for the CEO and up to 50% for the other members of the Management Board.

The Board of Directors normally fixes the target performance level for each key performance indicator (KPI) annually for the following financial year, based on the recommendation of the NCC. The targets are generally set in such a way that on an adjusted basis, substantial improvements from the previous financial year's achievement are required, in line with the company's ambitious mid- and long-term financial plans. Performance targets are a derivative of the strategic plan and are typically based on year on year improvements set above the financial guidance given to the capital market (e.g. internal targets are normally more ambitious than that the financial guidance).

Setting demanding and ambitious targets helps Sonova strive to deliver best-in-class performance and stay ahead of the market. Lower and upper performance thresholds are also set, below which the payout percentage is zero, and above which it is capped at 200%, with the exception of sales at 250% and certain ESG targets at 100%. Payout levels between the threshold, the target, and the maximum are calculated by linear interpolation.

The VCC for the Management Board is based on four categories of performance objectives:

- Group financials
- Business unit financials
- ESG performance (group and individual objectives)
- Individual performance objectives

Group financial objectives are based on the budget; the specific KPIs can include sales, EBITA (Earnings Before Interest, Taxes and Amortization), Free Cash Flow (FCF), and EPS (Earning Per Share). The corresponding Group performance targets for the financial year 2024/25 are disclosed in the table below.

Business unit financial objectives include sales, EBITA, DWCO, and margin of the respective business unit.

In broad terms, the rationale for applying these particular financial Group and business unit performance indicators in determining the VCC is as follows: sales correlate with market success and reflect our growth ambitions, EBITA reflects profits, and margins reflect profitability, Days Working Capital Outstanding (DWCO) and FCF represent operational and capital efficiency, respectively. As for the performance indicators linked to the external market, EPS are important to shareholders and for the determination of the share price. Group and business unit financial performance objectives are generally weighted at 75% of the overall VCC.

In line with our strategy and to reflect Sonova's corporate sustainability and sustainable business approach, business relevant ESG targets are reflected in the VCC of the Management Board. These targets are derived from our ESG strategy IntACT outlined in Sonova's ESG Report, and covers environmental, social and governance targets. ESG performance objectives represent 10% of the overall VCC: in general, 5% are allocated to two Group objectives that are consistent for all Management Board members, and 5% are allocated to one to three individual objectives for each Management Board member.

The individual performance component is based on the achievement of individual objectives defined at the beginning of the financial year between the CEO and individual members of the Management Board – and, for the CEO, between the Board of Directors and the CEO. The total weight of the individual performance objectives for each member of the Management Board is generally 15% of the overall VCC.

For the CEO, individual targets include strategy and organizational development, key R&D projects, new product launches, restructuring and performance management initiatives, M&A and operational excellence. For the other Management Board members, based on their respective role, individual objectives may include key initiatives and project in the areas of innovation, commercial excellence, customer experience, brand positioning, marketing excellence, product launches, M&A activities, operational excellence (supply chain management, procurement process, inventory management), compliance, organization and team development, employee value proposition, succession planning.

Ranges of performance objectives for members of the Management Board

Performance Objective	CEO/CFO	Other members of the MB	Minimum payout (threshold)	Target payout (target)	Maximum payout (cap) [1]
A – Group objectives					
Sales (in LC)	20%	10% – 20%	0%	100%	250%
EBITA (in CHF)	0%	10% – 20%			200%
FCF (in CHF)	20%	10% – 20%			
EPS (in CHF)	35%	0% – 15%			
B – Business objectives [2]					
Sales		0% – 20%	0%	100%	250%
Profitability		15% – 20%			200%
DWCO		0% – 5%			
C – ESG objectives					
ESG - Climate Change	2.3% / 3.5%	0% – 2.5%	0%	100%	100% – 200%
ESG - Talent Management	2.3% / 3.5%	0% – 2.5%	0%	100%	100% – 200%
ESG - Individual	5.4% / 5%	5% – 10%	0%	100%	100% – 200%
D – Individual objectives [3]					
Initiatives/Projects	15%	15%	0%	100%	200%
		Total	**0%**	**100%**	**200%**

[1] The overall maximum payout is capped at 200%.
[2] Not all of the business objectives apply to all members of the Management Board.
[3] In exceptional circumstances, up to 35% (e.g. to support key strategic initiatives).

In case of significant unforeseen events that could not be reflected in the target setting process, the Board of Directors may adjust the performance targets and/or measurement based on a pre-defined set of guidelines. These may include M&A activities above a certain threshold, material currency exchange rate impacts, restructuring costs, legal, tax and accounting adjustments, as well as financial expense/income driven.

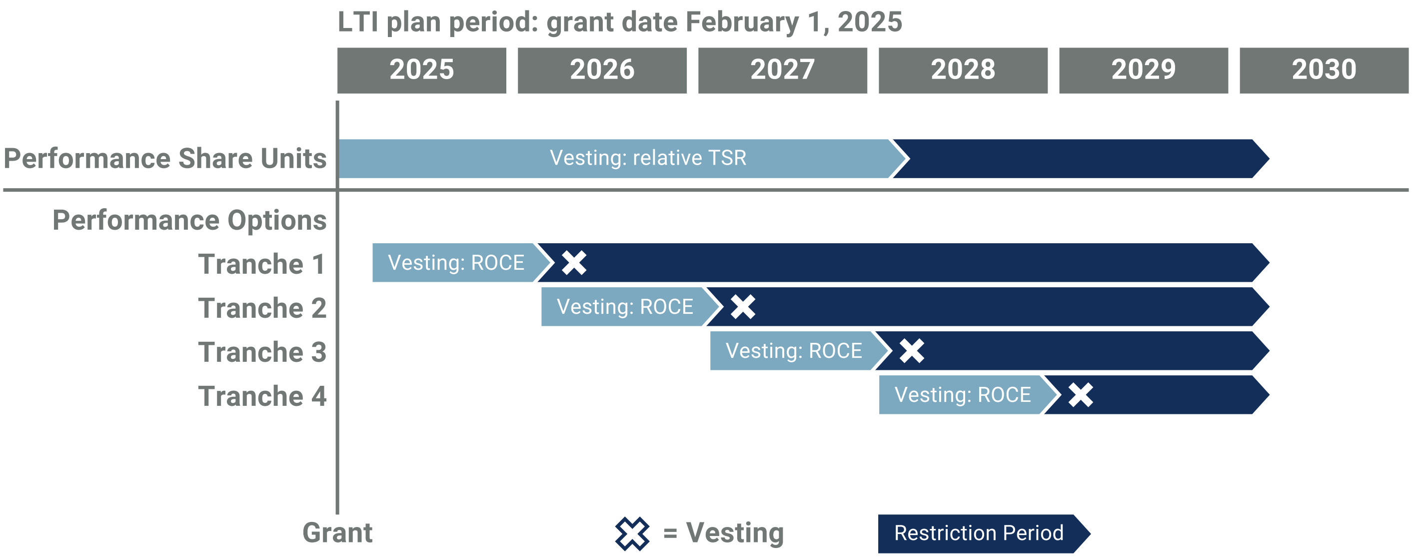
Long-term equity incentive award (EEAP)

The purpose of the EEAP is to ensure long-term value creation for the company, alignment of the interests between shareholders and the members of the Management Board, and the long-term retention of talent at Sonova.

The EEAP is offered annually to the members of the Management Board. The Board of Directors determines the individual grant level to the members of the Management Board based on the recommendation of the CEO, and to the CEO based on the recommendation of the Chair and NCC. Generally, the grant date is on February 1 each year.

Under the EEAP, the CEO receives an equity compensation mix of 62.5% in performance options and 37.5% in PSUs and the other members of the Management Board are awarded 50% in performance options and 50% in PSUs.

Both the performance options and the PSUs are subject to a post vesting restriction period that lasts from the vesting date until the fifth anniversary of the grant date. During this period even after the vesting date, EEAP awards cannot be exercised, sold, pledged, assigned, transferred or otherwise disposed of. This post vesting restriction period strengthens the alignment with shareholder interests.



Performance Options

A portion of the EEAP is allocated in the form of performance options. This reflects the growth-focused strategy and the desire to further strengthen the alignment of the Management Board compensation with our shareholder interests.

Options granted under the EEAP vest in four equal annual instalments over a period of 16 – 52 months, depending on ROCE achievement. The first tranche vests on June 1 of the year following the grant year (16 months after grant date). The exercise price of the options is the closing price of the Sonova share on the Swiss Stock Exchange (SIX Swiss Exchange) at the grant date, and the life of the options is 10 years.

For reference, the average vesting period of the options is 34 months. In this way options align management with shareholder interests, as value creation is only realized in the event of increasing share price (see section 6 for more information on the overall levels of the target achievements as well as other qualitative comments).

The vesting of the option granted in the 2024/25 financial year to members of the Management Board is based on ROCE as performance criteria. This metric reflects multiple financial factors, including both the profitability of the company and the efficiency with which Sonova's capital is being employed. The Board of Directors generally determines the target level of performance at which the options will vest in full and a minimum performance threshold below which there is no vesting. There is no overachievement possible. The ambition is to continuously improve ROCE over time, in line with strategic planning.

The fair value of the options is calculated at the grant date by a third party using the "Enhanced American Pricing Model." Additional information is available in Note 7.4 to the consolidated financial statements. Re-pricing of any out-of-the-money options granted under the EEAP is prohibited.

Performance Share Units (PSU)

The other portion of the EEAP is allocated in the form of PSUs.

PSUs are subject to a cliff-vesting after three years and four months, depending on the relative TSR achievement. This external criterion is measured against a peer group of relevant companies and thus incentivizes the Management Board to outperform its peers. As of the grant in 2024/25, Sonova's rTSR is measured against the SLI1 constituents at the time of grant. Clear rules apply in case of the exclusion of a peer company from the SLI index: In case a company in the comparator group is excluded from the SLI but still actively trading is retained in the comparator group and companies that undergo a merger during the performance period are fully delisted are treated as "inactive" (i.e. are removed from the comparator group). The SLI[1] was selected to compare Sonova´s performance to other Swiss listed companies with a comparable complexity and geographic footprint, providing a relevant and challenging benchmark for Sonova's value creation. A performance period slightly shorter than the vesting period provides for sufficient time to measure the performance achievement and receive approval of the calculation prior to vesting.

As with the options, and to further foster long-term alignment with shareholder interests, PSU grants from February 2020 onwards are subject to a five-year restriction period from the grant date. During this period, even after the vesting date, PSUs and underlying shares cannot be sold, pledged, assigned, transferred or otherwise disposed of.

The fair value of the PSUs is calculated at the grant date by a third party by using the "Monte Carlo Pricing Model." Additional information is available in Note 7.4 to the consolidated financial statements.

[1] For the performance period, only companies which have been constituent in the Swiss Leader Index (SLI) throughout the entire performance period are considered. For the vesting in June 2025, the Comparator Group included the following companies:

Alcon AG, ABB Ltd., Compagnie Financiere Richemont SA, Geberit AG, Givaudan SA, Julius Baer Gruppe AG, Kuehne & Nagel International AG, Holcim Ltd, Logitech International S.A., Lonza Group AG, Nestle S.A., Novartis AG, Partners Group Holding AG, Roche Holding Ltd, Schindler Holding AG, SGS SA, Sika AG, Straumann Holding AG, Swatch Group Ltd. Bearer, Swiss Life Holding AG, Swiss Re AG, Swisscom AG, UBS Group AG, Zurich Insurance Group Ltd

Summary of the EEAP instruments

EEAP 2025		
Equity	**Options**	**PSUs**
Equity Mix CEO	**62.5% of LTI**	**37.5% of LTI**
Equity Mix MB	**50% of LTI**	**50% of LTI**
Grant Date	February 1, 2025	February 1, 2025
Fair Value (to derive number of instruments granted)	Based on Enhanced American Model valuation (Black-Scholes Model for the impact of the restriction period)	Based on Monte Carlo Model valuation
Exercise/Strike Price	**CHF 319.20** (Sonova closing SIX share price on January 31, 2025)	n.a.
Vesting Date	25% vests on June 1, 2026 25% vests on June 1, 2027 25% vests on June 1, 2028 25% vests on June 1, 2029	3 years + 4 months cliff vesting Vest on June 1, 2028
Performance criterion (weighting)	ROCE	rTSR (against the SLI constituents)
Vesting Rules	0%–100% of grant (ROCE) Linear interpolation between threshold, target, and cap	Threshold: 25th percentile = 0% payout Target: 50th percentile = 100% payout Cap: 75th percentile = 200% payout Linear interpolation between threshold, target, and cap
Maximum Vesting Level (of grant)	100%	200% (Capped at 100% if Sonova's absolute TSR is negative)
Restriction Period	Five years from the grant date (January 31, 2030)	Five years from the grant date (January 31, 2030)
Exercise Period	After the end of the restriction period until expiry	n.a.
Maturity/Expiry Date	Total 10 years (January 31, 2035)	No maturity/expiry restriction after vesting

Termination of employment under the EEAP

In the event of termination of employment, unvested awards (PSUs, options, and outstanding RSUs from previous programs) are forfeited. Any applicable restriction period for grants from 2020 onwards continues to apply, unless noted below. Vested options must be exercised within a period of three months (commencing with the expiry of the restriction period or, if the restriction period has already expired on the date of termination.

EEAP termination provisions

	Unvested PSUs	Vested PSUs	Unvested Options	Vested Options	Unvested RSU
Death, disability	Regular vesting	Immediate unblocking	Immediate vesting	Immediate unblocking, 12 months exercise period	Immediate vesting
Retirement	Regular vesting pro rata (if qualified retirement condition is met) or forfeiture (other retirement cases)	Regular restriction	Regular vesting if vesting date within year of termination, otherwise forfeiture	12 month exercise period after the end of the restriction period	Regular vesting if vesting date within year of termination, otherwise forfeiture
Transition-rule[1]	Regular vesting pro rata (until May 2021)				
Termination for cause	Forfeiture	Forfeiture	Forfeiture	Forfeiture	Forfeiture
Termination due to change of control (double trigger)	Immediate vesting pro rata (performance achievement)	Immediate unblocking	Immediat vesting pro rata (performance achievement)	Immediate unblocking	Immediate vesting pro rata

[1] Transition rule for voluntary resignation or termination by company if termination before 31 May 2021 and MB member on service on 1 April 2017.

Disclosure of targets

Internal financial targets and individual objectives are generally considered sensitive information as they allow insight into our confidential strategic goals . However, to increase transparency of our reward plans without disclosing commercially sensitive information, we decided to provide an ex-post disclosure of the Group (financial and ESG) targets under the VCC as well as EEAP targets of the tranches vesting based on the reported performance year.

Sonova share ownership guidelines

To further align the interests of the Management Board with those of our shareholders, the Sonova share ownership guidelines require Management Board members to hold a minimum monetary value in shares equivalent to the following amounts:

- CEO: CHF 1,000,000
- Other members: CHF 200,000

They have three years and two months after receiving the first grant as a Management Board member to build up the shareholding, with a required progression of one year and two months for a 12.5% achievement, and two years and two months for a 25% achievement. Only shares in the form of fully vested shares and share purchases on the open market are counted. Compliance with the shareholding requirement is reviewed annually by the NCC with an effective date of March 31.

Benefits

As the Management Board is international in its nature, the members participate in the benefit plans available in the country of their employment contract. Benefits consist mainly of retirement, insurance, and healthcare plans that are designed to provide a reasonable level of protection for the employees and their dependents in respect to retirement income, healthcare provision, and coverage against the risk of disability or death.

Sonova maintains defined-contribution plans under the Swiss occupational pension regulations. Pension benefits are provided through the regular pension plan. Members of the Management Board who are under a Swiss employment contract are eligible for the same benefits as all other employees in Switzerland. Members of the Management Board who are under a foreign employment contract receive benefits in line with local current regulatory practice.

The compensation of members of the Management Board who are under Swiss employment is subject to mandatory employer social security contributions (AHV/ALV).

The benefits and company contributions covered by Sonova are disclosed in the compensation report in compliance with Sonova's reporting obligations.

The CEO and selected members of the Management Board are entitled to a flat rate cash car allowance as well as an expense allowance in line with the expense regulations applicable to all members of management in Switzerland, which is approved by the Swiss tax authorities. In an international context, members may also be provided with benefits such as relocation, temporary housing, travel benefits, and tax advice, in line with policies and practices. These other benefits are included in the compensation table at their fair value.

Employment terms and conditions

As part of its commitment to good corporate governance, Sonova has a forfeiture provision in all employment agreements with the Management Board members. It provides for repayment of any compensation paid or granted prior to the AGM's approval if the proposed aggregate compensation of the members of the Management Board is not approved.

All members of the Management Board have permanent employment contracts with a notice period of a maximum of six months. The notice period for the CEO is 12 months. Sonova does not grant contractual severance payments to members of the Management Board, nor does Sonova make advance payments or grant loans to them. There are no change of control provisions other than those highlighted in the EEAP termination provisions. The employment contracts of the members of the Management Board may include non-competition arrangements of a duration of up to 12 months, without any compensation.

Claw-back

Claw-back and malus provisions apply to both the VCC and EEAP allowing the company to reduce (malus) or reclaim (clawback) any VCC or EEAP, in part or in full, in the event of an accounting/financial restatement due to non-compliance with financial reporting requirements under the Swiss laws at the time of disclosure, of fraud or violation of law. These provisions apply to all VCC payments and EEAP awards for a period of three years following the financial year related respectively to which the VCC payment or EEAP grants/vesting have been made.

We believe that the five-year restriction period under the EEAP represents an additional effective solution to mitigate any impact in the event of an accounting/financial restatement due to non-compliance with financial reporting requirements under the Swiss laws at the time of disclosure.

7. Compensation for the financial year

7.1 Board of Directors compensation

The tables in this section are audited by the external auditor.

The following table shows the compensation for the individual members of the Board of Directors for the 2024/25 financial year (10 members from the 2024 AGM) and for the 2023/24 financial year (9 members). The total compensation in the 2024/25 financial year was CHF 3.3 million (2023/24: CHF 3.1 million).

Board of Directors compensation for the Financial Year

in CHF					2024/25
	Cash retainer (fixed fee)	Total cash compensation	Grant value of restricted shares	Total compensation	Employer's social insurance contribution (AHV/ALV)[1]
Robert F. Spoerry [2] Chair of the Board of Directors	430,000	430,000	369,953	799,953	44,588
Stacy Enxing Seng Vice-Chair of the Board of Directors Member of the Nomination and Compensation Committee	135,000	135,000	159,919	294,919	18,448
Gregory Behar Member of the Audit Committee	120,000	120,000	159,919	279,919	17,475
Lynn Dorsey Bleil Member of the Audit Committee	120,000	120,000	159,919	279,919	17,475
Lukas Braunschweiler Member of the Nomination and Compensation Committee	120,000	120,000	159,919	279,919	348,913
Roland Diggelmann Chair of the Nomination and Compensation Committee	140,000	140,000	159,919	299,919	18,773
Julie Tay Member of the Nomination and Compensation	120,000	120,000	159,919	279,919	17,204
Ronald van der Vis Member of the Audit Committee	120,000	120,000	159,919	279,919	17,475
Adrian Widmer Chair of the Audit Committee	140,000	140,000	159,919	299,919	18,773
Gilbert Achermann Member of the Board of Directors	83'333[3]	83'333[3]	159,919	243,252	15,068
Total	**1,528,333**	**1,528,333**	**1,809,224**	**3,337,557**	**534,192**

The compensation shown in the table above is gross and based on the accrual principle.
1) Employer social security contributions on cash retainer, restricted shares granted during the financial year as well as stock options exercised during the financial year
2) Including NCC and AC work and attendance.
3) Pro-rated for the period AGM 2024 to 31, March 2025.

in CHF					2023/24
	Cash retainer (fixed fee)	Total cash compensation	Grant value of restricted shares	Total compensation	Employer's social insurance contribution (AHV/ALV)[1]
Robert F. Spoerry [2] Chair of the Board of Directors	430,000	430,000	369,808	799,808	45,208
Stacy Enxing Seng Vice-Chair of the Board of Directors Member of the Nomination and Compensation Committee	135,000	135,000	159,924	294,924	18,680
Gregory Behar Member of the Audit Committee	116,667	116,667	159,924	276,591	17,474
Lynn Dorsey Bleil Member of the Audit Committee	120,000	120,000	159,924	279,924	17,693
Lukas Braunschweiler Member of the Nomination and Compensation Committee	123,333	123,333	159,924	283,258	301,538
Roland Diggelmann Chair of the Nomination and Compensation Committee	136,667	136,667	159,924	296,591	18,789
Julie Tay Member of the Nomination and Compensation	116,667	116,667	159,924	276,591	17,202
Ronald van der Vis Member of the Audit Committee	120,000	120,000	159,924	279,924	17,693
Adrian Widmer Chair of the Audit Committee	140,000	140,000	159,924	299,924	19,009
Total (active members)	**1,438,333**	**1,438,333**	**1,649,202**	**3,087,535**	**473,288**
Jinlong Wang	16,667	16,667		16'667[4]	911
Total (including former members)	**1,455,000**	**1,455,000**	**1,649,202**	**3,104,202**	**474,199**

The compensation shown in the table above is gross and based on the accrual principle.

1) Employer social security contributions on cash retainer, restricted shares granted during the financial year as well as stock options exercised during the financial year.

2) Including NCC and AC work and attendance.

7.1.1 Approved versus expected total compensation for the members of the Board of Directors

The total compensation paid to the Board of Directors for the period from the 2024 AGM to the 2025 AGM is expected to be CHF 3.3 million. The total compensation is within the limit of CHF 3.5 million approved by the 2024 AGM.

Approved versus expected total compensation for the members of the Board of Directors

in CHF 1,000	Approved for AGM 2023 - AGM 2024	Effective for AGM 2023 - AGM 2024	Approved for AGM 2024 - AGM 2025	Expected for AGM 2024 - AGM 2025
AGM approval year		2023		2024
Total compensation	**3,230**	**3,100**	**3,500**	**3,360**
Breakdown total compensation:				
Fixed fees including expenses	1,510	1,450	1,610	1,550
Grant value of restricted shares	1,720	1,650	1,890	1,810
Number of members of the Board of Directors	**9**	**9**	**10**	**10**

7.1.2 Other compensation, loans, and credit for current and former members of the Board of Directors and related parties

No other compensation was paid to current members of the Board of Directors for additional services beyond the total compensation disclosed in the tables above. No other compensation was paid to former members of the Board of Directors beyond the total compensation disclosed in the tables above.

In the year under review, no payments were made to individuals who are closely related to any current or former member of the Board of Directors.

No loans were granted by Sonova or any other Group company to current or former members of the Board of Directors in the 2024/25 financial year, and no such loans were outstanding as of

March 31, 2025. Furthermore, neither Sonova nor any other Group company has granted any loans to related parties of current or former members of the Board of Directors.

7.1.3 Outside mandates

As of March 31, 2025, the members of the Board of Directors held the following mandates outside Sonova:

2024/25

	Listed companies	Function	Other mandates	Function
Robert F. Spoerry	Bystronic Holding AG	Member of the Board of Directors	n.a.	n.a.
Stacy Enxing Seng	LivaNova Inc.	Member of the Board of Directors	Cala Health	Chair of the Board of Directors
			Contego Inc.	Executive Chair of the Board of Directors
			Corza Inc.	Member of the Board of Directors
			Imperative Care	Member of the Board of Directors
			Lightstone Ventures	Operating Partner
Gregory Behar	n.a.	n.a.	Recipharm AB	CEO
			Amazentis SA	Member of the Board of Directors
			New Biologix	Member of the Board of Directors
Lynn Dorsey Bleil	Alcon Inc.	Member of the Board of Directors	Intermountain Healthcare Wasatch Back Hospitals Community Board	Chair
	Amicus Therapeutics Inc.	Member of the Board of Directors		
Lukas Braunschweiler	Tecan Group AG	Chair of the Board of Directors	n.a.	n.a.
Roland Diggelmann	Mettler Toledo International Inc.	Chair of the Board of Directors	Berlin Heals AG	Member of the Board of Directors
			HeartForce AG	Member of the Board of Directors
			Navignostics AG	Member of the Board of Directors
			Osler Diagnostics Ltd.	Member of the Board of Directors
Julie Tay	EBOS Group Ltd.	Member of the Board of Directors	n.a.	n.a.
Ronald van der Vis	n.a.	n.a.	Industry Advisor	Operating Partner, Co-Investor
			European Dental Group	Chair of the Supervisory Board
			Equipe Zorgbedrijven	Chair of the Supervisory Board
			United Veterinary Care	Chair of the Supervisory Board
			HEMA BV	Member of the Supervisory Board
Adrian Widmer	Sika AG	Group CFO	n.a.	n.a.
Gilbert Achermann	Ypsomed Group	Member of the Board of Directors	Unilabs Group	Chair of the Board of Directors
			Greentech	Member of the Board of Directors
			IMD Lausanne	Vice Chair of the Supervisory Board
			SwissMedtech Association	Vice Chair

2023/24

	Listed companies	Function	Other mandates	Function
Robert F. Spoerry	Bystronic Holding AG	Member of the Board of Directors	n.a.	n.a.
	Mettler Toledo International Inc.	Non-executive Chair of the Board of Directors		
Stacy Enxing Seng	LivaNova Inc.	Member of the Board of Directors	Cala Health	Chair of the Board of Directors
			Contego Inc.	Executive Chair of the Board of Directors
			Corza Inc.	Member of the Board of Directors
			Imperative Care	Member of the Board of Directors
			Lightstone Ventures	Operating Partner
Gregory Behar	n.a.	n.a.	Recipharm AB	CEO
			Amazentis SA	Member of the Board of Directors
			New Biologix	Member of the Board of Directors
Lynn Dorsey Bleil	Alcon Inc.	Member of the Board of Directors	Intermountain Healthcare Wasatch Back Hospitals Community Board	Chair
	Stericycle Inc.	Member of the Board of Directors		
	Amicus Therapeutics Inc.	Member of the Board of Directors		
Lukas Braunschweiler	Tecan Group AG	Chair of the Board of Directors	n.a.	n.a.
Roland Diggelmann	Mettler Toledo International Inc.	Member of the Board of Directors	Berlin Heals AG	Member of the Board of Directors
			HeartForce AG	Member of the Board of Directors
			Navignostics AG	Member of the Board of Directors
			Osler Diagnostics Ltd.	Member of the Board of Directors
Julie Tay	EBOS Group Ltd.	Member of the Board of Directors	n.a.	n.a.
Ronald van der Vis	n.a.	n.a.	Industry Advisor	Operating Partner, Co-Investor
			European Dental Group	Chair of the Supervisory Board
			Equipe Zorgbedrijven	Chair of the Supervisory Board
			United Veterinary Care	Chair of the Supervisory Board
			HEMA BV	Member of the Supervisory Board
Adrian Widmer	Sika AG	Group CFO	n.a.	n.a.

7.2 Management Board compensation

7.2.1 Compensation awarded for the 2024/25 financial year

As stated above, Sonova's basic principle is that any changes to the fixed or target compensation for the Management Board are made only if and when they are deemed necessary and appropriate. Such changes are generally in line with those across the organization, with a primary focus on the variable compensation components, and they can be differentiated in cases such as, for example, a change to a position's responsibilities. They are also aligned with data from executive compensation surveys and published benchmarks from companies of similar size.

The highest total compensation for a member of the Management Board in the 2024/25 financial year was paid to Arnd Kaldowski, CEO.

The following tables show the compensation of the CEO and the other members of the Management Board for the 2024/25 financial year (8 members) and for the 2023/24 financial year (8 members).

Management Board compensation for the Financial Year (audited by external auditors)

in CHF									**2024/25**
	Fixed base salary	Variable compensation [1]	Fringe benefits	Employer's pension contribution	Total cash compensation	Value of PSUs [2]	Value of options [3]	Total compensation	Employer's social security contribution
Arnd Kaldowski, CEO	921,750	666,799	54,308	107,340	1,750,197	813,750	1,356,250	3,920,197	163,341
Other members of the MB	3,480,631	1,649,711	259,168	459,453	5,848,963	1,284,000	1,284,000	8,416,963	563,430
Total	**4,402,381**	**2,316,510**	**313,476**	**566,793**	**7,599,160**	**2,097,750**	**2,640,250**	**12,337,160**	**726,771**

The compensation shown in the table above is gross and based on the accrual principle.

1) The variable compensation will be paid out only when the Group's audited financial statements for the financial year have been publicly disclosed by the Group in its consolidated financial statements.

2) Fair value per PSU at grant date CHF 346.86. Fair Value of PSUs provided by a third party based on the Monte Carlo pricing model; this is an appropriately balanced approach, taking account of the possibility of either over- or under-achievement. The settlement will be determined based on actual performance achievement prior to the vesting in June 2028 and the PSUs are blocked after vesting to arrive at the total mandatory restriction period of five years from grant date.

3) Fair value per option at grant date provided by a third party based on the "Enhanced American Pricing Model" (including the impact of the restriction period based on a "Black-Scholes Model") of CHF 80.88. The options are blocked after vesting to arrive at the total mandatory restriction period of five years.

in CHF									**2023/24**
	Fixed base salary	Variable compensation [1]	Fringe benefits	Employer's pension contribution	Total cash compensation	Value of PSUs [2]	Value of options [3]	Total compensation	Employer's social security contribution
Arnd Kaldowski, CEO	900,000	587,368	53,200	117,738	1,658,306	802,500	1,337,500	3,798,306	103,701
Other members of the MB	3,296,898	1,116,995	292,471	556,680	5,263,044	1,707,500	1,707,500	8,678,044	461,461
Total (active members)	**4,196,898**	**1,704,363**	**345,671**	**674,418**	**6,921,350**	**2,510,000**	**3,045,000**	**12,476,350**	**565,162**
Former members of the MB	28,000	14,000	3,333	5,082	50,415			50,415	3,355
Total	**4,224,898**	**1,718,363**	**349,004**	**679,500**	**6,971,765**	**2,510,000**	**3,045,000**	**12,526,765**	**568,517**

The compensation shown in the table above is gross and based on the accrual principle.

1) The variable compensation will be paid out only when the Group's audited financial statements for the financial year have been publicly disclosed by the Group in its consolidated financial statements.

2) Fair value per PSU at grant date CHF 293.53. Fair Value of PSUs provided by a third party based on the Monte Carlo pricing model; this is an appropriately balanced approach, taking account of the possibility of either over- or under-achievement. The settlement will be determined based on actual performance achievement prior to the vesting in June 2027 and the PSUs are blocked after vesting to arrive at the total mandatory restriction period of five years from grant date.

3) Fair value per option at grant date provided by a third party based on the "Enhanced American Pricing Model" (including the impact of the restriction period based on a "Black-Scholes Model") of CHF 72.69 and for one member CHF 74.95. The options are blocked after vesting to arrive at the total mandatory restriction period of five years after regular grant date.

Explanatory comments to the compensation tables

The total compensation of CHF 12.3 million for the 2024/25 financial year is below the total of CHF 12.5 million for the previous year. This is explained by the following main contributing factors:

- The total cash compensation has increased, primarily due to a rise in variable compensation compared to 2023/24, driven by the company's improved performance.
- Reduction of the PSU and Stock Options grants due to the change of Management Board members.

Variable Cash Compensation performance outcomes 2024/25

The system of the VCC is outlined in more detail in section 6.3 of this report. The table below (validated by the NCC) shows the targets for the Group objectives and group ESG objectives as well as the actual achievements and the payout percentage ranges for the VCC for the 2024/25 financial year.

	Category	Measures	Targets	Actuals	Ach.%	Payout Percentage[1] (0% – Target = 100% – 250%)
Financial Targets	Group objectives	Sales (in LC)	CHF 4,003.70	CHF 3,951.50	98.7%	74.0%
		EBITA[2] (in CHF)	CHF 856.30	CHF 827.60	96.6%	66.4%
		OpFCF[3] (in CHF)	CHF 762.70	CHF 754.60	98.9%	89.4%
		EPS[2] (in CHF)	CHF 10.30	CHF 10.10	98.1%	83.4%
	Businesses objectives	Sales	–*	–*		50.0% – 112.2%
		Profitability	–*	–*		50.0% – 77.1%
		DWCO	–*	–*		0% – 196.5%
Non-Financial Targets	ESG objectives	ESG - Climate change	−2.50%	4.30%	−172.00%	0%
		ESG - Talent management	79.00	68.00	86.08%	0%
		ESG - individual[4]	–*	–*		16.1% – 100%
	Individual objectives[3]	Projects	–*	–*		74.7% – 94.0%
	TOTAL					63.5% – 84.5%

✕ = CEO

As per Section 6.3, performance targets are a derivative of the strategic plan and are typically based on year on year improvements set above the financial guidance given to the capital market.

* Disclosing internal targets would allow insight into Sonova's confidential strategic goals and thereby create a competitive disadvantage, i.e. financial targets at business unit level and individual targets are not disclosed.

1) Individual target achievement can be above 200%. However, maximum payout is capped at 200% except for Sales at 250%. The payout percentage is shown either as a single value or as a range of payout for each Management Board member.

2) Reported non-GAAP figures adjusted for currency exchange rates fluctuations vs rates at time of budget setting. For details, please refer to the "Reconciliation of non-GAAP financial measures" table at the end of the financial review.

3) Operating Free cash flow – cash consideration for acquisitions and from divestments, net of cash acquired/divested – cash consideration for associates, excluding taxes. Includes the effect of non-GAAP figures adjustments and currency exchange rates fluctuations vs rates at time of budget setting.

4) Individual objectives not disclosed. Each MB Member considered as a single data point (weighted average per category).

Sales growth accelerated throughout the year, driven by the successful launch of the Infinio and Sphere Infinio plaforms. Overall, the businesses achieved between 97% and 100% of the annual sales target.

A targeted EBITA achievement of 97% was met due to a strong pick-up in profitability in the second half-year and cost savings from targeted optimisation initiatives. The EPS target achievement was 98%. The Operating Free Cash Flow achievement was 99%, mainly driven by growth in income before taxes and a reduction on cash outflow from changes in working capital. The assessment of these targets was undertaken based on the adjusted metrics as disclosed in the financial review of this Annual Report and were adjusted for currency exchange rate fluctuations against the rates applied at the time of budget setting. Restructuring costs subject to Non-GAAP adjustment were incurred in order to structurally optimize the Group’s cost structure and footprint anticipating a more difficult market context.

ESG Targets

ESG targets were defined around two group categories (Climate change and talent management) for all Management Board members except one. Additionally, members each had a selection of targets set depending on their role and responsibilities. The individual ESG targets are set around circular economy, talent management, diversity & inclusion, customer satisfaction, business ethics and ESG governance. For more details on ESG, please refer to the ESG Report.

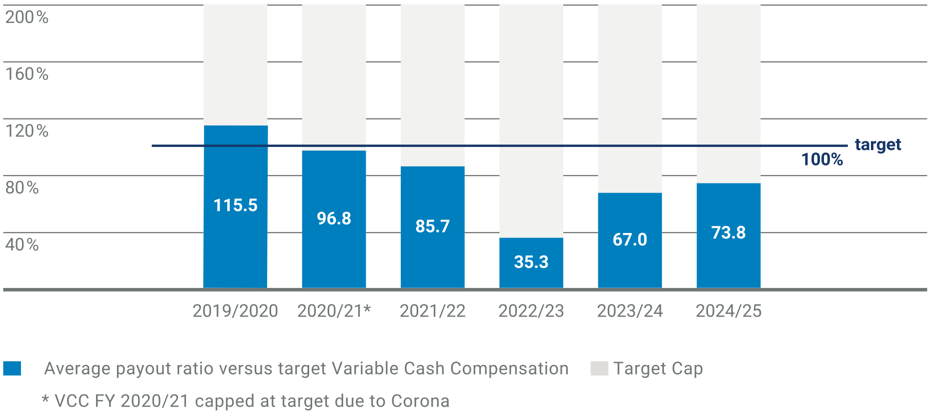
The following table provides details about each Management Board member’s Group and individual ESG targets and their respective achievements in the financial year.

ESG targets	Arnd Kaldowski CEO				Other MB Members			
1. Group ESG targets								
Climate change: Reduce combined Scope 1-3 CO_2 emissions by 2.5% vs. PY.	✗	✗	✗	✗	✗	✗		✗
	The combined Scope 1-3 emissions reduction target of -2.5% was not achieved. Emissions increased by +4.3%, resulting in a 0% payout.							
Talent management: Employee engagement target at 79% (comparison to PY not possible due to change of provider).	✗	✗	✗	✗	✗	✗		✗
	The employee engagment score was below the target of 79. The actual achievement was 68 and resulted in a 0% payout.							
2. Individual ESG targets								
Circular economy: Reduce weight (kg) of transportation packaging by 7% vs. PY. Reduce weight (kg) of product packaging by 5% vs. PY. Reduce volume (m3) of packaging by 5% vs. PY.				✗	✗			✗
Talent management: Employee engagement Management Board	✓							
Diversity & inclusion: Achieve >50% of hires and promotions to senior and middle management positions being female.		✗	✗			✓		✗
Customer satisfaction: Increase NPS by 5 points vs. PY Achieve 3 points improvement in first 2 geos where implemented (50%) and roll-out NPS from 2 to 15 countries (out of 18 in scope) by end of FY 24/25 (50%)					✗	✗		
Responsible supply chain: We conduct assessments of >90% of direct material suppliers identified as potentially high ESG risk.				✓				
Business ethics: Achieve >97.5% annual on-time CoC training completion. Act with integrity and do it right, model, oversee and manage all activities in full compliance						✗	✓	
ESG governance: Elevate tracking of our ESG targets, including reliable reporting to Audit Committee and positive result of external audit.	✓	✓						

More in detail for the CEO, the achievement of ESG objectives (Group and Individual) ranged between 0% and 100% which resulted in a payout of 51.0% while the achievement of his individual qualitative objectives ranged between 50% and 120% and resulted in a payout of 93.3%. Individual qualitative objectives for members of the Management Board were achieved between 74.7% and 94.0%.

The overall payout for the 2024/25 financial year for the CEO was 80.9% (2023/24: 73.4%) and between 63.5% and 88.5% (2023/24: 47.5% – 84.5%) for the other members of the Management Board.

7.2.2 Historical variable cash compensation for the members of the Management Board over the last five years



The above chart illustrates that the design of the VCC is effective: in line with Sonova's ambitious target–setting, substantial progress needs to be made to reach the target (100%).

7.2.3 Approved versus actual total compensation for the members of the Management Board

The actual total compensation for the Management Board for the 2024/25 financial year was CHF 12.3 million. This figure is below the maximum aggregate compensation amount of CHF 16.5 million approved at the 2023 AGM for the 2024/25 financial year.

The approved compensation for EEAP applies fair value at grant, which is based on 100% target achievement; this is an appropriately balanced approach, taking into account the possibility of either over- or under-achievement for PSUs. The actual number of shares allocated for each PSU will depend on the achievement of pre-determined performance conditions, and ranges from 0 to 2 shares per PSU. Actual achievement will be disclosed upon vesting in each respective financial year.

Additional information to support the shareholder votes on compensation can be found in the invitation to the 2024 AGM.

7.2.4 Executive Equity Award Plan performance outcomes 2024/25

Performance Options

The vesting of the performance options is subject to a pre-defined ROCE target. In the 2024/25 financial year, the ROCE target were exceeded for the option tranches awarded in 2023 and 2024. Since there is no provision for over-achievement in the EEAP, the vesting of the options is capped at target, namely at 100%. The ROCE target for the option tranche awarded in 2021 and 2022 were not fully met and the vesting level equals respectively to 93.8% and 68.3%.

Grant	Measures	Targets	FY 2024/2025	Vesting level (0% – Target / Maximum 100%)
2021 options	ROCE	22.00%	21.63%	93.8%
2022 options	ROCE	24.00%	22.10%	68.3%
2023 options	ROCE	18.00%	21.34%	100%
2024[1] options	ROCE	18.00%	19.75%	100%

[1] 2024 ROCE target set excluding M&A

Any non planned acquisition which took place after the respective grant(s) and major foreign exchange rates movements that were not known in the ROCE target setting at the time of grant are neutralized in the measurement.

Performance Share Units

The PSUs vest based on relative TSR measured against a pre-defined peer group. The number of shares allocated for each vested PSU between the 20th and 80th percentile is calculated by linear interpolation within a range of 0% to 200%.

The actual TSR was –11.75%, which corresponds to a 35.29% percentile rank relative to the peer group, and results in a 50.96% vesting in June 2025. For the PSUs awarded under the EEAP 2021 vesting in June 2024, the actual TSR was 28.0%, which corresponded to a 54.61% percentile rank relative to the peer group and resulted in a 115.4% vesting.

Table below is validated by the NCC and not audited by the external auditors.

Category	Measures	Target	Actual	Vesting level 0% – Target = 100% – Maximum (200%)
2022 performance share units	rTSR	50th percentile ranking	35.29% percentile ranking	50.96%

7.2.5 Other compensation, loans and credits for current and former members of the Management Board and related parties

No other compensation was paid to current or former members of the Management Board beyond the total compensation disclosed in the tables above.

No payments were made to individuals who are closely related to any current or former members of the Management Board.

No loans were granted by Sonova or any other Group company to current or former members of the Management Board in the 2024/25 financial year, and no such loans were outstanding as of March 31, 2025. Furthermore, neither Sonova nor any other Group company has granted any loans to related parties of current or former members of the Management Board.

7.2.6 Outside mandates (audited by external auditors)

As of March 31, 2025, the members of the Management Board held the following mandates outside Sonova:

2024/25

	Listed companies	Function	Other mandates	Function
Arnd Kaldowski	n.a.	n.a.	European Hearing Instrument Manufactures Association (EHIMA)	President
Ludger Althoff	n.a.	n.a.	n.a.	n.a.
Lilika Beck	n.a.	n.a.	n.a.	n.a.
Oliver Lux	n.a.	n.a.	n.a.	n.a.
Alistair Simpson	n.a.	n.a.	n.a.	n.a.
Katya Kruglova	n.a.	n.a.	n.a.	n.a.
Robert Woolley	n.a.	n.a.	n.a.	n.a.

2023/24

	Listed companies	Function	Other mandates	Function
Arnd Kaldowski	n.a.	n.a.	European Hearing Instrument Manufactures Association (EHIMA)	President
Birgit Conix	ASML Holding N.V.	Member of the Supervisory Board	n.a.	n.a.
Ludger Althoff	n.a.	n.a.	QuestW	Member of the Advisory Board
Victoria E. Carr-Brendel	Vicarious Surgical Inc.	Member of the Board of Directors	Medical Device Manufacturers Association (MDMA)	Member
Christophe Fond	n.a.	n.a.	n.a.	n.a.
Martin Grieder	n.a.	n.a.	n.a.	n.a.
Katya Kruglova	n.a.	n.a.	n.a.	n.a.
Robert Woolley	n.a.	n.a.	n.a.	n.a.

8. Share ownership information

8.1 Shareholdings of members of the Board of Directors

The tables in this section are audited by the external auditor.

The following table shows the equity of the individual members of the Board of Directors and persons closely linked to them.

	31.03.2025				31.03.2024			
	Total Shares	of which Restricted Shares [1]	RSUs	Options	Total Shares	of which Restricted Shares [2]	RSUs	Options
Robert F. Spoerry, Chair	60,698	8,399			59,539	9,432		
Stacy Enxing Seng, Vice-Chair	10,822	2,969			10,321	3,129		
Gregory Behar, Member	2,563	2,238			1,737	1,737		
Lynn Dorsey Bleil, Member	7,621	2,969			7,120	3,129		
Lukas Braunschweiler, Member	18,916	2,969			18,415	3,129		31,603
Roland Diggelmann, Member	2,238	2,238			1,737	1,737		
Julie Tay, Member	1,759	1,759			1,258	1,258		
Ronald van der Vis, Member	7,591	2,969			7,090	3,129		
Adrian Widmer, Member	2,969	2,969			2,468	2,468		
Gilbert Achermann, Member [3]	9,771	501						
Total	**124,948**	**29,980**	**-**	**-**	**109,685**	**29,148**		**31,603**

1) These shares are subject to a restriction period which varies from June 1, 2025 to June 1, 2030 depending on the grant date. The restricted shares have full shareholder rights.
2) These shares are subject to a restriction period which varies from June 1, 2024 to June 1, 2029 depending on the grant date. The restricted shares have full shareholder rights.
3) Member of the Board of Directors since June 2024.
For further details see also Note 7.4 in the consolidated financial statements.

The shareholding requirements set by the share ownership guidelines are entirely met by all members of the Board of Directors.

8.2 Shareholdings of members of the Management Board

The tables in this section are audited by the external auditor.

The following tables show the equity of individual members of the Management Board and persons closely linked to them.

	31.03.2025				31.03.2024			
	Shares [1]	PSUs	RSUs	Options	Shares [1]	PSUs	RSUs	Options
Arnd Kaldowski Chief Executive Officer	21,959	10,431		242,404	20,515	11,152		227,399
Lilika Beck [3] GVP Consumer Hearing		492	298	4,846				
Oliver Lux [3] GVP Audilogical Care	661	657	463	8,797				
Alistair Simpson [4] GVP Cochlear Implants		605		2,596				
Ludger Althoff Group Vice President Operations	3,254	3,150		28,421	2,156	3,482		26,048
Katya Kruglova [5] Group Vice President Corporate Human Resources & Communications	186	2,470		10,422	88	1,822		7,641
Robert (Rob) Woolley [6] GVP Hearing Instruments	338	3,069	675	18,894		2,392	1,013	15,989
Total (active members)	**26,398**	**20,874**	**1,436**	**316,380**	**22,759**	**18,848**	**1,013**	**277,077**
Other members that left during the financial year					4,770	11,673		106'817[2]
Total (including members that left during the financial year)	**26,398**	**20,874**	**1,436**	**316,380**	**27,529**	**30,521**	**1,013**	**383,894**

1) Shares are dividend entitled with full voting rights.
2) 20,837 SARs were granted instead of options (SARs grant the right to participate in the appreciation of Sonova shares without issuance of shares).
3) Member of the Management Board since June 2024.
4) Member of the Management Board since July 2024. SARs were granted instead of options (SARs grant the right to participate in the appreciation of Sonova shares without issuance of shares).
5) Member of the Management Board since May 2023.
6) Member of the Management Board since April 2022.

As of March 31, 2025 the shareholding requirements set by the share ownership guideline are met by all members of the Management Board except for one member due to the negative evolution of the share price, who re-committed to meet the requirements by June 30, 2025.

The following table shows the shareholding requirements relative to the fixed base salary and the indicative actual shareholdings.

	Base salary	Share requirements [1]	Actual shares [2]	Fulfillment of share ownership guidelines	Share ownership ratio to base salary
	in CHF	in CHF	in CHF	in %	ratio
Arnd Kaldowski, CEO	926,100	1,000,000	5,632,484	563	6.1
Other members of the MB [3]	415,000	200,000	834,651	417	2.0

[1] Share requirements to be achieved for the CEO as of December 31, 2017 and for all other members of the MB after 38 months.
[2] Calculated with Sonova closing share price of March 31, 2025.
[3] Average of other members of the MB with shareholding requirements (excluding members of the MB that are still in build-up phase for shareholding requirements).
The calculation of fulfillment and the ratio to base salary of the share ownership shown above are included for illustration purposes only.

The following table shows a detailed breakdown of the outstanding options of the members of the Management Board.

31.03.2025

	Options EEAP 25 [1]	Options EEAP 24 [2]	Options EEAP 23 [3]	Options EEAP 22 [4]	Options EEAP 21 [5]	Options EEAP 20 [6]	Options EEAP 19 [7]	Options EEAP 18 [9]	Total options
Arnd Kaldowski	16,768	18,400	21,832	13,274	25,454	28,119	32,901	85,656	242,404
Other members of the MB	15,872	16,703	11,005	9,548	6,347	7,783	6,718		73,976
Total (active members)	**32,640**	**35,103**	**32,837**	**22,822**	**31,801**	**35,902**	**39,619**	**85,656**	**316,380**
Other members that left during the financial year			2,313 [8]	2,625 [8]	6,468 [8]	10,684 [8]			22,090 [8]
Total (including members that left during the financial year)	**32,640**	**35,103**	**35,150**	**25,447**	**38,269**	**46,586**	**39,619**	**85,656**	**338,470**

[1] Exercise price CHF 319.20, vesting period 1.2.2025–1.6.2029 whereas one tranche being vested each year, end of restriction period 31.1.2030, exercise period 1.2.2030–31.1.2035.
[2] Exercise price CHF 279.10, vesting period 1.2.2024–1.6.2028 whereas one tranche being vested each year, end of restriction period 31.1.2029, exercise period 1.2.2029–31.1.2034.
[3] Exercise price CHF 233.40, vesting period 1.2.2023–1.6.2027 whereas one tranche being vested each year, end of restriction period 31.1.2028, exercise period 1.2.2028–31.1.2033 and for one member exercise price CHF 278.20, vesting period 2.5.2023–1.6.2027 whereas one tranche being vested each year, end of restriction period 31.1.2028, exercise period 1.2.2028–31.1.2033.
[4] Exercise price CHF 333.60, vesting period 1.2.2022–1.6.2026 whereas one tranche being vested each year, end of restriction period 31.1.2027, exercise period 1.2.2027–31.1.2032.
[5] Exercise price CHF 218.70, vesting period 1.2.2021–1.6.2025 whereas one tranche being vested each year, end of restriction period 31.1.2026, exercise period 1.2.2026–31.1.2031.
[6] Exercise price CHF 241.80, vesting period 1.2.2020-1.6.2024 whereas one tranche being vested each year, end of restriction period 31.1.2025, exercise period 1.2.2025–31.1.2030.
[7] Exercise price CHF 182.40, vesting period 1.2.2019-1.6.2023 whereas one tranche being vested each year, exercise period 1.6.2020-31.1.2029.
[8] For one member SARs were granted instead of options (SARs grant the right to participate in the appreciation of Sonova shares without issuance of shares).
[9] Includes the one-time, non-recurring performance option grant (46,528 options); exercise price of CHF 147.85, vesting period of 1.2.2018 – 1.4.2025, exercise period 1.4.2025 – 30.9.2027.

								31.03.2024
	Options EEAP 24 [1]	Options EEAP 23 [2]	Options EEAP 22 [3]	Options EEAP 21 [4]	Options EEAP 20 [5]	Options EEAP 19 [6]	Options EEAP 18 [7]	Total options
Arnd Kaldowski	18,400	21,832	15,037	25,454	28,119	32,901	85,656 [8]	227,399
Other Members MB	20,531	27,048 [9]	21,208 [9]	20,837 [9]	24,712 [9]	27,438 [9]	14,721	156,495 [9]
Total	**38,931**	**48,880**	**36,245**	**46,291**	**52,831**	**60,339**	**100,377**	**383,894**

1) Exercise price CHF 279.10, vesting period 1.2.2024–1.6.2028 whereas one tranche being vested each year, end of restriction period 31.1.2029, exercise period 1.2.2029–31.1.2034.
2) Exercise price CHF 233.40, vesting period 1.2.2023–1.6.2027 whereas one tranche being vested each year, end of restriction period 31.1.2028, exercise period 1.2.2028–31.1.2033 and for one member exercise price CHF 278.20, vesting period 2.5.2023–1.6.2027 whereas one tranche being vested each year, end of restriction period 31.1.2028, exercise period 1.2.2028–31.1.2033.
3) Exercise price CHF 333.60, vesting period 1.2.2022–1.6.2026 whereas one tranche being vested each year, end of restriction period 31.1.2027, exercise period 1.2.2027–31.1.2032.
4) Exercise price CHF 218.70, vesting period 1.2.2021–1.6.2025 whereas one tranche being vested each year, end of restriction period 31.1.2026, exercise period 1.2.2026–31.1.2031.
5) Exercise price CHF 241.80, vesting period 1.2.2020-1.6.2024 whereas one tranche being vested each year, end of restriction period 31.1.2025, exercise period 1.2.2025–31.1.2030.
6) Exercise price CHF 182.40, vesting period 1.2.2019-1.6.2023 whereas one tranche being vested each year, exercise period 1.6.2020-31.1.2029.
7) Exercise price CHF 147.85, vesting period 1.2.2018-1.6.2022 whereas one tranche being vested each year, exercise period 1.6.2019-31.1.2028.
8) Includes the one-time, non-recurring performance option grant (46,528 options); exercise price of CHF 147.85, vesting period of 1.2.2018 – 1.4.2025, exercise period 1.4.2025 – 30.9.2027.
9) For one member SARs were granted instead of options (SARs grant the right to participate in the appreciation of Sonova shares without issuance of shares).

Glossary

AC Audit Committee
AGM Annual General Shareholders' Meeting
AHV Old Age and Survivors' Insurance
ALV Unemployment Insurance
Articles of Association Articles of Association of Sonova Holding AG
ASP Average Sales Price
BoD Board of Directors
CEO Chief Executive Officer
CFO Chief Financial Officer
CHF Swiss Francs
DWCO Days Working Capital Outstanding
EBITA Earnings Before Interest, Taxes and Amortization
EEAP Executive Equity Award Plan
EPS Earnings Per Share
ESG Environmental, Social and Governance
GVP Group Vice President
HRM Human Resource Management
KPIs Key Performance Indicators
MB Management Board
n.a. Not applicable
NCC Nomination and Compensation Committee
OPEX Operating Expenses
OpFCF Operating Free Cash Flow
PSU Performance Share Unit
ROCE Return on Capital Employed
RSU Restricted Share Unit
rTSR relative Total Shareholder Return
SLI Swiss Leaders Index
SMI Swiss Market Index
Sonova Excellence Sonova Excellence System
VCC Variable Cash Compensation

Shape the future
with confidence

Report of the statutory auditor to the General Meeting of Sonova Holding AG

Report on the audit of the compensation report

Opinion

We have audited the compensation report of Sonova Holding AG for the year ended 31 March 2025. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) in the tables marked “audited” on pages 88 to 92 and pages 97 to 101 in the compensation report.

In our opinion, the information pursuant to Art. 734a-734f CO in the compensation report complies with Swiss law and the Company’s articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the “Auditor’s responsibilities for the audit of the compensation report” section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables marked “audited” on pages 88 to 92 and pages 97 to 101 in the compensation report, the consolidated financial statements, the stand-alone financial statements and our auditor’s reports thereon.

Our opinion on the compensation report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the compensation report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the compensation report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors’ responsibilities for the compensation report

The Board of Directors is responsible for the preparation of a compensation report in accordance with the provisions of Swiss law and the Company’s articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a compensation report that is free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor’s responsibilities for the audit of the compensation report

Our objectives are to obtain reasonable assurance about whether the information pursuant to Art. 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this compensation report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the compensation report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Zurich, 8 May 2025

Ernst & Young Ltd

Martin Mattes
Licensed audit expert
(Auditor in charge)

Philippe Schlatter
Licensed audit expert

Financial reporting

Financial review

In the 2024/25 financial year, Sonova achieved sales of CHF 3,865.4 million, representing an increase of 7.6% in local currencies and 6.6% in Swiss francs. Sales and profit growth both accelerated throughout the year, driven by successful product launches and further elevation of commercial excellence. Adjusted Group EBITA reached CHF 807.8 million, representing a growth of 7.4% in local currencies and 4.7% in Swiss francs, with a margin of 20.9%.

Sales growth supported by successful product launches

In the 2024/25 financial year, Sonova Group sales reached CHF 3,865.4 million, an increase of 7.6% in local currencies and 6.6% in Swiss francs. Growth accelerated in the second half-year, driven by the successful launch of the Infinio and Sphere Infinio platforms in August, both of which received positive feedback and supported further growth in the Hearing Instruments and Audiological Care businesses. A slowdown in the US private hearing aid market in the final months of the financial year hampered overall development. Organic growth was 6.4%, while acquisitions in the reporting period, along with the full-year effect of previous acquisitions, contributed 1.2% to total sales growth. Exchange rate effects negatively impacted reported sales by CHF 37.7 million, reducing growth in Swiss francs by 1.0 percentage point.

Sales by regions

in CHF m			2024/25		2023/24
	Sales	Share	Growth in local currencies	Sales	Share
EMEA	1,973.2	51%	7.0%	1,859.0	51%
USA	1,156.8	30%	7.7%	1,074.0	30%
Americas (excl. USA)	278.9	7%	10.8%	264.4	7%
Asia/Pacific	456.4	12%	8.1%	429.4	12%
Total sales	**3,865.4**	**100%**	**7.6%**	**3,626.9**	**100%**

Solid performance across all regions despite subdued market development

Sales in Europe, Middle East and Africa (EMEA) increased by 7.0% in local currencies. Growth was adversely affected by weaker-than-anticipated market conditions. This was partly mitigated by market share gains following the successful launch of the new platforms in August 2024, as well as by bolt-on acquisitions, mainly in Germany.

In the United States, sales rose by 7.7% in local currency, bolstered by above market growth in the Hearing Instruments business following the recent platform launches. Development was held back by a decline in the private hearing aid market in the final months of the financial year, as consumers grew increasingly hesitant due to widespread economic uncertainty.

Sales in the rest of the Americas (excluding the US) grew by 10.8% in local currencies. Growth was driven by the strong performance of the Hearing Instruments business in Canada, complemented by the ongoing expansion of the store network in the Audiological Care business. Additionally, Brazil delivered significant growth across all businesses.

In the Asia Pacific (APAC) region, sales rose by 8.1% in local currencies. The key driver was strong development of all businesses in Australia, driven in part by bolt-on acquisitions. In China, the performance of the Hearing Instruments and Audiological Care businesses was affected by a sluggish hearing aid market, while both the Cochlear Implants and Consumer Hearing sectors experienced substantial growth.

Sonova Group key figures

in CHF m unless otherwise specified	2024/25	2023/24	Change in Swiss francs	Change in local currencies
Sales	3,865.4	3,626.9	6.6%	7.6%
Gross profit	2,784.5	2,610.4	6.7%	7.9%
EBITA[1]	749.8	727.0	3.1%	5.9%
EBIT[1]	691.9	669.9	3.3%	6.2%
Basic earnings per share (CHF)	9.07	10.08	(10.0%)	(6.9%)
Operating free cash flow[1]	577.9	539.2	7.2%	
ROCE[1]	18.0%	17.7%		
Gross profit (adjusted)[1]	2,799.7	2,621.5	6.8%	8.1%
EBITA (adjusted)[1]	807.8	771.4	4.7%	7.4%
EBITA margin (adjusted)	20.9%	21.3%		
Basic earnings per share (CHF) (adjusted)[1]	10.81	10.06	7.4%	10.6%

1) For details see table "Reconciliation of non-GAAP financial measures".

Substantial increase in profitability in the second half after initial headwinds

The Group implemented additional structural optimization initiatives to streamline operations and enhance profitability in the Audiological Care business, improve its cost structure, and further develop its operations facility in Mexico. Restructuring costs amounted to CHF 44.2 million (2023/24: CHF 23.7 million). Transaction and integration costs related to acquisitions totaled CHF 7.5 million (2023/24: CHF 10.5 million). In addition, the Group incurred legal costs of CHF 6.3 million (2023/24: CHF 10.2 million). Impacts from tax reforms increased income taxes by CHF 49.5 million (2023/24: reduction of CHF 39.1 million).

Adjusted figures and growth rates in this financial review exclude the items in the previous paragraph. For more details, please refer to the "Reconciliation of non-GAAP financial measures" table at the end of the financial review.

Reported gross profit amounted to CHF 2,784.5 million. Adjusted gross profit was CHF 2,799.7 million, an increase of 8.1% in local currencies and 6.8% in Swiss francs. This development was supported by higher volume in the Hearing Instruments business as well as lower costs of components. While average selling prices (ASP) in both the Hearing Instruments and Audiological Care business were helped by the new platforms, this was offset by pressure on previous generation products, costs related to the ramp up of manufacturing, and an adverse country mix. As a result, the adjusted gross profit margin reached 72.4%, up by 0.2 percentage points in Swiss francs or 0.3 percentage points in local currencies.

Excluding acquisition-related amortization, reported operating expenses were CHF 2,034.7 million (2023/24: CHF 1,883.3 million). Adjusted operating expenses before acquisition-related amortization rose by 8.4% in local currencies or by 7.7% in Swiss francs to CHF 1,991.9 million (2023/24: CHF 1,850.1 million). The cost increase is related to investments in the launch of the new hearing aid platforms in the first half-year and elevated lead generation costs in the Audiological Care business, as well as labor cost inflation. Operating costs grew at a slower rate than sales in the second half-year, supported by targeted cost initiatives. Adjusted research and development (R&D) expenses before acquisition-related amortization reached CHF 232.0 million (2023/24: CHF 236.0 million), a stable development in local currencies, following the successful completion of two parallel platform developments. This represents 6.0% of sales (2023/24: 6.5%).

Adjusted sales and marketing costs before acquisition-related amortization increased by 9.6% in local currencies to CHF 1,390.0 million or 36.0% of sales (2023/24: 35.3%). This was primarily driven by significant launch investments as well as by elevated lead generation costs, new store openings, and acquisitions in the Audiological Care business. Primarily driven by higher IT investments, rising labor costs, and one-time benefits in the prior year, adjusted general and administration costs before acquisition-related amortization increased by 11.2% in local currencies, reaching CHF 370.1 million or 9.6% of sales (2023/24: 9.2%). Adjusted other income totaled CHF 0.0 million (2023/24: expenses of CHF 0.6 million).

Fueled by a strong increase of 16.6% in local currencies in the second half-year, adjusted operating profit before acquisition-related amortization (EBITA) rose by 7.4% in local currencies and 4.7% in Swiss francs, reaching CHF 807.8 million (2023/24: CHF 771.4 million). The adjusted EBITA margin was 20.9%, down 0.4 percentage points in Swiss francs and 0.1 percentage points in local currencies. Exchange rate developments reduced adjusted EBITA by CHF 20.5 million and the margin by 0.3 percentage points. Reported EBITA rose by 5.9% in local currencies or 3.1% in Swiss francs, totaling CHF 749.8 million (2023/24: CHF 727.0 million). Acquisition-related amortization amounted to CHF 57.9 million (2023/24: CHF 57.1 million). Reported operating profit (EBIT) amounted to CHF 691.9 million (2023/24: CHF 669.9 million), up 6.2% in local currencies or 3.3% in Swiss francs.

Net financial expenses, including the result from associates, rose from CHF 22.6 million in the prior year to CHF 39.9 million, reflecting increased hedging costs and certain non-recurring benefits in the prior year. Income taxes amounted to CHF 105.0 million (2023/24: CHF 37.8 million), impacted by the implementation of the OECD global minimum tax laws in Switzerland from 2024 onwards. In the prior year, income taxes benefited from effects related to tax reforms and the recognition of deferred tax assets arising from losses incurred. Basic earnings per share (EPS) reached CHF 9.07, down 6.9% in local currencies and 10.0% in Swiss francs. Adjusted EPS rose by 10.6% in local currencies and 7.4% in Swiss francs to CHF 10.81, compared to CHF 10.06 in the prior year.

Hearing Instruments segment – Successful product launches driving sales acceleration

Sales in the Hearing Instruments segment reached CHF 3,561.4 million, reflecting an increase of 7.5% in local currencies and 6.4% in Swiss francs. Growth accelerated in the second half-year, driven by successful product launches and a rebound of organic growth in the Audiological Care business, although it was held back by softer-than-expected market growth. Organic sales growth was 6.1%, while acquisitions contributed an additional 1.3%, equating to CHF 44.1 million. Exchange rate effects reduced reported sales by CHF 36.1 million, or 1.1% in Swiss francs.

The Hearing Instruments business recorded sales of CHF 1,821.4 million, reflecting an increase of 8.5% in local currencies. Following the successful launch of the Phonak Audéo Infinio and Audéo Sphere Infinio hearing aid families in August, the company consistently gained market share, resulting in a growth of 9.8% in local currencies in the second half-year. In the final two months of the 2024/25 financial year, the development was held back by a significant slowdown in the private hearing aid market in the US, affecting both volume growth and ASP development.

The Audiological Care business generated sales of CHF 1,487.5 million, representing an increase of 6.4% in local currencies. Organic growth reached 3.3% but accelerated to 5.3% in the second half-year, supported by a series of measures implemented to drive growth and profitability. Convincing customers to visit the hearing care clinic and make a purchase decision continued to be a challenge, resulting in elevated lead generation costs. Acquisitions (including the full-year effect of prior year acquisitions) lifted sales by 3.1%.

Sales in the Consumer Hearing business increased by 6.4% in local currencies, reaching CHF 252.5 million. This was fueled by double-digit growth in the second half-year, benefiting from the return of the global consumer audio market to growth and a favorable comparison base. The business has made considerable progress in its strategic priorities, focusing on premium market categories while driving sustainable profitability by expanding customer reach in key markets and channels, as well as optimizing product-related costs.

Sales by business – Hearing Instruments segment

in CHF m	2024/25			2023/24	
	Sales	Share	Growth in local currencies	Sales	Share
Hearing Instruments business	1,821.4	51%	8.5%	1,697.7	51%
Audiological Care business	1,487.5	42%	6.4%	1,410.5	42%
Consumer Hearing business	252.5	7%	6.4%	239.7	7%
Total Hearing Instruments segment	**3,561.4**	**100%**	**7.5%**	**3,347.9**	**100%**

Reported EBITA for the Hearing Instruments segment was CHF 721.4 million, up 5.5% in local currencies. Adjusted EBITA rose by 6.5% in local currencies to CHF 764.9 million, corresponding to a margin of 21.5% (2023/24: 22.0%). Excluding the adverse currency development, the adjusted EBITA margin declined by 0.2 percentage points compared to the prior year, but improved by 1.4 percentage points in the second half-year compared to the prior year period.

Cochlear Implants segment – Continued market share gains

Sales in the Cochlear Implants segment amounted to CHF 303.9 million, up 9.5% in local currencies and 9.0% in Swiss francs. The increase was primarily attributed to continued strong system sales, which rose by 16.3% in local currencies, indicating market share gains. Sales growth was also supported by the Remote Programming feature introduced in the previous financial year. Strong performance in the US was achieved through enhanced commercial execution and improvements in lead generation. Sales of upgrades and accessories declined by 3.9% in local currencies, as many recipients have already adopted the Marvel sound processor technology, which was introduced in 2021.

in CHF m	2024/25			2023/24	
	Sales	Share	Growth in local currencies	Sales	Share
Cochlear implant systems	214.9	71%	16.3%	185.5	67%
Upgrades and accessories	89.0	29%	(3.9%)	93.4	33%
Total Cochlear Implants segment	**303.9**	**100%**	**9.5%**	**278.9**	**100%**

Sales by product groups – Cochlear Implants segment

Reported EBITA for the Cochlear Implants segment was CHF 28.4 million. The adjusted EBITA reached CHF 42.8 million (2023/24: CHF 35.1 million), representing a margin of 14.1% (2023/24: 12.6%). Adverse shifts in the geographic sales mix weighed on the gross margin, which was more than offset by strict control of operating costs. Excluding the adverse currency development, the adjusted EBITA margin rose by 1.8 percentage points.

Cash flow

Cash flow from operating activities totaled CHF 793.7 million (2023/24: CHF 753.3 million). Growth of income before taxes in Swiss francs was held back by adverse currency developments. Lower cash outflow from changes in working capital was driven by the fact that the impact of higher receivables and inventories was more than compensated by the increase in payables, partly due to ongoing payment term initiatives. The net purchase of tangible and intangible assets stood at CHF 136.0 million (2023/24: CHF 127.4 million). Coupled with higher income taxes paid, operating free cash flow reached CHF 577.9 million (2023/24: CHF 539.2 million).

Cash consideration for acquisitions amounted to CHF 77.3 million (2023/24: CHF 101.6 million), reflecting the further expansion of the Audiological Care network through bolt-on acquisitions, mainly in Australia, Canada, and Germany. In total, this resulted in a free cash flow of CHF 500.5 million (2023/24: CHF 437.6 million). The cash outflow from financing activities of CHF 401.8 million mainly reflects the dividend payment of CHF 256.2 million, as well as lease liabilities repayment of CHF 73.3 million.

Balance sheet

Cash and cash equivalents rose to CHF 686.9 million, compared to CHF 513.6 million at the end of the 2023/24 financial year. Net working capital rose to CHF 165.0 million, compared to CHF 93.2 million at the end of the 2023/24 financial year, reflecting higher receivables and inventory, partly offset by the increase in accounts payable. Capital employed remained stable at CHF 3,824.1 million, compared to CHF 3,850.9 million at the end of the 2023/24 financial year.

The Group’s equity of CHF 2,684.6 million represents an equity ratio of 45.3%, compared to 43.0% at end of the 2023/24 financial year. The net debt position decreased to CHF 1,139.5 million compared to CHF 1,359.5 million at the end of the 2023/24 financial year. The net debt/EBITDA ratio stood at 1.2x, down from 1.5x in March 2024, and within Sonova’s target range of 1.0 – 1.5x. The return on capital employed (ROCE) reached 18.0% compared to 17.7% in the prior year.

Outlook 2025/26

Building on our solid momentum, increased market share, positive market reception for our new products, and the continued execution of our strategy, we are entering the new financial year from a position of strength. The outlook is based on the current sentiment and growth trends in the hearing care market, as well as the tariffs currently in place. It reflects the recent decline in consumer confidence, particularly in the USA, along with the associated moderate market slowdown observed in recent months. This outlook assumes no significant additional tariffs or other major economic disruptions beyond those already known at the time of this report’s publication.

For the full 2025/26 financial year, Sonova expects consolidated sales to increase by 5% – 9%, and EBITA – normalized for special items but including restructuring costs – to grow in a range of 14% – 18% when measured at constant exchange rates.

Reconciliation of non-GAAP financial measures

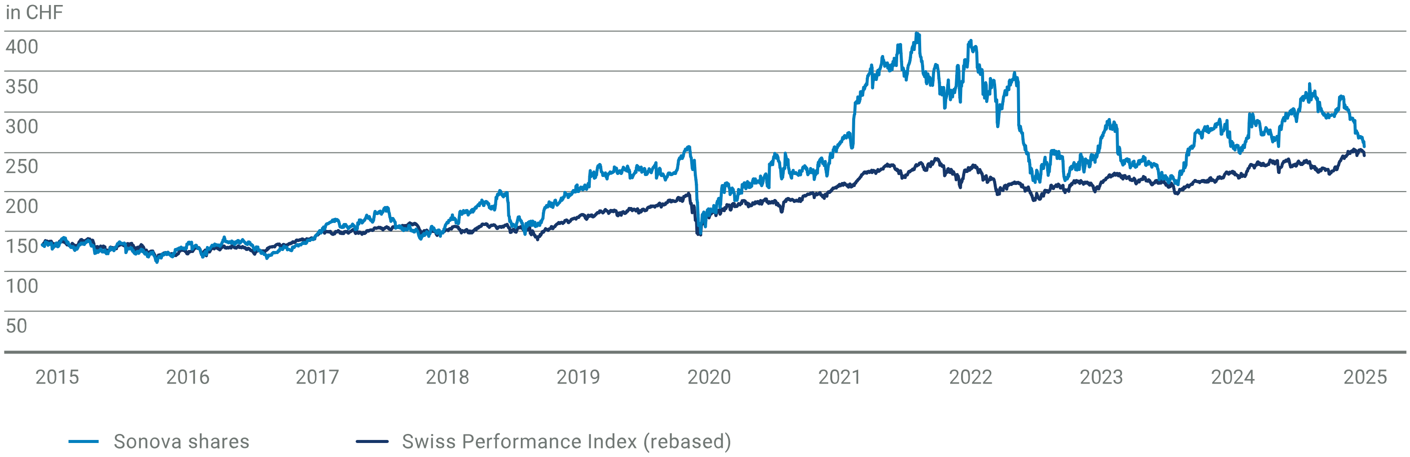
April 1 to March 31, CHF million	Income statement as reported	Acquisition related amortization	Income statement EBITA separation	Restructuring costs	Tax reforms	Transaction and integration costs	Litigation costs	2024/25 Income statement adjusted
Sales	**3,865.4**		**3,865.4**					**3,865.4**
Cost of sales	(1,080.9)		(1,080.9)	15.2				(1,065.7)
Gross profit	**2,784.5**		**2,784.5**	**15.2**				**2,799.7**
Research and development	(235.1)	1.5	(233.6)	1.7				(232.0)
Sales and marketing	(1,465.1)	56.3	(1,408.8)	18.3		0.5		(1,390.0)
General and administration	(392.6)		(392.6)	9.2		7.0	6.3	(370.1)
Other income / (expenses), net	0.2		0.2	(0.2)				0.0
Operating profit before acquisition-related amortization (EBITA)[1]			**749.8**	**44.2**		**7.5**	**6.3**	**807.8**
Acquisition-related amortization		(57.9)	(57.9)					(57.9)
Operating profit (EBIT)[2]	**691.9**		**691.9**	**44.2**		**7.5**	**6.3**	**749.9**
Basic earnings per share (CHF)	**9.07**		**9.07**	**0.69**	**0.83**	**0.12**	**0.11**	**10.81**

1) Earnings before financial result, share of profit/(loss) in associates/joint ventures, taxes and acquisition-related amortization (EBITA).
2) Earnings before financial result, share of profit/(loss) in associates/joint ventures and taxes (EBIT).

April 1 to March 31, CHF million	Income statement as reported	Acquisition related amortization	Income statement EBITA separation	Restructuring costs	Tax reforms	Transaction and integration costs	Litigation costs	2023/24 Income statement adjusted
Sales	**3,626.9**		**3,626.9**					**3,626.9**
Cost of sales	(1,016.5)		(1,016.5)	11.1				(1,005.4)
Gross profit	**2,610.4**		**2,610.4**	**11.1**				**2,621.5**
Research and development	(239.0)	1.5	(237.5)	1.4				(236.0)
Sales and marketing	(1,346.0)	55.6	(1,290.4)	6.1		5.7		(1,278.6)
General and administration	(354.9)		(354.9)	5.0		4.8	10.2	(334.9)
Other income / (expenses), net	(0.6)		(0.6)					(0.6)
Operating profit before acquisition-related amortization (EBITA)[1]			**727.0**	**23.7**		**10.5**	**10.2**	**771.4**
Acquisition-related amortization		(57.1)	(57.1)					(57.1)
Operating profit (EBIT)[2]	**669.9**		**669.9**	**23.7**		**10.5**	**10.2**	**714.3**
Basic earnings per share (CHF)	**10.08**		**10.08**	**0.36**	**(0.66)**	**0.14**	**0.14**	**10.06**

1) Earnings before financial result, share of profit/(loss) in associates/joint ventures, taxes and acquisition-related amortization (EBITA).
2) Earnings before financial result, share of profit/(loss) in associates/joint ventures and taxes (EBIT).

Share price development – Sonova versus Swiss Performance Index (rebased)



Share price performance history[1)]

	10 years	5 years	3 years	2 years	1 year
Sonova shares	89.6%	47.1%	(33.8%)	(4.5%)	(1.8%)
Swiss Performance Index (SPI)[2)]	83.9%	48.4%	8.1%	15.5%	8.8%
Sonova shares relative to the SPI	5.7%	(1.3%)	(41.9%)	(20.0%)	(10.6%)

1) Performance of the Sonova shares and SPI refers to the respective period prior to the last trading day of the 2024/25 financial year.
2) The Swiss Performance Index (SPI) is considered Switzerland's overall stock market index. It comprises practically all of the SIX Swiss Exchange-traded equity securities of companies that are domiciled in Switzerland or the Principality of Liechtenstein.

5 year key figures

April 1 to March 31, in CHF million unless otherwise specified	2024/25	2023/24	2022/23	2021/22	2020/21
Sales	**3,865.4**	**3,626.9**	**3,738.4**	**3,363.9**	**2,601.9**
change compared to previous year (%)	6.6	(3.0)	11.1	29.3	(10.8)
Gross profit	**2,784.5**	**2,610.4**	**2,637.4**	**2,460.7**	**1,873.5**
in % of sales	72.0	72.0	70.5	73.1	72.0
Gross profit (adjusted)[1]	**2,799.7**	**2,621.5**	**2,645.1**	**2,463.7**	**1,880.2**
in % of sales (adjusted)	72.4	72.3	70.8	73.2	72.3
Research & development costs	**233.6**	**237.5**	**243.0**	**230.0**	**203.9**
in % of sales	6.0	6.5	6.5	6.8	7.8
Sales & marketing costs	**1,408.8**	**1,290.4**	**1,263.1**	**1,095.3**	**881.2**
in % of sales	36.4	35.6	33.8	32.6	33.9
Operating profit before acquisition-related amortization (EBITA)	**749.8**	**727.0**	**801.6**	**802.9**	**663.3**
in % of sales	19.4	20.0	21.4	23.9	25.5
Operating profit before acquisition-related amortization (EBITA) (adjusted)[1]	**807.8**	**771.4**	**840.4**	**844.4**	**603.0**
in % of sales (adjusted)	20.9	21.3	22.5	25.1	23.2
Operating profit (EBIT)	**691.9**	**669.9**	**746.7**	**760.0**	**619.5**
in % of sales	17.9	18.5	20.0	22.6	23.8
Income after taxes	**547.0**	**609.5**	**658.3**	**663.6**	**585.3**
in % of sales	14.2	16.8	17.6	19.7	22.5
Income after taxes (adjusted)[1]	**650.7**	**608.7**	**681.5**	**684.4**	**489.6**
in % of sales (adjusted)	16.8	16.8	18.2	20.3	18.8
Basic earnings per share	**9.07**	**10.08**	**10.75**	**10.42**	**9.23**
Basic earnings per share (CHF) (adjusted)[1]	**10.81**	**10.06**	**11.14**	**10.76**	**7.71**
Dividend/distribution per share (CHF)	**4.40[2]**	**4.30**	**4.60**	**4.40**	**3.20**
Net debt[3]	**1,139.5**	**1,359.5**	**1,495.9**	**1,006.3**	**83.3**
Net working capital[4]	165.0	93.2	89.5	(15.0)	29.6
Capital expenditure (tangible and intangible assets)[5]	137.6	128.6	154.3	106.6	89.3
Capital employed[6]	3,824.1	3,850.9	3,727.3	3,439.1	2,855.7
Total assets	5,924.2	5,791.8	5,552.5	5,588.2	5,925.6
Equity	2,684.6	2,491.3	2,231.4	2,432.8	2,772.5
Equity financing ratio (%)[7]	45.3	43.0	40.2	43.5	46.8
Free cash flow[8]	500.5	437.6	274.4	167.6	571.9
Operating free cash flow[9]	**577.9**	**539.2**	**535.6**	**763.7**	**602.4**
Return on capital employed (%)[10]	**18.0**	**17.7**	**20.8**	**24.1**	**22.3**
Number of employees (end of period)	**17,990**	**18,151**	**17,608**	**16,733**	**14,508**

1) Non-GAAP financial measure adjusted for nonrecurring items; for details see the table "Reconciliation of non-GAAP financial measures" in the financial review or refer to the respective annual report.
2) Proposal to the Annual General Shareholders' Meeting of June 10, 2025.
3) Cash and cash equivalents + other current financial assets (without loans) – current financial liabilities – current lease liabilities – non-current financial liabilities – non-current lease liabilities.
4) Receivables (incl. loans) + inventories – trade payables – current income tax liabilities – short-term contract liabilities – other short-term liabilities – short-term provisions.
5) Excluding goodwill and intangibles relating to acquisitions.
6) Equity + net debt.
7) Equity in % of total assets.
8) Cash flow from operating activities + cash flow from investing activities + payments for lease liabilities.
9) Free cash flow – cash consideration for acquisitions and from divestments, net of cash acquired/divested - cash consideration for associates.
10) EBIT in % of capital employed (average).

Consolidated financial statements

Consolidated income statement

April 1 to March 31, in CHF million	Notes	2024/25	2023/24
Sales	2.2 ,2.3	**3,865.4**	**3,626.9**
Cost of sales		(1,080.9)	(1,016.5)
Gross profit		**2,784.5**	**2,610.4**
Research and development[1)]		(235.1)	(239.0)
Sales and marketing[1)]		(1,465.1)	(1,346.0)
General and administration		(392.6)	(354.9)
Other income		0.2	0.0
Other expenses		0.0	(0.6)
Operating profit (EBIT)[2)]		**691.9**	**669.9**
Financial income	4.2	6.8	12.3
Financial expenses	4.2	(52.1)	(39.2)
Share of profit/(loss) in associates/joint ventures, net	6.2	5.4	4.4
Income before taxes		**652.0**	**647.3**
Income taxes	5.1	(105.0)	(37.8)
Income after taxes		**547.0**	**609.5**
Attributable to:			
Equity holders of the parent		540.5	601.0
Non-controlling interests		6.4	8.5
Basic earnings per share (CHF)	2.4	9.07	10.08
Diluted earnings per share (CHF)	2.4	9.04	10.05

1) Includes acquisition-related amortization of CHF 1.5 million (previous year: CHF 1.5 million) in “Research and development” and CHF 56.3 million (previous year: CHF 55.6 million) in “Sales and marketing”. EBITA (Earnings before financial result, share of profit/(loss) in associates/joint ventures, taxes and acquisition-related amortization) amounts to CHF 749.8 million (previous year: CHF 727.0 million). Refer to Note 2.1

2) Earnings before financial result, share of profit/(loss) in associates/joint ventures and taxes (EBIT).

The Notes are an integral part of the consolidated financial statements.

Consolidated statement of comprehensive income

April 1 to March 31, in CHF million	Notes	2024/25	2023/24
Income after taxes		**547.0**	**609.5**
Other comprehensive income			
Actuarial gain/(loss) from defined benefit plans, net	7.3	4.1	13.2
Tax effect on actuarial result from defined benefit plans, net		(0.6)	(2.3)
Items that will never be reclassified to the income statement		**3.5**	**10.9**
Currency translation differences		(79.9)	(79.4)
Tax effect on currency translation items		4.1	5.0
Items that may be reclassified subsequently to the income statement		**(75.8)**	**(74.4)**
Other comprehensive income, net of tax		**(72.3)**	**(63.5)**
Total comprehensive income		**474.7**	**546.0**
Attributable to:			
Equity holders of the parent		468.2	537.8
Non-controlling interests		6.5	8.2

The Notes are an integral part of the consolidated financial statements.

Consolidated balance sheet

Assets CHF million	Notes	31.3.2025	31.3.2024
Cash and cash equivalents	4.1	686.9	513.6
Other current financial assets	4.4	12.2	10.7
Trade receivables	3.1	576.9	538.3
Current income tax receivables		7.2	6.3
Inventories	3.2	468.5	435.6
Other current operating assets	3.6	159.6	148.0
Total current assets		**1,911.3**	**1,652.4**
Property, plant and equipment	3.3	379.6	380.2
Right-of-use assets	3.4	238.0	269.6
Intangible assets and goodwill	3.5	2,984.6	3,038.6
Investments in associates/joint ventures	6.2	18.6	19.2
Other non-current financial assets	4.4	64.4	60.6
Other non-current operating assets	3.6	7.0	6.6
Retirement benefit asset	7.3	19.7	16.8
Deferred tax assets	5.1	301.0	347.8
Total non-current assets		**4,012.9**	**4,139.4**
Total assets		**5,924.2**	**5,791.8**

Liabilities and equity CHF million	Notes	31.3.2025	31.3.2024
Current financial liabilities	4.5	373.8	18.8
Current lease liabilities	3.4	68.7	74.3
Trade payables		269.0	202.4
Current income tax liabilities		176.3	211.0
Short-term contract liabilities	2.3	117.4	123.6
Other short-term operating liabilities	3.8	376.4	379.6
Short-term provisions	3.7	118.5	128.3
Total current liabilities		**1,500.1**	**1,137.9**
Non-current financial liabilities	4.5	1,205.8	1,576.1
Non-current lease liabilities	3.4	179.9	204.8
Long-term provisions	3.7	66.6	80.5
Long-term contract liabilities	2.3	146.0	158.0
Retirement benefit obligation	7.3	14.8	13.9
Deferred tax liabilities	5.1	126.3	129.4
Total non-current liabilities		**1,739.5**	**2,162.5**
Total liabilities		**3,239.6**	**3,300.4**
Share capital	4.6	3.0	3.0
Treasury shares		(5.6)	(3.8)
Retained earnings and reserves		2,667.2	2,471.2
Equity attributable to equity holders of the parent		**2,664.6**	**2,470.4**
Non-controlling interests		20.0	20.9
Equity		**2,684.6**	**2,491.3**
Total liabilities and equity		**5,924.2**	**5,791.8**

The Notes are an integral part of the consolidated financial statements.

Consolidated cash flow statement

April 1 to March 31, in CHF million	Notes	2024/25	2023/24
Income before taxes		**652.0**	**647.3**
Depreciation, amortization and impairment of tangible and intangible assets and right-of-use assets	3.3 ,3.4 ,3.5	248.5	246.2
Loss on sale of tangible and intangible assets, net		3.6	0.8
Share of (profit)/loss in associates/joint ventures, net	6.2	(5.4)	(4.4)
Decrease in long-term provisions and long-term contract liabilities		(20.4)	(28.8)
Financial (income)/expenses, net excl. cash flow from management of foreign currencies and exchange (gains)/losses		23.0	17.3
Share based payments	7.4	20.4	22.8
Other non-cash items		16.5	(17.2)
Income taxes paid		(99.0)	(74.6)
Cash flow before changes in net working capital		**839.1**	**809.4**
Increase in trade receivables		(52.1)	(22.0)
Increase in other receivables and prepaid expenses		(18.7)	(13.1)
Increase in inventories		(35.9)	(19.0)
Increase in trade payables		70.9	11.7
Decrease in other payables, accruals, short-term provisions and short-term contract liabilities		(9.5)	(13.7)
Cash flow from operating activities		**793.7**	**753.3**
Purchase of property, plant and equipment	3.3	(89.8)	(85.3)
Purchase of intangible assets	3.5	(47.8)	(43.3)
Proceeds from sale of tangible and intangible assets		1.6	1.2
Cash consideration for acquisitions, net of cash acquired	6.1	(77.3)	(101.6)
Payments for other financial assets		(21.0)	(31.2)
Repayments of other financial assets		17.8	22.1
Interest received		3.8	4.1
Cash flow from investing activities		**(212.7)**	**(234.0)**
Repayment of borrowings	4.5	(0.9)	
Repayment of lease liabilities	4.5	(73.3)	(75.1)
Sale of treasury shares	4.6	29.2	19.9
Purchase of treasury shares	4.6	(67.3)	(51.3)
Dividends paid to shareholders of Sonova Holding AG		(256.2)	(274.1)
Dividends to non-controlling interests		(7.4)	(8.2)
Cash consideration for acquisition of non-controlling interests			(0.9)
Interest paid		(25.9)	(25.6)
Cash flow from financing activities		**(401.8)**	**(415.3)**
Effect of exchange rates changes on cash and cash equivalents		(5.9)	(4.3)
Increase in cash and cash equivalents		**173.3**	**99.7**
Cash and cash equivalents at the beginning of the financial year		513.6	413.9
Cash and cash equivalents at the end of the financial year		**686.9**	**513.6**

The Notes are an integral part of the consolidated financial statements.

Consolidated statement of changes in equity

CHF million	Attributable to equity holders of Sonova Holding AG					
	Share capital	Retained earnings	Translation adjustment	Treasury shares	Non-controlling interests	Total equity
Balance April 1, 2023	**3.1**	**3,176.6**	**(538.2)**	**(429.0)**	**18.9**	**2,231.4**
Income for the period		601.0			8.5	609.5
Actuarial gain/(loss) from defined benefit plans, net		13.2				13.2
Tax effect on actuarial result		(2.3)				(2.3)
Currency translation differences			(79.1)		(0.3)	(79.4)
Tax effect on currency translation			5.0			5.0
Total comprehensive income		**611.9**	**(74.1)**		**8.2**	**546.0**
Capital decrease - share buyback program	(0.1)	(421.4)		421.5		
Share-based payments		8.2		19.7		27.9
Sale/transfer of treasury shares[1]		(14.8)		35.3		20.5
Purchase of treasury shares				(51.3)		(51.3)
Dividend paid		(274.1)			(8.2)	(282.3)
Acquisition of non-controlling interests		(3.4)	0.5		2.0	(0.9)
Balance March 31, 2024	**3.0**	**3,082.9**	**(611.7)**	**(3.8)**	**20.9**	**2,491.3**
Balance April 1, 2024	**3.0**	**3,082.9**	**(611.7)**	**(3.8)**	**20.9**	**2,491.3**
Income for the period		540.5			6.4	547.0
Actuarial gain/(loss) from defined benefit plans, net		4.1				4.1
Tax effect on actuarial result		(0.6)				(0.6)
Currency translation differences			(80.0)		0.1	(79.9)
Tax effect on currency translation			4.1			4.1
Total comprehensive income		**544.0**	**(75.9)**		**6.5**	**474.7**
Share-based payments		4.3		15.4		19.6
Sale/transfer of treasury shares[1]		(20.3)		50.1		29.8
Purchase of treasury shares				(67.3)		(67.3)
Dividend paid		(256.2)			(7.4)	(263.6)
Balance March 31, 2025	**3.0**	**3,354.8**	**(687.6)**	**(5.6)**	**20.0**	**2,684.6**

[1] In relation to long-term equity incentive plans.
The Notes are an integral part of the consolidated financial statements.

Notes to the consolidated financial statements as of March 31, 2025

1. Basis for preparation

1.1 Corporate information

The Sonova Group (the “Group”) is a global leader in innovative hearing care solutions: from personal audio devices and wireless communication systems to audiological care services, hearing aids and cochlear implants. The Group’s globally diversified sales and distribution channels serve an ever growing consumer base in more than 100 countries. The ultimate parent company is Sonova Holding AG, a limited liability company incorporated in Switzerland. Sonova Holding AG’s registered office is located at Laubisrütistrasse 28, 8712 Stäfa, Switzerland.

1.2 Basis of consolidated financial statements

The consolidated financial statements of the Group for the reporting period April 1, 2024 to March 31, 2025 have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) and comply with Swiss law. The consolidated financial statements were prepared under the historical cost convention except for the revaluation of certain financial assets at market value. The consolidated financial statements were authorised for issue by the Board of Directors of Sonova Holding AG on May 8, 2025 and are subject to approval by the Annual General Shareholders’ Meeting on June 10, 2025.

The consolidated financial statements are presented in millions of Swiss Francs (CHF) and rounded to the nearest hundred thousand. Due to rounding, numbers presented throughout this report may not add up precisely to the totals provided. All ratios and variances are calculated using the underlying amount rather than the presented rounded amounts.

The consolidated financial statements include Sonova Holding AG as well as the domestic and foreign subsidiaries over which Sonova Holding AG exercises control. A list of the significant consolidated companies is given in Note 7.6.

Accounting policies of relevance for an understanding of the consolidated financial statements are set out in the specific notes to the financial statements.

1.3 Significant accounting judgments and estimates

Preparation of financial statements in conformity with IFRS Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses and related disclosures. This includes estimates and assumptions in the ordinary course of business as well as non-recurring events such as the outcome of pending legal disputes. The estimates and assumptions are continuously evaluated and are based on experience and other factors, including expectations of future events that are believed to be reasonable. Actual results may differ from these estimates and assumptions.

The main estimates and assumptions with a significant risk of resulting in a material adjustment within the next financial year are described in the following notes:

Description	Further information
Allocation of the transaction price to performance obligations	Note 2.3: Revenue
Renewal options in leases	Note 3.4: Leases
Capitalization of development costs	Note 3.5: Intangible assets
Impairment test	Note 3.5: Intangible assets
Provisions for warranty, returns and product liabilities	Note 3.7: Provisions
Fair value of financial liabilities at fair value through profit or loss	Note 4.8: Financial instruments
Deferred tax assets	Note 5.1: Taxes
Business combinations	Note 6.1: Acquisitions/disposals of subsidiaries
Defined benefit plans	Note 7.3: Employee benefits

1.4 Changes in accounting policies

In 2024/25 the Group adopted the following new IFRS Accounting Standards, interpretations and amendments to existing ones, without having a significant impact on the Group's result and financial position:

- Non-current liabilities with covenants – Amendments to IAS 1
- Classification of liabilities as current or non-current – Amendment to IAS 1
- Lease liability in a sale and leaseback – Amendments to IFRS 16
- Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

The Group has assessed the expected impacts of the various new and revised standards and interpretations that will be effective for the financial year starting April 1, 2025. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions. The Group is also assessing other new and revised standards which are not mandatory until after 2025.

IFRS 18 "Presentation and Disclosure in Financial Statements": The new standard on presentation and disclosure in financial statements. The key new concepts introduced in IFRS 18 relate to the structure of the statement of profit or loss, required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. The Group is currently assessing the impact of adopting the standard, which will become effective from April 1, 2027.

2. Operating result

2.1 Income statement reconciliation

The Group presents the "Consolidated income statement" based on a classification of costs by function and is continuously amending its business portfolio with acquisitions, resulting in acquisition-related intangibles (see section "Intangible assets" in Note 3.5) and related amortization charges. To calculate EBITA[1], which is the key profit metric for internal (refer to Note 2.2) as well as external purposes, acquisition-related amortization is separated from the individual functions as disclosed below.

April 1 to March 31, CHF million			2024/25
	Income statement as reported	Acquisition related amortization	**Income statement EBITA separation**
Sales	**3,865.4**		**3,865.4**
Cost of sales	(1,080.9)		(1,080.9)
Gross profit	**2,784.5**		**2,784.5**
Research and development	(235.1)	1.5	(233.6)
Sales and marketing	(1,465.1)	56.3	(1,408.8)
General and administration	(392.6)		(392.6)
Other income / (expenses), net	0.2		0.2
Operating profit before acquisition-related amortization (EBITA)[1]			**749.8**
Acquisition-related amortization		(57.9)	(57.9)
Operating profit (EBIT)[2]	**691.9**		**691.9**

1) Earnings before financial result, share of profit/(loss) in associates/joint ventures, taxes and acquisition-related amortization (EBITA).
2) Earnings before financial result, share of profit/(loss) in associates/joint ventures and taxes (EBIT).

April 1 to March 31, CHF million			2023/24
	Income statement as reported	Acquisition related amortization	**Income statement EBITA separation**
Sales	**3,626.9**		**3,626.9**
Cost of sales	(1,016.5)		(1,016.5)
Gross profit	**2,610.4**		**2,610.4**
Research and development	(239.0)	1.5	(237.5)
Sales and marketing	(1,346.0)	55.6	(1,290.4)
General and administration	(354.9)		(354.9)
Other income / (expenses), net	(0.6)		(0.6)
Operating profit before acquisition-related amortization (EBITA)[1]			**727.0**
Acquisition-related amortization		(57.1)	(57.1)
Operating profit (EBIT)[2]	**669.9**		**669.9**

1) Earnings before financial result, share of profit/(loss) in associates/joint ventures, taxes and acquisition-related amortization (EBITA).
2) Earnings before financial result, share of profit/(loss) in associates/joint ventures and taxes (EBIT).

2.2 Segment information

Information by business segments

The Group is active in the two segments, hearing instruments and cochlear implants, which are reported separately to the Group's chief operating decision maker (Chief Executive Officer). The financial information that is provided to the Group's chief operating decision maker, which is used to allocate resources and to assess the performance, is primarily based on sales analysis as well as consolidated income statements and other key financial metrics for the two segments. The Group uses EBITA as a key metric to measure profit or loss for both segments (refer to Note 2.1). Transactions between segments are based on market terms.

Hearing instruments:

This operating segment includes the activities of the design, development, manufacture, distribution and service of hearing instruments and related products, as well as wireless headsets, speech-enhanced hearables and audiophile headphones. Research and development is centralized in Switzerland while some supporting activities are also performed in Canada and Germany. Production is concentrated with production centers located in Switzerland, China, Mexico, Germany, Ireland and Vietnam – with technologically advanced production processes being performed in Switzerland and standard product assembly being located in Asia and Mexico. Most of the marketing activities are steered by the brand marketing departments in Switzerland, Canada, the United States and Germany. The execution of marketing campaigns lies with the sales organizations in each market. Product distribution is done through sales organizations in the individual markets for hearing instruments and through 21 sales subsidiaries and with long-established trading partners. The distribution channels of the Group vary in the individual markets depending on the sales strategy and the characteristics of the countries. The distribution channels can be split broadly into a retail business where Sonova operates its own store network and sells directly to end consumers and a hearing instruments business, reflecting the wholesale sales to independent audiologists, 3rd party retail chains, multinational and government customers.

Cochlear implants:

This operating segment includes the activities of the design, development, manufacture, distribution and service of hearing implants and related products. The segment consists of Advanced Bionics and the related sales organizations. Research and development as well as marketing activities of Advanced Bionics are centralized predominantly in the United States and Switzerland while production resides in the United States and Mexico. The distribution of products is effected through sales organizations in the individual markets.

in CHF million	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
	Hearing Instruments		Cochlear Implants		Corporate / Eliminations		Total	
Segment sales	3,569.7	3,357.1	307.5	282.4			3,877.2	3,639.5
Intersegment sales	(8.3)	(9.2)	(3.6)	(3.5)			(11.8)	(12.7)
Sales	**3,561.4**	**3,347.9**	**303.9**	**278.9**			**3,865.4**	**3,626.9**
Operating profit before acquisition-related amortization (EBITA)	**721.4**	**701.7**	**28.4**	**25.4**	**0.0**	**(0.0)**	**749.8**	**727.0**
Depreciation, amortization and impairment	(223.3)	(216.7)	(25.2)	(29.6)			(248.5)	(246.2)
Segment assets	**5,084.8**	**5,069.3**	**573.9**	**580.8**	**(741.0)**	**(738.9)**	**4,917.7**	**4,911.2**
Unallocated assets[1]							1,006.4	880.6
Total assets							**5,924.2**	**5,791.8**

1) Unallocated assets include cash and cash equivalents, other current financial assets (excluding loans), investments in associates/joint ventures and deferred tax assets.

Reconciliation of reportable segment profit CHF million	2024/25	2023/24
EBITA	749.8	727.0
Acquisition-related amortization	(57.9)	(57.1)
Financial costs, net	(45.3)	(27.0)
Share of profit/(loss) in associates/joint ventures, net	5.4	4.4
Income before taxes	**652.0**	**647.3**

Entity-wide disclosures

Sales and selected non-current assets by regions CHF million	2024/25	2023/24	2024/25	2023/24
Country / region	Sales[1]		Selected non-current assets[2]	
Switzerland	29.8	30.6	211.2	221.7
EMEA (excl. Switzerland)	1,943.4	1,828.4	1,656.0	1,712.2
USA	1,156.8	1,074.0	1,022.7	1,048.0
Americas (excl. USA)	278.9	264.4	252.7	261.5
Asia/Pacific	456.4	429.4	485.2	470.7
Total Group	**3,865.4**	**3,626.9**	**3,627.9**	**3,714.2**

1) Sales based on location of customers.
2) Total of property, plant & equipment, right-of-use assets, intangible assets and goodwill, investments in associates/joint ventures and other non-current operating assets.

As common in this industry, the Sonova Group has a large number of customers. There is no single customer who accounts for more than 10% of total sales.

2.3 Revenue

The Group generates revenue primarily from the sale of audio devices, hearing instruments, cochlear implants and related services. The following provides a disaggregation of the sales by business and the timing of revenue recognition:

Sales by business CHF million	2024/25	2023/24
Hearing Instruments business	1,821.4	1,697.7
Audiological Care business	1,487.5	1,410.5
Consumer Hearing business	252.5	239.7
Total Hearing Instruments segment	**3,561.4**	**3,347.9**
Cochlear Implant systems	214.9	185.5
Upgrades and accessories	89.0	93.4
Total Cochlear Implants segment	**303.9**	**278.9**
Total sales	**3,865.4**	**3,626.9**

Timing of revenue recognition CHF million	2024/25	2023/24
At point in time	3,698.8	3,480.6
Over time	166.6	146.3
Total sales	**3,865.4**	**3,626.9**

The following table summarizes the contract assets and contract liabilities related to contracts with customers:

Contract balances CHF million	31.3.2025	31.3.2024
Contract assets	11.7	10.5
Contract liabilities	263.4	281.5

Contract liabilities relate to advance consideration received from customers for the Group's various services, such as extended warranties, loss and damage and battery plans. In addition to the contract liabilities, the Group also recognizes contract assets that relate to loss and damage services. Contract assets are presented within other operating assets (refer to Note 3.6) in the consolidated balance sheet.

Significant changes in the contract liabilities during the period are as follows:

Movement in contract liabilities CHF million	**2024/25**	**2023/24**
Balance April 1	281.5	299.8
Changes through business combinations	0.1	0.9
Increase due to advance consideration received in the period	154.9	134.5
Decrease due to revenue recognized in the period that,		
- was included in the contract liabilities at the beginning of the period	(129.5)	(107.1)
- relates to consideration received in the period	(36.9)	(38.4)
Reversals	(0.2)	(2.3)
Exchange differences	(6.5)	(5.9)
Balance March 31	**263.4**	**281.5**
Expectation on timing of revenue recognition:		
Within 1 year	117.4	123.6
Within 2 years	56.7	75.4
Within 3 years	46.9	39.7
Within 4 years	20.5	20.1
More than 4 years	21.9	22.7

No material revenue was recognized in the current period from performance obligations satisfied in previous periods.

Accounting policies

The Group recognizes revenue at point in time when control of the products is transferred to the buyer, mainly upon delivery. The transaction price is adjusted for any variable elements, such as rebates and discounts. For audiological care customers, revenue recognition usually occurs after fitting of the device or when the trial period lapses. For hearing instruments sold in bundled packages (i.e. including accessories and services), the transaction price is allocated to each performance obligation on the basis of the relative stand-alone selling price of all performance obligations in the contract.

For cochlear implants, sales are generally recognized at point in time when control of the products is transferred to the buyer (mainly hospitals), either at delivery or after surgery.

When the customer has a right to return the product within a given period, the amount of revenue is adjusted for expected returns, which are estimated based on historical product return rates. A return provision for the expected returns is recognized as an adjustment to revenue. In addition, an asset for the right to recover returned goods is recognized, measured by reference to the carrying amount, which is presented as part of other current operating assets.

The Group also offers various services, such as extended warranties, loss and damage and battery plans. Revenue for these services is predominantly recognized on a straight-line basis over the service period. In the majority of countries in which the Group operates, the standard warranty period is two years and the extended warranty covers periods beyond the second year. Loss and damage is offered in some, but not all countries, in which the Group operates. This service assures replacement of hearing instruments that are not covered by the warranty. In some countries, the Group reinsures loss and damage. Insurance costs are capitalized as contract assets and are recognized as cost of sales over the loss and damage service period.

Payment terms vary significantly across countries and also depend on whether the customer is a private or public customer.

Accounting judgements and estimates

In order to allocate the transaction price to each performance obligation in a contract, management estimates the standalone selling price of the products and services at contract inception. Mostly, the standalone selling price is based on established price lists. For loss and damage services, management considers the likelihood of a customer claim in the calculation of the standalone selling price.

If the sum of the standalone selling prices of a bundle of goods or services exceeds the consideration in a contract, the discount is allocated proportionally to all of the performance obligations in the contract unless there is observable evidence that the discount relates to only one or some of the performance obligations.

2.4 Earnings per share

Basic earnings per share	2024/25	2023/24
Income after taxes (CHF million)	540.5	601.0
Weighted average number of outstanding shares	59,599,343	59,630,111
Basic earnings per share (CHF)	**9.07**	**10.08**

Diluted earnings per share	2024/25	2023/24
Income after taxes (CHF million)	540.5	601.0
Weighted average number of outstanding shares	59,599,343	59,630,111
Adjustment for dilutive share awards	184,069	160,699
Adjusted weighted average number of outstanding shares	59,783,412	59,790,810
Diluted earnings per share (CHF)	**9.04**	**10.05**

Accounting policies

Basic earnings per share is calculated by dividing the income after taxes attributable to the ordinary equity holders of the parent company by the weighted average number of shares outstanding during the year.

In the case of diluted earnings per share, the weighted average number of shares outstanding is adjusted assuming all outstanding dilutive awards from share participation plans will be exercised. For the option plans, the weighted average number of shares is adjusted for all dilutive options issued under the stock option plans which have not yet been exercised. Options that are out-of-the-money (compared to average share price) are not considered. The calculation of diluted earnings per share is based on the same income after taxes for the period as is used in calculating basic earnings per share.

3. Operating assets and liabilities

3.1 Trade receivables

CHF million	31.3.2025	31.3.2024
Trade receivables	602.5	563.6
Loss allowance for doubtful receivables	(25.6)	(25.4)
Total	**576.9**	**538.3**

As is common in this industry, the Sonova Group has a large number of customers. There is no significant concentration of credit risk.

For further information on the aging of the trade receivables and related allowances, please refer to Note 4.7.

During 2024/25, the Group utilized CHF 7.1 million (previous year CHF 3.5 million) of the loss allowance for doubtful receivables to write-off receivables.

The carrying amounts of trade receivables are denominated in the following currencies:

CHF million	31.3.2025	31.3.2024
BRL	26.4	19.2
CAD	26.2	23.4
CHF	9.2	12.5
EUR	217.5	211.6
GBP	22.4	17.6
USD	182.5	165.8
Other	92.8	88.3
Total trade receivables, net	**576.9**	**538.3**

Accounting policies

Trade receivables are initially recorded at the transaction price and subsequently measured at amortized cost using the effective interest method, less loss allowance (see Note 4.7). The charges to the income statement are included in general and administration costs. Due to the short-term nature of trade receivables, their carrying amount is considered to approximate their fair value.

3.2 Inventories

CHF million	31.3.2025	31.3.2024
Raw materials and components	85.5	60.1
Work-in-process	145.6	156.4
Finished products	303.8	282.3
Allowances	(66.5)	(63.2)
Total	**468.5**	**435.6**

The "cost of sales" corresponding to the carrying value of inventory (which excludes outbound freight, packaging, logistics as well as certain overhead cost) amounted in 2024/25 to CHF 910.2 million (previous year CHF 858.7 million). The Group recognized write-downs of CHF 26.5 million (previous year CHF 31.8 million) on inventories in cost of sales.

Accounting policies

Purchased raw materials, components and finished goods are valued at the lower of cost or net realizable value. To evaluate cost, the standard cost method is applied, which approximates historical cost determined on a first-in first-out basis.

Manufactured finished goods and work-in-process are valued at the lower of production cost or net realizable value. Standard costs take into account normal levels of materials, supplies, labor, efficiency, and capacity utilization. Standard costs are regularly reviewed and, if necessary, revised in the light of current conditions. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion (where applicable) and selling expenses.

Allowances are established for slow moving, phase out and obsolete stock.

3.3 Property, plant and equipment

CHF million					2024/25
	Land & buildings	Machinery & technical equipment	Room installations & other equipment	Advance payments & assets under construction	Total
Cost					
Balance April 1	221.2	346.1	419.3	37.8	1,024.4
Changes through business combinations	0.1	1.2	2.7		4.0
Additions	4.4	22.7	44.0	18.8	89.9
Disposals	(1.6)	(9.7)	(24.6)		(36.0)
Transfers	3.3	5.1	9.4	(17.8)	
Exchange differences	(2.2)	(6.6)	(10.9)	(4.0)	(23.7)
Balance March 31	**225.2**	**358.8**	**439.8**	**34.8**	**1,058.6**
Accumulated depreciation					
Balance April 1	(107.4)	(269.5)	(267.1)		(644.2)
Depreciation	(7.9)	(26.0)	(40.5)		(74.4)
Disposals	1.4	9.3	20.2		30.8
Exchange differences	1.0	3.9	3.8		8.8
Balance March 31	**(113.0)**	**(282.3)**	**(283.7)**		**(679.0)**
Net book value					
Balance April 1	113.8	76.6	152.2	37.6	380.2
Balance March 31	**112.2**	**76.5**	**156.2**	**34.8**	**379.6**

CHF million					2023/24
	Land & buildings	Machinery & technical equipment	Room installations & other equipment	Advance payments & assets under construction	Total
Cost					
Balance April 1	221.3	325.7	402.1	29.7	978.8
Changes through business combinations		0.6	2.4		3.0
Additions	1.8	28.2	37.6	17.7	85.3
Disposals	(0.8)	(4.9)	(21.9)		(27.6)
Transfers	0.8	2.4	7.2	(10.4)	
Exchange differences	(1.9)	(5.9)	(8.1)	0.8	(15.2)
Balance March 31	**221.2**	**346.1**	**419.3**	**37.8**	**1,024.4**
Accumulated depreciation					
Balance April 1	(101.7)	(250.2)	(255.8)		(607.7)
Depreciation	(6.9)	(27.3)	(37.5)		(71.9)
Disposals	0.4	3.9	21.6		25.9
Exchange differences	0.8	4.1	4.6		9.5
Balance March 31	**(107.4)**	**(269.5)**	**(267.1)**		**(644.2)**
Net book value					
Balance April 1	119.6	75.4	146.3	29.7	371.1
Balance March 31	**113.8**	**76.6**	**152.2**	**37.6**	**380.2**

Accounting policies

Property, plant and equipment is valued at purchase or manufacturing cost less accumulated depreciation and any impairment in value. Depreciation is calculated on a straight-line basis over the expected useful lifetime of the individual assets or asset categories. Where an asset comprises several parts with different useful lifetimes, each part of the asset is depreciated separately over its applicable useful lifetime.

The applicable useful lifetimes are 25 – 40 years for buildings and 3 – 10 years for production facilities, machinery, equipment, and vehicles. Land is not depreciated. Leasehold improvements are depreciated over the shorter of useful life or lease term.

Subsequent expenditure on an item of tangible assets is capitalized at cost only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Expenditure for repair and maintenance, which does not increase the estimated useful lifetimes of the related assets are recognized as an expense in the period in which they are incurred.

The Group assesses at each reporting date, whether there is any indication, that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated. If the recoverable amount is lower than carrying amount, an impairment loss is recognized.

3.4 Leases

Right-of-use assets CHF million			**2024/25**
	Buildings	Vehicles and other assets	Total
Cost			
Balance April 1	317.0	9.1	326.1
Changes through business combinations	1.3		1.3
Additions	49.0	1.7	50.7
Disposals	(16.8)	(0.6)	(17.4)
Exchange differences	(11.0)	(0.4)	(11.3)
Balance March 31	**339.5**	**9.8**	**349.3**
Accumulated depreciation			
Balance April 1	(52.8)	(3.7)	(56.5)
Depreciation	(71.7)	(2.5)	(74.2)
Disposals	16.8	0.6	17.4
Exchange differences	1.9	0.1	2.0
Balance March 31	**(105.7)**	**(5.5)**	**(111.3)**
Net book value			
Balance April 1	264.2	5.4	269.6
Balance March 31	**233.7**	**4.3**	**238.0**

Right-of-use assets CHF million			**2023/24**
	Buildings	Vehicles and other assets	Total
Cost			
Balance April 1	328.2	9.7	337.9
Changes through business combinations	6.0		6.0
Additions	50.7	1.8	52.5
Disposals	(61.0)	(2.2)	(63.2)
Exchange differences	(6.9)	(0.2)	(7.1)
Balance March 31	**317.0**	**9.1**	**326.1**
Accumulated depreciation			
Balance April 1	(46.0)	(3.4)	(49.5)
Depreciation	(74.4)	(2.6)	(77.0)
Disposals	61.0	2.2	63.2
Exchange differences	6.6	0.2	6.8
Balance March 31	**(52.8)**	**(3.7)**	**(56.5)**
Net book value			
Balance April 1	282.2	6.3	288.4
Balance March 31	**264.2**	**5.4**	**269.6**

Lease liabilities CHF million	2024/25	2023/24
Balance April 1	279.1	296.9
Changes through business combinations	1.3	6.0
Additions	50.7	52.5
Interest expense	7.2	6.7
Payments	(80.4)	(81.7)
Exchange differences	(9.2)	(1.2)
Balance March 31	**248.6**	**279.1**
thereof short-term	68.7	74.3
thereof long-term	179.9	204.8

The maturity analysis of lease liabilities is disclosed in Note 4.7

Lease disclosures CHF million	2024/25	2023/24
Expenses relating to short-term leases	12.9	9.4
Expenses relating to leases of low-value assets (excluding short-term leases of low-value assets)	0.0	0.3
Expenses relating to variable lease payments	5.7	6.0

The total cash outflow for leases in the financial year 2024/25 amounted to CHF 99.0 million (prior year CHF 97.4 million). The future lease payments relating to variable lease payments amount to CHF 5.7 million (prior year CHF 6.0 million).

Accounting policies

The group leases buildings for retail stores as well as for office, laboratory, manufacturing and storage use. The leasing terms vary significantly across countries. The leases of office space typically run for a period of up to 10 years, and leases of retail stores typically for a period of 3 to 5 years. Leases of vehicles and other assets have an average lease term of 3.6 years. Some leases include an option to renew the lease for an additional period after the end of the contract term.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and, subsequently at cost less accumulated depreciation and impairment losses and also includes adjustments for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date and are discounted using the Group's incremental borrowing rate if the interest rate implicit in the lease is not readily determinable. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Accounting judgements and estimates

The Group uses judgement to determine the lease term for some lease contracts which include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term which significantly affects the amount of lease liabilities and right-of-use assets recognized. Extension options and termination options are re-assessed only when a significant event or change in circumstances occurs that is within the control of the Group and affects whether it is reasonably certain to exercise an option.

3.5 Intangible assets

CHF million					2024/25
	Goodwill	Intangibles relating to acquisitions [1)]	Capitalized development costs	Software and other intangibles	Total
Cost					
Balance April 1	2,558.4	920.7	250.8	190.2	3,920.1
Changes through business combinations	52.0	23.2		0.1	75.3
Additions			19.6	28.1	47.7
Disposals		0.0		(0.6)	(0.6)
Exchange differences	(67.3)	(24.3)	(1.7)	(1.6)	(94.9)
Balance March 31	**2,543.2**	**919.6**	**268.7**	**216.2**	**3,947.7**
Accumulated amortization and impairments					
Balance April 1	(138.9)	(469.2)	(163.7)	(109.7)	(881.5)
Amortization		(57.8)[2)]	(18.7)	(23.3)	(99.8)
Disposals		0.0		0.5	0.5
Exchange differences	3.2	13.0	0.3	1.1	17.7
Balance March 31	**(135.7)**	**(514.0)**	**(182.0)**	**(131.3)**	**(963.1)**
Net book value					
Balance April 1	2,419.6	451.5	87.1	80.5	3,038.6
Balance March 31	**2,407.5**	**405.6**	**86.6**	**84.9**	**2,984.6**

1) Intangibles relating to acquisitions consists of customer relationships (CHF 221.6 million), trademarks (CHF 175.7 million) and technology (CHF 8.3 million).
2) Relates to research and development (CHF 1.5 million) and sales and marketing (CHF 56.3 million).

CHF million					2023/24
	Goodwill	Intangibles relating to acquisitions [1)]	Capitalized development costs	Software and other intangibles	Total
Cost					
Balance April 1	2,542.2	919.6	241.1	155.7	3,858.5
Changes through business combinations	73.8	28.5		3.0	105.3
Additions			10.3	32.9	43.3
Disposals		(6.5)			(6.5)
Exchange differences	(57.5)	(20.9)	(0.7)	(1.4)	(80.5)
Balance March 31	**2,558.4**	**920.7**	**250.8**	**190.2**	**3,920.1**
Accumulated amortization and impairments					
Balance April 1	(140.8)	(426.5)	(141.8)	(91.5)	(800.7)
Amortization		(57.1)[2)]	(22.0)	(18.1)	(97.1)
Disposals		6.5			6.5
Exchange differences	2.0	7.9		(0.2)	9.8
Balance March 31	**(138.9)**	**(469.2)**	**(163.7)**	**(109.7)**	**(881.5)**
Net book value					
Balance April 1	2,401.3	493.1	99.3	64.2	3,057.9
Balance March 31	**2,419.6**	**451.5**	**87.1**	**80.5**	**3,038.6**

1) Intangibles relating to acquisitions consists of customer relationships (CHF 254.9 million), trademarks (CHF 186.0 million) and technology (CHF 10.6 million).
2) Relates to research and development (CHF 1.5 million) and sales and marketing (CHF 55.6 million).

Based on the impairment tests performed, there was no need for the recognition of any impairment of goodwill for the 2024/25 and 2023/24 financial years.

The cash flow projections used for impairment testing, were based on the most recent business plan. The business plan was projected over a five year period.

Hearing instruments

As of March 31, 2025, the carrying amount of goodwill, expressed in various currencies, amounted to an equivalent of CHF 2,123.6 million (prior year CHF 2,128.9 million) and for intangible assets with indefinite useful lives to CHF 98.2 million (prior year: CHF 100.1 million). The intangible assets with indefinite useful lives relates to the Sennheiser brand name that was acquired as part of the acquisition of the Consumer Division from Sennheiser in financial year 2021/22. It has been determined to have an indefinite useful life as there is no intention to abandon the brand name. It has existed for many years and the Group has the ability to maintain its brand value for an indefinite period of time. Thus, the brand is not amortized but is assessed for impairment annually.

Cash flows beyond the projection period were extrapolated with a long-term growth rate of 2.1% (prior year 2.1%) which represents the projected inflation rate. For the calculation, a pre-tax weighted average discount rate of 9.6% (prior year 11.2%) was used. The Group performed a sensitivity analysis, which shows that changes to the main input parameters (increase of discount rate +1%, or long-term growth rate –1%) would not result in an impairment of goodwill.

Cochlear implants

As of March 31, 2025, the carrying amount of the goodwill, expressed in various currencies, amounted to an equivalent of CHF 284.0 million (prior year CHF 290.7 million).

Cash flows beyond the projection period were extrapolated with a long-term growth rate of 2.1% (prior year 2.2%) which represents the projected inflation rate. For the calculation, a pre-tax weighted average discount rate of 9.0% (prior year 11.8%) was used. The Group performed a sensitivity analysis, which shows that changes to the main input parameters (increase of discount rate +1%, or long-term growth rate –1%) would not result in an impairment of goodwill.

The capitalized development costs are reviewed on a regular basis. In the current financial year this review did not lead to any valuation adjustments. The capitalized development costs are included in the reportable segment “cochlear implants” disclosed in Note 2.2.

Accounting policies

Goodwill

Goodwill is recognized for any difference between the cost of the business combination and the net fair value of the identifiable assets, liabilities, and contingent liabilities (refer to accounting policies in Note 6.1). Goodwill is not amortized, but is assessed for impairment annually, or more frequently if events or changes in circumstances indicate that its value might be impaired. For the purpose of impairment testing, goodwill is allocated to cash-generating units that are expected to benefit from the synergies of the corresponding business combination. For the Group, a meaningful goodwill allocation can only be done at the level of the segments, hearing instruments and cochlear implants. This also reflects the level that the goodwill is monitored by management. To assess for impairment, the recoverable amount of cash-generating units are compared to the carrying amount. The carrying amount is determined based on a value-in-use calculation considering a five-year cash flow projection period and extrapolated using a terminal value for cash flows beyond the planning period. The cash flow projections are estimated on the basis of the strategic plan approved by the Board of Directors. Future cash flows are discounted with the Weighted Average Cost of Capital (WACC).

Intangibles, excluding goodwill

Purchased intangible assets such as software, licenses and patents are measured at cost less accumulated amortization (applying the straight-line method) and any impairment in value. Software is amortized over a useful lifetime of 3 – 5 years. Intangibles relating to acquisitions of subsidiaries (excluding goodwill) consist generally of technology, client relationships, customer lists, and brand names, and are amortized over a period of 3 – 20 years (except for the Sennheiser brand name as disclosed above). Other intangible assets are generally amortized over a period of 3 – 10 years. For capitalized development costs in the cochlear implants segment, amortization starts when the capitalized asset is ready for use, which is generally after receipt of approval from regulatory bodies. These assets are amortized over the estimated useful lifetime of 2 – 7 years applying the straight-line method. For in-process capitalized development costs, these capitalized costs are tested annually for impairment. Except for goodwill and the Sennheiser brand, the Sonova Group has no intangible assets with an indefinite useful life.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable.

Research costs are expensed as incurred. Development costs are capitalized only if the identifiable asset is commercially and technically feasible, can be completed, its costs can be measured reliably and will generate probable future economic benefits. Group expenditures, which fulfill these criteria are limited to the development of tooling and equipment as well as costs related to the development of cochlear implants. All other development costs are expensed as incurred. In addition to the internal costs (direct personnel and other operating costs, depreciation on research and development equipment and allocated occupancy costs), total costs also include externally contracted development work. Such capitalized intangibles are recognized at cost less accumulated amortization and impairment losses.

Accounting judgements and estimates

Goodwill and intangible assets with indefinite useful lives

The recoverable amount of cash-generating units is measured on the basis of value-in-use calculations and as such is significantly impacted by the projected cash flows, the discount rate, and the long-term growth rate, which are subject to management judgment. Actual cash flows as well as other input parameters could vary significantly from these estimates.

Capitalized development costs

The Group capitalizes costs relating to the development of cochlear implants. The capitalized development costs are reviewed on a regular basis as a matter of a standard systematic procedure. In determining the commercial as well as the technical feasibility, management judgment may be required.

3.6 Other operating assets

Other current operating assets CHF million	**31.3.2025**	**31.3.2024**
Other receivables	89.1	90.9
Prepaid expenses	53.8	42.4
Contract assets	4.7	3.9
Right to recover products	12.0	10.8
Total	**159.6**	**148.0**

Other non-current operating assets CHF million	**31.3.2025**	**31.3.2024**
Contract assets	7.0	6.6
Total	**7.0**	**6.6**

The largest individual items included in other receivables are recoverable value added taxes and deposits. Prepaid expenses mainly consist of advances to suppliers. Contract assets relate to reinsurance of loss and damage services and rights to recover returned goods relate to hearing instrument sales with a right of return (refer to Note 2.3).

3.7 Provisions

CHF million					2024/25
	Warranty and returns	Reimburse-ment to customers	Product liabilities	Other provisions	Total
Balance April 1	123.5	11.0	44.8	29.4	208.7
Changes through business combinations	0.2			0.4	0.5
Amounts used	(40.1)	(9.9)	(15.7)	(13.1)	(78.8)
Reversals	(19.7)	(3.7)	(0.2)	(7.4)	(31.0)
Increases	57.6	15.5		17.5	90.6
Present value adjustments			0.5		0.5
Exchange differences	(3.6)	(0.2)	(1.0)	(0.7)	(5.5)
Balance March 31	**117.8**	**12.6**	**28.4**	**26.3**	**185.1**
thereof short-term	87.3	12.4	5.8	13.0	118.5
thereof long-term	30.5	0.2	22.7	13.3	66.6

CHF million					2023/24
	Warranty and returns	Reimburse-ment to customers	Product liabilities	Other provisions	Total
Balance April 1	139.7	10.7	58.5	36.3	245.2
Changes through business combinations				1.6	1.6
Amounts used	(54.6)	(15.6)	(12.0)	(12.3)	(94.5)
Reversals	(7.8)	(3.6)	(1.1)	(5.0)	(17.5)
Increases	49.6	19.8		10.1	79.5
Present value adjustments			0.5		0.5
Exchange differences	(3.4)	(0.3)	(1.1)	(1.3)	(6.1)
Balance March 31	**123.5**	**11.0**	**44.8**	**29.4**	**208.7**
thereof short-term	91.4	10.9	11.0	15.0	128.3
thereof long-term	32.1	0.1	33.9	14.4	80.5

Warranty and returns

The provision for warranty and returns considers any costs arising from the warranty given on products sold. In general, the Group grants a 12 to 24 months warranty period for audio devices, hearing instruments and related products and up to 10 years on cochlear implants. The calculation is based on turnover, past experience and projected number and costs of warranty claims and returns.

Reimbursement to customers

The provision for reimbursement to customers considers commitments to provide volume rebates. The provision is based on expected volumes. The large majority of the cash outflows are expected to take place within the next 12 months.

Product liabilities

The provisions for product liabilities mainly relates to the Advanced Bionics voluntary field corrective action regarding cochlear implant products, as announced on February 18, 2020.

The provisions for product liabilities are reassessed on a regular and systematic basis and follow a financial model which is consistently applied. The calculation of the provision is based on past experience regarding the number and cost of current and future claims. In the 2024/25 financial year, changes in the assessment of the expected number and cost of current and future claims led to reversals of CHF 0.2 million (previous year reversals of CHF 1.1 million). As per March 31, 2025 the provision for product liabilities amount to CHF 28.4 million (previous year CHF 44.8 million). The timing of future cash outflows is uncertain since it will largely depend on the outcome of administrative and legal proceedings. In the case of the voluntary recall of AB products in 2006, considering periods of limitation, claims will have until 2026 to be filed in most jurisdictions. However, depending on the length of proceedings and negotiations, further years may pass until all claims are settled. We expect the main cash outflow relating to the provision for product liabilities to occur within the next 4 years.

Other provisions

Other provisions include provisions for specific business risks such as litigation CHF 1.0 million (prior year CHF 0.7 million) and restructuring costs CHF 8.9 million (prior year CHF 7.1 million). While the timing of the cash outflow from the restructuring provisions is expected to take place within the next 12 months, the cash outflows for the remainder of the other provisions is expected to take place within the next two years.

Accounting policies

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources will be required to settle the obligation, and where a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows.

Accounting judgements and estimates

Provisions are based upon management's best estimate, taking into consideration past experience regarding the number and cost of claims. Management believes that the provisions are adequate based upon currently available information. However, given that judgment has to be applied, the actual costs and results may differ from these estimates.

3.8 Other operating liabilities

Other short-term operating liabilities CHF million	**31.3.2025**	**31.3.2024**
Other payables	76.8	97.3
Accrued expenses	297.7	280.8
Deferred income	2.0	1.5
Total	**376.4**	**379.6**

Other payables include amounts to be remitted for withholding taxes, value added taxes, social security payments and employees' income taxes deducted at source. Accrued expenses include salaries, social expenses, vacation pay, bonus and incentive compensation as well as accruals for outstanding invoices from suppliers.

3.9 Contingent assets and liabilities

Lawsuits and disputes

In October 2018, MED-EL Elektronische Geräte GmbH and MED-EL Corporation, US (together, "MED-EL") filed a complaint against Advanced Bionics LLC ("AB") in the US District Court for the District of Delaware for alleged patent infringement of two MED-EL patents related to AB's Ultra 3D product. In response, AB filed counterclaims alleging patent infringement by MED-EL of various AB patents. After years of litigation, in February 2023, the US district court granted summary judgment of non-infringement of the asserted MED-EL patents, effectively ending MED-EL's district court case – and any threat of damages or injunction – subject to appeal. In December 2023, Advanced Bionics won its counterclaim suit against MED-EL for two AB patents. The jury awarded AB USD 1.4 million, subject to increases for interest and the jury's finding of wilful infringement. In October 2024, the court issued a ruling on the post-trial motions: (1) upholding the jury's findings of infringement, wilful infringement, and damages; and (2) granting AB supplemental damages through patent expiration, as well as pre- and post-judgment interest. In November 2024, the Court entered a final judgment ordering MED-EL to pay AB damages in the amount of USD 2.1 million plus USD 267/day of interest. MED-EL subsequently posted a bond to stay payment of the judgment pending appeal, and filed a notice of appeal with the United States Court of Appeals for the Federal Circuit. In the beginning of April 2025, MED-EL filed its opening appeal brief, challenging various aspects of the summary judgment decision as well as the trial rulings and verdict.

In a related case brought by MED-EL in Germany, the Regional Court of Mannheim reached a first instance judgment in March 2022 which included an injunction enforced later by MED-EL. AB appealed that first instance judgement and after the European Patent Office substantially limited MED-EL's asserted European patent, the Higher Regional Court of Karlsruhe stopped MED-EL's enforcement of the injunction until its final decision. MED-EL asserted a second patent in the Higher Regional Court of Karlsruhe–and this second patent was recently narrowed by the European Patent Office to have similar scope as the first, in a decision in September 2024–and both of these patents will now proceed to a decision expected to be received in the second half 2025.

In further related proceedings in the Netherlands, AB's non-infringement of MED-EL's narrowed European patent has also been confirmed by the first instance court and is now under appeal by MED-EL. For additional national revocation and infringement proceedings related to the national part of a divisional patent of MED-EL a hearing has been conducted and the first instance decision is expected for Q2 2025. In the UK, the UK part of one of MED-EL's patents was invalidated by the High Court in June 2022, and this decision was upheld by the Court of Appeal in May 2023. MED-EL has since surrendered two further patents in the UK, thus abandoning the legal basis for further offensive action against AB in the UK.

In the newly formed Unified Patent Court (UPC), AB proactively filed a revocation action against a divisional patent of MED-EL in September 2023. In response, MED-EL filed an infringement action against AB based on that divisional patent. In the UPC revocation the divisional patent was upheld with amendments – this decision is currently subject of appeal proceedings. In the UPC infringement proceedings, the hearing has recently been conducted and the written decisions is expected for Q2 2025.

AB believes that the MED-EL complaints in Germany, the Netherlands and at the UPC are without merits and continues to strongly defend its position.

In August 2024, AB filed a complaint against MED-EL in the United States International Trade Commission for unlawful importation of sound processors and cochlear implant systems that infringe two Advanced Bionics' patents. The investigation was instituted in September 2024 and has proceeded through fact and expert discovery. An evidentiary hearing in the investigation is scheduled for June 2025, with an Initial Determination from the Administrative Law Judge due in October 2025. For the German counterpart of one of these two Advanced Bionics patents, AB also filed a complaint against MED-EL in Germany.

4. Capital structure and financial management

4.1 Cash and cash equivalents

CHF million	31.3.2025	31.3.2024
Cash on hand	1.6	1.2
Current bank accounts	460.1	512.2
Term deposits	225.2	0.2
Total	**686.9**	**513.6**

Bank accounts and term deposits are mainly denominated in CHF, EUR and USD. The assessment on the credit risk related to cash and cash equivalents is disclosed in Note 4.7.

Accounting policies
Cash and cash equivalents includes cash on hand and cash at banks, bank overdrafts, term deposits and other short-term highly liquid investments with original maturities of three months or less. The consolidated cash flow statement summarizes the movements in cash and cash equivalents.

4.2 Financial income/expenses, net

CHF million	2024/25	2023/24
Interest income	4.4	4.8
Other financial income	2.4	7.5
Total financial income	**6.8**	**12.3**
Interest expenses	(18.8)	(21.0)
Interest expenses on lease liabilities	(7.2)	(6.7)
Other financial expenses	(25.7)	(11.1)
Interest and present value adjustments	(0.5)	(0.5)
Total financial expenses	**(52.1)**	**(39.2)**
Total financial income / expenses, net	**(45.3)**	**(27.0)**

Other financial income includes primarily fair value adjustments of financial instruments of CHF 1.9 million (previous year CHF 6.2 million). Other financial expenses includes foreign exchange gains and losses from the management of foreign currencies as well as net losses from the hedging of foreign exchange exposures of CHF 22.4 million (previous year CHF 9.7 million) and valuation adjustments on financial instruments of CHF 1.3 million (previous year CHF 0.3 million).

4.3 Dividend per share

The Board of Directors of Sonova Holding AG proposes to the Annual General Shareholders' Meeting, to be held on June 10, 2025, that a dividend of CHF 4.40 per share shall be distributed (previous year CHF 4.30).

4.4 Other financial assets

Other current financial assets

CHF million		31.3.2025				31.3.2024
	Financial assets at amortized cost	Financial assets at fair value through profit or loss	Total	Financial assets at amortized cost	Financial assets at fair value through profit or loss	Total
Marketable securities		0.2	0.2		0.2	0.2
Positive replacement value of forward foreign exchange contracts		1.6	1.6		0.6	0.6
Loans to third parties	10.4		10.4	9.8		9.8
Total	**10.4**	**1.8**	**12.2**	**9.8**	**0.8**	**10.7**

The Group regularly hedges its net exposure from foreign currency balance sheet positions with forward contracts. Such contracts are not qualified as cash flow hedges and are, therefore, not accounted for using hedge accounting principles. Gains and losses on these transactions are recognized directly in the income statement (refer to Note 4.7).

Other non-current financial assets

CHF million		31.3.2025				31.3.2024
	Financial assets at amortized cost	Financial assets at fair value through profit or loss	Total	Financial assets at amortized cost	Financial assets at fair value through profit or loss	Total
Loans to associates	0.6		0.6	0.9		0.9
Loans to third parties	57.2		57.2	53.0		53.0
Rent deposits	3.8		3.8	2.8		2.8
Other non-current financial assets		2.9	2.9		3.9	3.9
Total	**61.5**	**2.9**	**64.4**	**56.7**	**3.9**	**60.6**

The loans are primarily denominated in CAD, CHF, EUR, GBP, JPY, PLN and USD. Loans to third parties consist mainly of loans to customers. As of March 31, 2025, the respective repayment periods vary between one and nine years and the interest rates vary generally between 1% and 5%.

Other non-current financial assets mainly consist of certain minority interests in patent and software development companies specific to the hearing aid industry.

Accounting policies
Financial assets are classified into the following categories:

- *Financial assets at amortized cost*
- *Financial assets at fair value through profit or loss (FVPL)*

The classification depends on the business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will be recorded in the income statement.

At initial recognition, the Group measures a financial asset at its fair value. In the case of financial assets at amortized cost, the fair value includes transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss. Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset.

Financial assets at amortized cost
Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in the income statement.

Financial assets at fair value through profit or loss (FVPL)
Assets that do not meet the criteria for amortized cost are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in the income statement in the period in which it arises.

4.5 Financial liabilities

As of March 31, 2025, the Group has the following bonds/US Private Placement outstanding:

Financial liabilities	Currency	Nominal value	Interest rate	Maturity
US Private Placement	USD	180	2.84%	July 14, 2025
Fixed-rate bond	CHF	200	0.50%	October 6, 2025
Fixed-rate bond	CHF	300	0.75%	October 6, 2028
Fixed-rate bond	CHF	200	1.05%	February 19, 2029
Fixed-rate bond	CHF	100	0.00%	October 11, 2029
Fixed-rate bond	CHF	200	1.95%	December 12, 2030
Fixed-rate bond	CHF	250	1.40%	February 19, 2032
Fixed-rate bond	CHF	100	0.40%	October 11, 2034

In April 2024, the Group replaced the existing credit facility in the amount of CHF 250 million with a new facility amounting to CHF 400 million and an option to increase to CHF 500 million. The new agreement is valid until April 2027, with options to extend by additional two years. As of March 31, 2025, the Group did not make us of the facility.

The Group maintains uncommitted credit facilities from various lenders. The credit facilities can be cancelled at short notice. As of March 31, 2025, the Group did not make use of these credit facilities.

Current financial liabilities

CHF million			31.3.2025			31.3.2024
	Financial liabilities at amortized cost	Financial liabilities at fair value through profit or loss	Total	Financial liabilities at amortized cost	Financial liabilities at fair value through profit or loss	Total
Bank debt	0.2		0.2	0.2		0.2
Bond / US Private Placement	363.3		363.3	4.8		4.8
Deferred payments	0.4		0.4	0.3		0.3
Contingent considerations		9.5	9.5		12.2	12.2
Other current financial liabilities		0.4	0.4		1.3	1.3
Total	**363.9**	**9.9**	**373.8**	**5.3**	**13.4**	**18.8**
Unused borrowing facilities			517.9			370.5

Non-current financial liabilities

CHF million				31.3.2025				31.3.2024
	Financial liabilities at amortized cost	Financial liabilities at fair value through profit or loss	Non-financial instruments	Total	Financial liabilities at amortized cost	Financial liabilities at fair value through profit or loss	Non-financial instruments	Total
Bonds	1,148.4			1,148.4	1,510.5			1,510.5
Deferred payments	1.6			1.6	1.4			1.4
Contingent considerations		52.5		52.5		59.2		59.2
Other non-current financial liabilities	0.0		3.3	3.3	0.0		5.0	5.0
Total	**1,150.0**	**52.5**	**3.3**	**1,205.8**	**1,511.9**	**59.2**	**5.0**	**1,576.1**

Besides the bonds, financial liabilities mainly consist of contingent considerations (earn-out agreements) and deferred payments from acquisitions.

Other non-current financial liabilities mainly consist of amounts due in relation to the share appreciation rights (SARs) (refer to Note 7.4).

Analysis of non-current financial liabilities by currency

Analysis by currency CHF million				31.3.2025				31.3.2024
	Bonds	Deferred payments and contingent considerations	Other non-current financial liabilities	Total	Bonds / US Private Placement	Deferred payments and contingent considerations	Other non-current financial liabilities	Total
CHF	1,148.4		2.3	1,150.7	1,347.4		3.9	1,351.3
EUR		46.0		46.0		52.6		52.6
CNY		6.4		6.4		6.6		6.6
USD		0.9		0.9	163.1	0.0		163.1
BRL		0.5		0.5		1.0		1.0
Other		0.3	1.0	1.3		0.4	1.1	1.4
Total	**1,148.4**	**54.1**	**3.3**	**1,205.8**	**1,510.5**	**60.6**	**5.0**	**1,576.1**

Reconciliation of liabilities arising from financing activities

Liabilities from financing activities CHF million — 2024/25

	Bank debt	Bonds / US Private Placement	Deferred payments and contingent considerations	Lease liabilities	Other financial liabilities	Total
Balance April 1	**0.2**	**1,515.3**	**73.1**	**279.1**	**6.3**	**1,873.9**
Changes through business combinations			(6.2)	1.3		(5.0)
Additions to lease liabilities				50.7		50.7
Repayment of borrowings		(0.9)				(0.9)
Repayment of lease liabilities - principal portion				(73.3)		(73.3)
Repayment of lease liabilities - interest portion				(7.2)		(7.2)
Exchange differences		(3.7)	(1.7)	(9.2)		(14.6)
Other	(0.0)	1.0	(1.2)	7.2	(2.6)	4.4
Balance March 31	**0.2**	**1,511.7**	**64.0**	**248.6**	**3.7**	**1,828.2**
thereof short-term	0.2	363.3	9.9	68.7	0.4	442.5
thereof long-term		1,148.4	54.1	179.9	3.3	1,385.7

Liabilities from financing activities CHF million — 2023/24

	Bank debt	Bonds / US Private Placement	Deferred payments and contingent considerations	Lease liabilities	Other financial liabilities	Total
Balance April 1	**0.4**	**1,517.5**	**89.4**	**296.9**	**6.5**	**1,910.7**
Changes through business combinations			(8.5)	6.0		(2.5)
Additions to lease liabilities				52.5		52.5
Repayment of lease liabilities - principal portion				(75.1)		(75.1)
Repayment of lease liabilities - interest portion				(6.7)		(6.7)
Exchange differences		(2.4)	(2.6)	(1.2)		(6.2)
Other	(0.2)	0.2	(5.2)	6.7	(0.3)	1.3
Balance March 31	**0.2**	**1,515.3**	**73.1**	**279.1**	**6.3**	**1,873.9**
thereof short-term	0.2	4.8	12.5	74.3	1.3	93.1
thereof long-term		1,510.5	60.6	204.8	5.0	1,780.9

Accounting policies

Financial liabilities are classified as measured at amortized cost or at fair value through profit or loss (FVPL). A financial liability is classified as at FVPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the income statement. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the income statement.

Derivative financial instruments are initially recognized in the balance sheet at fair value and are remeasured as to their current fair value at the end of each subsequent reporting period.

Bonds are initially measured at fair value and direct transaction costs included. In subsequent accounting periods, they are remeasured at amortized costs applying the effective interest method.

Accounting policies for lease liabilities are included in *Note 3.4**.*

4.6 Movement in share capital

Issued registered shares	Issued registered shares	Treasury shares[1]	Outstanding shares
Balance April 1, 2023	61,159,719	(1,566,263)	59,593,456
Purchase of treasury shares		(200,000)	(200,000)
Sale/transfer of treasury shares		219,766	219,766
Cancellation of treasury shares[2]	(1,532,910)	1,532,910	
Balance March 31, 2024	**59,626,809**	**(13,587)**	**59,613,222**
Purchase of treasury shares		(225,100)	(225,100)
Sale/transfer of treasury shares		219,862	219,862
Balance March 31, 2025	**59,626,809**	**(18,825)**	**59,607,984**

Nominal value of share capital CHF million	Share Capital	Treasury shares[1]	Outstanding share capital
Balance March 31, 2025	**3.0**	**(0.0)**	**3.0**

Each share has a nominal value of CHF 0.05.

1) Treasury shares are purchased on the open market and are not entitled to dividends.

2) The Annual General Shareholder's Meeting of June 12, 2023, approved the proposed cancellation of 1,532,910 treasury shares, resulting in a reduction of share capital of 76,645.50 Swiss francs, retained earnings and other reserves of CHF 421.4 million offset by changes in treasury shares of CHF 421.5 million. This cancellation was executed on September 8, 2023.

Share buyback program

On March 29, 2022, Sonova Holding AG announced that its Board of Directors approved a share buyback program of up to CHF 1.5 billion. The program started in April 2022 and was concluded on April 17, 2025. During the financial years 2024/25 and 2023/24 no shares were bought as part of the share buyback program. During financial year 2022/23, 1,532,910 treasury shares were bought under the share buyback program and were cancelled during the financial year 2023/24.

Capital range

Sonova Holding AG has a capital range of 10% of the share capital from CHF 2,683,206.45 (lower limit) to CHF 3,279,474.45 (upper limit). The Board of Directors shall be authorized within the capital range to increase (by issuing up to 5,962,680 registered shares, each with a nominal value of CHF 0.05) or to reduce the share capital (by cancelling up to 5,962,680 registered shares, each with a nominal value of CHF 0.05) once or several times in amounts or to acquire or dispose of shares directly or indirectly at any time until June 12, 2028 or until an earlier expiry of the capital range. The capital increase or decrease may also be effectuated by increasing or reducing the nominal value of the existing registered shares. In certain events, as defined in Art. 5 of the Articles of Association, the Board of Directors is authorized to exclude or restrict the subscription rights of existing shareholders and allocate such rights to third parties, the company, or any of its group companies.

The Board of Directors did not make use of this authorization in the 2024/25 financial year.

Conditional capital

At the Annual General Shareholders' Meeting on July 7, 2005, the conditional share capital of CHF 264,270 (5,285,400 shares) was increased by CHF 165,056 (3,301,120 shares) to CHF 429,326 (8,586,520 shares). Consistent with the prior year, 5,322,133 shares remain unissued as of March 31, 2025. These shares are reserved for long-term incentive plans (2,021,013 shares) as well as for initiatives to increase the company's financial flexibility (3,301,120 shares).

Accounting policies

Ordinary shares are classified as equity. Dividends on ordinary shares are recorded in equity in the period in which they are approved by the parent companies' shareholders.

In case any of the Group companies purchase shares of the parent company, the consideration paid is recognized as treasury shares and presented as a deduction from equity. Any consideration received from the sale of own shares is recognized in equity.

4.7 Risk management

Group risk management

Risk management at Group level is an integral part of business practice and supports the strategic decision-making process. The assessment of risk is derived from both “top-down” and “bottom-up” and covers corporate, all business segments, and all consolidated Group companies. This approach allows for the Group to examine all types of risk exposures caused by internal and external impacts and events, from financial, operational processes, customer and products, management and staff. The risk exposures are managed by specific risk mitigating initiatives, frequent re-evaluations, communication, risk consolidation and prioritization.

The responsibility for the process of risk assessment and monitoring is allocated to the corporate risk function. The Management Board, in addition to Group companies and functional managers, supports the annual risk assessment and is responsible for the management of the risk mitigating initiatives. The risk mitigation progress is reviewed by the Audit Committee on a quarterly basis. The Board of Directors discusses and analyzes the Group’s risks at least once a year in the context of a strategy meeting.

Risk of price changes of raw materials or components used for production is limited. A change in those prices would not result in financial effects being above the Group’s risk management tolerance level. Therefore, no sensitivity analysis has been conducted.

The Group aims to ensure cost effective sourcing, while at the same time managing the risk of supply shortages that could lead to a failure to deliver certain products at the quantities required. Wherever feasible, critical components are sourced from multiple suppliers in order to mitigate this risk.

The relationship with suppliers is governed by Sonova’s Group Supplier Principles (SGSP). We regularly audit and visit suppliers and inspect their management capabilities through employee interviews and on-site inspections. Suppliers have to follow all applicable laws and regulations, ensure a healthy and safe working environment and are prohibited from using child labor.

Through its multiple manufacturing sites around the globe, the Group maintains effective options to rebalance its production capacity between different facilities and to shift production where necessary to avoid delivery shortages and to adapt to potential changes of the operating or general environment.

The unpredictable nature of geopolitical events such as international conflicts, trade disputes, political instability, and regulatory changes can have implications for our business operations, supply chain, and market dynamics, potentially leading to increased volatility in business results.

Financial risk management

Due to Sonova Group’s worldwide activities, the Group is exposed to a variety of financial risks such as market risks, credit risks and liquidity risks. Financial risk management aims to limit these risks and seeks to minimize potential adverse effects on the Group’s financial performance. The Group uses selected financial instruments for this purpose. They are exclusively used as hedging instruments for cash in- and outflows and not for speculative positions. The Group does not apply hedge accounting.

The fundamentals of Sonova Group’s financial risk policy are periodically reviewed by the Audit Committee and carried out by the Group finance department. Group finance is responsible for implementing the policy and for ongoing financial risk management.

Market risk

Exchange rate risk

The Group operates globally and is exposed to foreign currency fluctuations, mainly with respect to the US dollar and the Euro. As the Group uses Swiss francs as presentation currency and holds investments in different functional currencies, net assets are exposed to foreign currency translation risk. Additionally, a foreign currency transaction risk exists in relation to future commercial transactions, which are denominated in a currency other than the functional currency.

To minimize foreign currency exchange risks, forward currency contracts are entered into. The Group hedges its net foreign currency exposure based on future expected cash in- and outflows. The hedges have a duration of between 1 and 6 months.

Positive replacement values from forward contract hedges are recorded as financial assets at fair value through profit or loss whereas negative replacement values are recorded as financial liabilities at fair value through profit or loss.

As of March 31, 2025, the Group engaged in forward currency contracts amounting to CHF 391.3 million (previous year CHF 419.2 million). The open contracts on March 31, 2025 as well as on March 31, 2024 were all due within one year.

Notional amount of forward contracts CHF million		**31.3.2025**		**31.3.2024**
	Total	Fair value	Total	Fair value
Positive replacement values	293.7	1.6	133.4	0.7
Negative replacement values	97.6	(0.4)	285.7	(1.3)
Total	**391.3**	**1.3**	**419.2**	**(0.6)**

Exchange rate risk CHF million	**2024/25**	**2023/24**	**2024/25**	**2023/24**
	Impact on income after taxes[1]		Impact on equity	
Change in USD/CHF +5%	(9.4)	(7.4)	8.0	7.4
Change in USD/CHF –5%	9.4	7.4	(8.0)	(7.4)
Change in EUR/CHF +5%	5.7	4.7	0.1	16.7
Change in EUR/CHF –5%	(5.7)	(4.7)	(0.1)	(16.7)

[1] Excluding the impact of forward currency contracts.

Interest rate risk

The Group has only limited exposure to interest rate changes. The most substantial interest exposure on assets relates to cash and cash equivalents with an average interest-bearing amount for the 2024/25 financial year of CHF 351.4 million (previous year CHF 285.6 million). If interest rates during the 2024/25 financial year had been 1% higher, the positive impact on income before taxes would have been CHF 2.1 million. If interest rates had been 1% lower, the income before taxes would have been negatively impacted by CHF 1.5 million. The Group’s long-term financial liabilities are at fixed rate and thus not subject to interest rate risk.

Credit risk

Financial assets, which could expose the Group to a potential concentration in credit risk, are principally cash and bank balances, receivables from customers and loans.

Core banking relations are maintained with at least "A-" rated (S & P) financial institutions. As of March 31, 2025 the largest balance with a single counterparty amounted to 19% (previous year 26%) of total cash and cash equivalents.

The Group performs frequent credit checks on its receivables. Due to customer diversity, there is no single credit limit for all customers, however, the Group assesses its customers based on their financial position, past experience, and other factors. Due to the fragmented customer base (no single customer balance is greater than 10% of total trade accounts receivable), the Group is not exposed to any significant concentration risk. The same applies to loans to third and related parties. As part of the normal process, management held the regular Expected Credit Loss (ECL) Committee meeting to review the expected credit loss rates on an annual basis in January 2025.

Impairment of financial assets

Impairment losses on financial assets are calculated based on the expected credit loss (ECL) model of IFRS 9. The Group's loss allowances on financial assets other than trade receivables are not material.

Accounting policies

The Group applies the IFRS 9 simplified approach for measuring expected credit losses (ECLs) for trade receivables, which uses a lifetime expected loss allowance for trade receivables at each reporting date. To measure ECLs, trade receivables are grouped based on regions and the days past due. ECLs are calculated separately for state and non-state customers considering historical credit loss experience as well as forward-looking factors. Data sources in determining ECLs include actual historical losses, credit default swaps, country specific risk ratings, development of the customer structure and change in market performance and trends.

The following table provides information about the exposure to credit risk and ECLs for trade receivables:

CHF million				31.3.2025				31.3.2024
State customers	**Expected loss rate**	**Gross carrying amount**	**Loss allowance**	**Net carrying amount**	**Expected loss rate**	**Gross carrying amount**	**Loss allowance**	**Net carrying amount**
Not overdue	0.5%	112.4	(0.6)	111.8	0.4%	97.9	(0.4)	97.5
Overdue 1-90 days	1.5%	17.4	(0.3)	17.2	1.1%	11.0	(0.1)	10.8
Overdue 91-180 days	6.1%	1.8	(0.1)	1.7	5.2%	2.7	(0.1)	2.6
Overdue 181-360 days	49.3%	1.3	(0.6)	0.6	40.4%	2.2	(0.9)	1.3
Overdue more than 360 days	93.8%	0.8	(0.7)	0.0	98.5%	1.2	(1.2)	0.0
Total	**1.7%**	**133.6**	**(2.3)**	**131.3**	**2.3%**	**115.0**	**(2.7)**	**112.3**

CHF million				31.3.2025				31.3.2024
Non-state customers	**Expected loss rate**	**Gross carrying amount**	**Loss allowance**	**Net carrying amount**	**Expected loss rate**	**Gross carrying amount**	**Loss allowance**	**Net carrying amount**
Not overdue	0.9%	390.0	(3.4)	386.6	0.8%	352.4	(2.9)	349.5
Overdue 1-90 days	9.1%	42.6	(3.9)	38.7	4.9%	59.8	(2.9)	56.8
Overdue 91-180 days	41.3%	8.3	(3.4)	4.9	24.5%	15.7	(3.8)	11.9
Overdue 181-360 days	30.9%	15.2	(4.7)	10.5	43.6%	11.6	(5.1)	6.6
Overdue more than 360 days	61.0%	12.9	(7.9)	5.0	87.2%	9.2	(8.0)	1.2
Total	**5.0%**	**468.9**	**(23.3)**	**445.6**	**5.1%**	**448.7**	**(22.7)**	**425.9**

The closing loss allowance for trade receivables as at March 31, 2024 reconciles to the closing loss allowance as at March 31, 2025 as follows:

CHF million	31.3.2025	31.3.2024
Loss allowance for doubtful receivables, April 1	**(25.4)**	**(31.5)**
Utilization	7.1	3.5
Reversal	1.8	3.6
Additions	(9.8)	(1.8)
Exchange differences	0.7	0.7
Loss allowance for doubtful receivables, March 31	**(25.6)**	**(25.4)**

Trade receivables are written off when there is no reasonable expectation of recovery. Impairment losses on trade receivables and subsequent recoveries are included in general and administration costs.

Liquidity risk

Group finance is responsible for centrally managing the net cash/debt position and to ensure that the Group's obligations can be settled on time. The Group aims to grow further and wants to remain flexible in making time-sensitive investment decisions. This overall objective is included in the asset allocation strategy. A rolling forecast based on the expected cash flows is conducted and updated regularly to monitor and control liquidity.

Visibility over the majority of bank accounts is provided by central treasury organization. Cash pools are automated and daily SWIFT balance tracking is applied where feasible.

The following table summarizes the Group's financial liabilities as of March 31, 2025 and 2024 based on contractual undiscounted payments. Bonds include the notional amount as well as interest payments.

CHF million				**31.3.2025**
	Due less than 1 year	Due 1 year to 5 years	Due more than 5 years	Total
Bank debt	0.2			0.2
Trade payables	269.0			269.0
Other short-term operating liabilities[1]	123.3			123.3
Lease liabilities	67.9	160.8	19.9	248.6
Bonds/US Private Placement	372.5	642.9	561.1	1,576.6
Deferred payments	0.4	1.6		2.0
Contingent considerations	10.4	37.0	40.8	88.2
Other financial liabilities	0.4	3.3		3.7
Total financial liabilities	**844.1**	**845.7**	**621.8**	**2,311.6**

CHF million				**31.3.2024**
	Due less than 1 year	Due 1 year to 5 years	Due more than 5 years	Total
Bank debt	0.2			0.2
Trade payables	202.4			202.4
Other short-term operating liabilities[1]	123.9			123.9
Lease liabilities	73.5	147.3	58.3	279.1
Bonds/US Private Placement	17.8	916.1	668.9	1,602.8
Deferred payments	0.3	1.4		1.7
Contingent considerations	13.5	38.0	50.0	101.6
Other financial liabilities	1.3	5.0		6.3
Total financial liabilities	**432.8**	**1,107.8**	**777.3**	**2,317.9**

[1] Financial portion of other short-term operating liabilities.

Capital management

It is the Group's policy to maintain a strong equity base and to secure a continuous "investment grade" rating. The Group's strong balance sheet and earnings tracking provides for additional debt capacity.

The company aims to return excess cash to shareholders as far as not required for organic and acquisition related growth, and amortization of debt.

4.8 Financial instruments

This note discloses the categorization of financial instruments measured at fair value based on the fair value hierarchy.

Accounting policies

Financial instruments measured at fair value are allocated to one of the following three hierarchical levels:

Level 1:

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date.

Level 2:

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques are based on observable market data, where applicable. If all significant inputs required to value an instrument are observable, the instrument is included in level 2.

Level 3:

If a significant amount of inputs is not based on observable market data, the instrument is included in level 3. For this level, other techniques, such as discounted cash flow analysis, are used to determine fair value.

During the reporting period, there were no reclassifications between the individual levels.

The following table summarizes the financial instruments of the Group and the valuation method for financial instruments at fair value through profit and loss.

CHF million	Notes	Amortized cost	FVPL	Total financial instruments	Non-financial instruments	Total	Fair value[1]	Level 1	Level 2	Level 3 31.3.2025
Assets										
Cash and cash equivalents	4.1	686.9		686.9		686.9				
Other current financial assets	4.4	10.4	1.8	12.2		12.2	1.8	0.2	1.6	
Trade receivables	3.1	576.9		576.9		576.9				
Other current operating assets	3.6	99.3		99.3	60.2	159.6				
Other non-current financial assets	4.4	61.5	2.9	64.4		64.4	2.9	1.2		1.7
Total		**1,435.1**	**4.7**	**1,439.8**	**60.2**	**1,500.0**	**4.7**	**1.4**	**1.6**	**1.7**
Liabilities										
Current financial liabilities	4.5	0.6	9.9	10.4		10.4	9.9		0.4	9.5
Trade payables		269.0		269.0		269.0				
Other short-term operating liabilities	3.8	123.3		123.3	253.1	376.4				
Bonds/US Private Placement[2]	4.5	1,511.7		1,511.7		1,511.7	1,518.3	1,359.7	158.6	
Non-current financial liabilities	4.5	1.6	52.5	54.1	3.3	57.4				52.5
Total		**1,906.2**	**62.4**	**1,968.6**	**256.4**	**2,225.0**	**1,528.2**	**1,359.7**	**158.9**	**62.0**

1) For financial assets and financial liabilities measured at amortized cost, fair value information is not provided if the carrying amount is a reasonable approximation of fair value.
2) Includes short- and long-term portion of Bonds/US Private Placement.

CHF million	Notes	Amortized cost	FVPL	Total financial instruments	Non-financial instruments	Total	Fair value[1]	Level 1	Level 2	Level 3 31.3.2024
Assets										
Cash and cash equivalents	4.1	513.6		513.6		513.6				
Other current financial assets	4.4	9.8	0.8	10.7		10.7	0.8	0.2	0.6	
Trade receivables	3.1	538.3		538.3		538.3				
Other current operating assets	3.6	89.1		89.1	58.9	148.0				
Other non-current financial assets	4.4	56.7	3.9	60.6		60.6	3.9	2.2		1.7
Total		**1,207.4**	**4.7**	**1,212.2**	**58.9**	**1,271.1**	**4.7**	**2.4**	**0.6**	**1.7**
Liabilities										
Current financial liabilities	4.5	0.6	13.4	14.0		14.0	13.4		1.3	12.2
Trade payables		202.4		202.4		202.4				
Other short-term operating liabilities	3.8	123.9		123.9	255.7	379.6				
Bonds/US Private Placement[2]	4.5	1,515.3		1,515.3		1,515.3	1,490.9	1,328.5	162.3	
Non-current financial liabilities	4.5	1.4	59.2	60.6	5.0	65.6				59.2
Total		**1,843.5**	**72.6**	**1,916.1**	**260.8**	**2,176.9**	**1,504.3**	**1,328.5**	**163.6**	**71.4**

1) For financial assets and financial liabilities measured at amortized cost, fair value information is not provided if the carrying amount is a reasonable approximation of fair value.
2) Includes short- and long-term portion of Bonds/US Private Placement.

The following table presents the changes in level 3 financial instruments for the year ended March 31, 2025 and 2024:

Contingent considerations CHF million	2025	2024
	Total	Total
Balance April 1	71.4	85.9
Changes through business combinations	5.2	6.0
Cash outflow for contingent considerations	(12.0)	(13.1)
Gains recognized in profit or loss	(1.1)	(4.9)
Exchange differences	(1.5)	(2.5)
Balance March 31	**62.0**	**71.4**

Financial liabilities at fair value through profit or loss mainly consist of contingent considerations from business combinations (refer to Note 6.1). The fair values are determined by considering the possible scenarios of the future performance of the acquired companies, contractual obligations and milestone achievements, the amount to be paid under each scenario and the probability of each scenario. The significant unobservable inputs are the forecast sales and other performance criteria. As at March 31, 2025 and 2024, the maximum potential payments under contingent considerations do not differ significantly from the amounts provided.

Contingent considerations mainly relate to a license agreement for the Sennheiser brand for which a liability was recognized for the expected future licensing payments. The amount of the liability is determined based on a discounted cash flow calculation over a remaining licensing period of 12 years considering five possible payment scenarios. Significant unobservable inputs used in the fair value measurement include the probability of each scenario, projected revenues, the brand licensing fee and the discount rate.

As of March 31, 2025 the fair value of the license liability amounts to CHF 48.3 million (prior year CHF 53.7 million). The valuation model remained unchanged to the prior year. Significant unobservable inputs were updated based on the latest strategic plan. For the calculation a licensing fee of 2.5% for the first 8 years, 1.3% for the subsequent years and a discount rate of 3.4% was used. The gain on the fair value change of the financial liability of CHF 1.0 million (prior year CHF 4.4 million) is considered in the income statement in line “Financial income”. The Group performed a sensitivity analysis, which shows that a decrease in the discount rate of 1% would increase the license liability as of March 31, 2025 by CHF 2.5 million and negatively impact income before taxes by CHF 2.5 million.

Accounting judgements and estimates

Contingent considerations are dependent on the future performance of the acquired companies as well as contractual obligations. If the future performance is not achieved or the estimate needs to be revised, the liability is adjusted accordingly, with a resulting change in the income statement. At the end of the 2024/25 financial year, such liabilities contingent on future events amount to CHF 62.0 million (previous year CHF 71.4 million) and are disclosed under Financial liabilities at fair value through profit or loss (Note 4.5).

4.9 Exchange rates

The following main exchange rates were used for currency translation:

	31.3.2025	31.3.2024	2024/25	2023/24
	Year-end rates		Average rates for the year	
AUD 1	0.55	0.59	0.58	0.58
BRL 1	0.15	0.18	0.16	0.18
CAD 1	0.61	0.67	0.64	0.66
CNY 1	0.12	0.13	0.12	0.12
EUR 1	0.95	0.97	0.95	0.96
GBP 1	1.14	1.14	1.13	1.11
JPY 100	0.59	0.60	0.58	0.61
USD 1	0.88	0.90	0.89	0.89

Accounting policies

The consolidated financial statements are expressed in Swiss francs ("CHF"), which is the Group's presentation currency. The functional currency of each Group company is based on the local economic environment to which an entity is exposed, which is normally the local currency.

Transactions in foreign currencies are accounted for at the rates prevailing on the dates of the transactions. The resulting exchange differences are recorded in the local income statements of the Group companies and included in net income.

Monetary assets and liabilities of Group companies, which are denominated in foreign currencies are translated using year-end exchange rates. Exchange differences are recorded as an income or expense. Non-monetary assets and liabilities are translated at historical exchange rates. Exchange differences arising on intercompany loans that are considered part of the net investment in a foreign entity are recorded in other comprehensive income in equity.

When translating foreign currency financial statements into Swiss francs, year-end exchange rates are applied to assets and liabilities, while average annual rates are applied to income statement accounts. Translation differences arising from this process are recorded in other comprehensive income in equity. On disposal of a Group company, the related cumulative translation adjustment is transferred from equity to the income statement.

5. Taxes

5.1 Taxes

CHF million	2024/25	2023/24
Current income taxes	66.2	120.1
Deferred taxes	38.8	(82.3)
Total income taxes	**105.0**	**37.8**
Reconciliation of tax expense		
Income before taxes	652.0	647.3
Group's expected average tax rate	15.6%	17.2%
Tax at expected average rate	**101.7**	**111.1**
+/- Effects of		
Non-taxable income/non-tax-deductible expenses	3.2	1.5
Changes of unrecognized loss carryforwards/deferred tax assets	(2.1)	(10.6)
Local actual tax rate different to Group's expected average tax rate	(39.2)	(59.3)
Change in tax rates on deferred tax balances	(0.9)	0.0
Related to tax-deductible goodwill in Switzerland[1)]	49.5	(39.1)
Prior year adjustments and other items, net[2)]	(7.3)	34.1
Total income taxes	**105.0**	**37.8**
Effective tax rate	16.1%	5.8%

1) Considering impact from annual assessment.
2) Other items include changes in uncertain tax positions.

The Group's expected average tax rate is the rate obtained by applying the expected tax rate for each jurisdiction to its respective result before taxes, adjusted for significant one-time effects. The expected tax rate might vary on a year-over-year basis depending on changes in tax regulations and where the results are achieved.

Significant management judgement is required to determine the amount of deferred tax asset that can be recognised for the temporary difference related to the tax-deductible goodwill in Switzerland. This evaluation is based on the timing and amount of future taxable profits, the interpretation of local tax regulation and new OECD administrative guidance on Pillar Two. The Group carried out the annual assessment considering recent developments.

Deferred tax assets and (liabilities) CHF million			**31.3.2025**			**31.3.2024**
	Assets	Liabilities	Net amount	Assets	Liabilities	Net amount
Inventories	51.7	(20.6)	31.1	50.5	(12.1)	38.4
Property, plant & equipment	2.5	(6.9)	(4.5)	2.8	(6.9)	(4.1)
Intangible assets		(143.5)	(143.5)		(141.7)	(141.7)
Right-of-use assets and lease liabilities	64.2	(62.6)	1.5	60.7	(60.2)	0.5
Other assets and liabilities[1]	257.6	(79.1)	178.5	294.9	(73.7)	221.2
Tax loss carryforwards	111.3		111.3	104.2		104.2
Total tax assets (liabilities)	**487.2**	**(312.7)**	**174.6**	**513.1**	**(294.7)**	**218.5**
Offset of assets and liabilities	(186.3)	186.3		(165.3)	165.3	
Amounts in the balance sheet						
Deferred tax assets	301.0		301.0	347.8		347.8
Deferred tax liabilities		(126.3)	(126.3)		(129.4)	(129.4)
Total deferred taxes, net			**174.6**			**218.5**

1) Deferred tax assets mainly relate to provisions and contract liabilities, deferred tax liabilities mainly relate to provisions, contract assets and trade and other receivables. Including deferred tax assets in the amount of CHF 127.6 million (2023/24: CHF 177.1 million) related to tax-deductible goodwill in Switzerland.

Movement of deferred tax assets and (liabilities) CHF million							**2024/25**
	Inventories	Property, plant & equipment	Intangible assets	Right-of-use assets and lease liabilities	Other assets and liabilities	Tax loss carry-forwards	Total
Balance April 1	38.4	(4.1)	(141.7)	0.5	221.2	104.2	218.5
Changes through business combinations			(5.2)		1.1		(4.1)
Deferred taxes recognized in the income statement[1]	(6.5)	(0.8)	0.9	(0.5)	(36.3)	4.4	(38.8)
Deferred taxes recognized in OCI[2]					(0.6)		(0.6)
Exchange differences	(0.9)	0.5	2.6	1.5	(6.9)	2.7	(0.5)
Balance March 31	**31.1**	**(4.5)**	**(143.5)**	**1.5**	**178.5**	**111.3**	**174.6**

1) Deferred taxes recognized in the income statement include the impact related to tax-deductible goodwill in Switzerland.
2) Other comprehensive income.

Movement of deferred tax assets and (liabilities) CHF million							**2023/24**
	Inventories	Property, plant & equipment	Intangible assets	Right-of-use assets and lease liabilities	Other assets and liabilities	Tax loss carry-forwards	Total
Balance April 1	22.1	(3.4)	(140.4)	0.6	210.7	47.6	137.1
Changes through business combinations			(6.2)		1.5		(4.6)
Deferred taxes recognized in the income statement[1]	16.4	(1.1)	2.7	(0.1)	8.4	56.0	82.3
Deferred taxes recognized in OCI[2]					(2.3)		(2.3)
Exchange differences	(0.1)	0.4	2.1	0.0	2.9	0.7	6.0
Balance March 31	**38.4**	**(4.1)**	**(141.7)**	**0.5**	**221.2**	**104.2**	**218.5**

1) Deferred taxes recognized in the income statement include the impact related to tax-deductible goodwill in Switzerland.
2) Other comprehensive income.

Deferred tax assets have been capitalized based on the projected future performance of the Group companies.

The gross values of unused tax loss carryforwards, which have not been capitalized as deferred tax assets, with their expiry dates are as follows:

CHF million	**31.3.2025**	**31.3.2024**
Within 1 year	1.6	13.4
Within 2-5 years	31.6	0.7
More than 5 years or without expiration	372.4	382.7
Total	**405.6**	**396.8**

Tax loss carryforwards, which have not been capitalized also include tax losses from acquired entities with limitation of use and losses that do not qualify for capitalization. The inherent uncertainty regarding the level and use of the tax losses and changes in tax regulations and laws can impact the annual assessment of these unused tax loss carryforwards.

Pillar Two income taxes

In October 2021, more than 135 jurisdictions agreed to adopt Global Anti-Base Erosion Rules (GloBE – Pillar Two) as part of the OECD's BEPS 2.0 initiatives. These rules aim to ensure that large multinational enterprises pay at least 15% income tax in each jurisdiction where they operate. In December 2021, the OECD released the GloBE Model Rules, which establish a coordinated system for implementing this 15% tax on a globally standardized tax base. This system also includes provisions for levying additional tax (top-up tax) if necessary to meet the 15% threshold.

In December 2023, Switzerland passed the Minimum Tax Ordinance, enforcing OECD Qualified Domestic Minimum Top-up Tax (QDMTT) rules for Sonova's Swiss entities starting from the financial year commenced April 1, 2024. Additionally, other jurisdictions where Sonova operates have also introduced Pillar Two legislation, which will affect Sonova group companies started from the same financial year. Sonova assessed the Pillar Two income taxes of the constituent entities and jurisdictions in scope of the legislation for the 2024/25 financial year. Based on this assessment, the Group concluded that all of the jurisdictions where Sonova operates qualify for at least one CbCR Safe Harbor measure. The financial impact for the Group from Pillar Two income taxes is not material.

In September 2024, Switzerland enacted the Income Inclusion Rule (IIR), which impose the 15% minimum top-up tax on all Sonova subsidiaries starting from April 1, 2025. Sonova does not foresee significant exposure to Pillar Two income taxes from the Swiss introduction of the IIR.

Sonova has used the mandatory exception to not disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

Accounting policies

Income taxes include current and deferred income taxes. The Group is subject to income taxes in numerous jurisdictions and significant judgment is required in determining the worldwide provision for income taxes. The multitude of transactions and calculations implies the use of certain estimates and assumptions. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and outcome is uncertain. Management establishes provisions, where appropriate, on the basis of amounts expected to be at risk to be paid to the tax authorities.

Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Deferred tax is recorded on the valuation differences (temporary differences) between the tax bases of assets and liabilities and their carrying values in the consolidated balance sheet. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the temporary differences and tax losses can be offset. Deferred income tax liabilities are provided for non-taxable temporary differences arising from investments in subsidiaries, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Accounting judgements and estimates

The consolidated balance sheet includes deferred tax assets of CHF 173.4 million (previous year CHF 170.7 million) related to deductible differences and, in certain cases, tax loss carry forwards, provided that their utilization is considered probable. The recoverable value is based on forecasts of the corresponding taxable Group company over a period of several years. As actual results may differ from these forecasts, the deferred tax assets may need to be adjusted accordingly.

Deferred tax assets further include CHF 127.6 million (previous year: CHF 177.1 million) related to the Swiss tax reform introduced by the Swiss Federal Act on Tax Reform and AHV Financing (TRAF). The calculation of the deferred tax assets required management to make significant estimates and assumptions. Some of these estimates are based on interpretations of existing tax laws or regulations. Whenever circumstances have changed or there is new information that affects these judgements, the estimates will be reassessed.

6. Changes in Group structure

6.1 Acquisitions/disposals of subsidiaries

During the financial years 2024/25 and 2023/24, several small businesses were acquired in EMEA, Americas and Asia/Pacific. All of these companies acquired are in the business of distributing and servicing hearing instruments. Due to the size of these transactions, they had no material impact on the financial statements.

Assets and liabilities resulting from the acquisitions are as follows:

CHF million	2024/25	2023/24
	Total	Total
Cash and cash equivalents	2.7	5.5
Trade receivables	1.3	3.8
Inventories	0.8	1.1
Other current operating assets	0.7	0.1
Total current assets	**5.5**	**10.4**
Right-of-use assets	1.3	6.0
Intangible assets	23.4	31.5
Other non-current assets	1.2	3.1
Deferred tax assets	1.1	1.5
Total non-current assets	**27.0**	**42.1**
Current financial liabilities	(0.0)	(0.4)
Current lease liabilities	(0.4)	(1.6)
Trade payables	(0.6)	(2.1)
Short-term contract liabilities	(0.1)	(0.9)
Other short-term operating liabilities	(2.7)	(10.3)
Short-term provisions	(0.4)	(1.5)
Total current liabilities	**(4.2)**	**(16.7)**
Non-current financial liabilities	(0.1)	(0.2)
Non-current lease liabilities	(0.9)	(4.4)
Long-term provisions	(0.1)	(0.1)
Other long-term operating liabilities	(0.1)	(0.1)
Deferred tax liabilities	(5.2)	(6.2)
Total non-current liabilities	**(6.5)**	**(10.9)**
Net assets	**21.8**	**24.8**
Goodwill	52.0	73.8
Purchase consideration	**73.8**	**98.6**
Liabilities for contingent considerations and deferred payments[1)]	(7.1)	(7.5)
Cash and cash equivalents acquired	(2.7)	(5.5)
Cash outflow for contingent considerations and deferred payments	13.3	16.1
Cash consideration for acquisitions, net of cash acquired	**77.3**	**101.6**

1) Contingent considerations (earn-out payments) are dependent on the future performance of the acquired companies as well as contractual conditions. The liability for contingent considerations is based on the latest estimate of the future performance.

The initial accounting for the acquisitions completed in the current financial year is provisional and the fair values assigned to the identifiable assets acquired and liabilities assumed are still subject to change. The finalization of the accounting from acquisitions in the prior year did not result in material fair value adjustments.

Liabilities for contingent considerations amount to CHF 5.2 million (previous year CHF 5.9 million) and deferred payments amount to CHF 1.8 million (previous year CHF 1.6 million). Contingent considerations are dependent on the future performance of the acquired companies as well as contractual obligations and milestone achievements. Goodwill is attributed mainly to economies of scale and expected synergies such as favorable sales growth potential, increase in share of Sonova products within acquired distribution companies and cost reductions in administrative and corporate functions as well as to the labor force. Recognized goodwill is not expected to be deductible for income tax purposes.

Acquisition-related intangible assets in the amount of CHF 23.2 million (previous year CHF 28.5 million) for the acquisitions in the current financial year relate to customer relationships. The assigned lifetime range is between 10 and 15 years. On these intangibles deferred taxes have been considered.

Acquisition-related transaction costs in the amount of CHF 2.1 million (previous year CHF 2.1 million) were expensed and are included in the line "General and administration".

April 1 to March 31, CHF million	2024/25	2023/24
	Total	Total
Contribution of acquired companies from date of acquisition		
Sales	25.8	15.8
Net income	3.7	2.5
Contribution, if the acquisitions had occurred on April 1		
Sales	32.9	32.8
Net income	6.3	6.5

Accounting policies

Business combinations are accounted for using the acquisition method of accounting. The cost of a business combination is equal to the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Sonova Group, in exchange for control over the acquired company. Any difference between the cost of the business combination and the net fair value of the identifiable assets, liabilities, and contingent liabilities recognized is treated as goodwill. Goodwill is not amortized, but is assessed for impairment annually, or more frequently if events or changes in circumstances indicate that its value might be impaired (Refer to Note 3.5). Acquisition-related costs are expensed. For each business combination, the Group recognizes the non-controlling interests in the acquiree at fair value or at the non-controlling interests proportionate share in the recognized amounts of the acquiree's identifiable net assets.

If a business combination is achieved in stages (control obtained over an associate), the previously held equity interest in an associate is remeasured to its acquisition date fair value and any resulting gain or loss is recognized in "financial income/expenses" in profit or loss.

Accounting judgements and estimates

In the course of recognizing assets and liabilities from business combinations, management judgments might be required for the following areas:

- *Acquisition-related intangibles resulting from technology, customer relationships, client lists, or brand names.*
- *Contingent consideration arrangements (refer to Note 4.8)*

6.2 Investments in associates/joint ventures

The Group's share in the results as well as in assets and liabilities of associates/joint ventures, all unlisted enterprises, is as follows:

CHF million	2024/25	2023/24
Current assets	5.1	4.6
Non-current assets	4.5	3.8
Total assets	**9.6**	**8.4**
Current liabilities	(1.5)	(1.8)
Non-current liabilities	(1.4)	(1.4)
Total liabilities	**(2.9)**	**(3.2)**
Net assets	**6.6**	**5.2**
Income for the year	12.1	10.5
Expenses for the year	(6.7)	(6.1)
Profit for the year	**5.4**	**4.4**
Net book value at year-end	18.6	19.2
Share of profit / (loss) recognized by the Group	5.4	4.4

In the financial years 2024/25 and 2023/24, no associates were acquired/divested.

Sales to associates in the 2024/25 financial year amounted to CHF 12.8 million (previous year CHF 11.4 million). At March 31, 2025, trade receivables towards associates amounted to CHF 3.2 million (previous year CHF 2.3 million).

At the end of the 2024/25 and 2023/24 financial years, no unrecognized losses existed.

Investments with a net book value of CHF 18.6 million (previous year CHF 19.2 million) have a business year different than the Sonova Group. The latest available information for the respective companies are as per December 2024.

Accounting policies

Investments in associates and joint ventures are accounted for using the equity method of accounting. Investments in associates are entities in which Sonova has a significant influence but no control (usually 20% – 50% of voting rights). Joint ventures are joint arrangements whereby two or more parties have rights to the net assets of the arrangement.

Under the equity method, the investment in an associate/joint venture is recognized initially at cost (including goodwill on acquisition) and the carrying amount is increased or decreased to recognize Sonova's share of profit or loss of the associate/joint venture after the acquisition date. When the Group's share of losses in an associate/joint venture equals or exceeds its interest in the associate/joint venture, no further losses are recognized, unless there is a legal or constructive obligation. In order to apply the equity method the most recent available financial statements of an associate/joint venture are used, however, due to practicability reasons the reporting dates might vary up to three months from the Group's reporting date.

7. Other disclosures

7.1 Number of employees

On March 31, 2025, the Sonova Group employed the full time equivalent (FTE) of 17,990 people (previous year 18,151). They were engaged in the following regions and activities:

By region	31.3.2025	31.3.2024
Switzerland	1,434	1,469
EMEA (excl. Switzerland)	7,427	7,514
Americas	4,984	4,945
Asia/Pacific	4,145	4,223
Total	**17,990**	**18,151**
By activity		
Research and development	1,243	1,208
Operations	4,557	4,578
Sales and marketing, general and administration	12,190	12,365
Total	**17,990**	**18,151**

The average number of employees (full time equivalents) of the Sonova Group for the year was 18,385 (previous year 17,700). Total personnel expenses for the 2024/25 financial year amounted to CHF 1,380.8 million (previous year CHF 1,279.9 million).

7.2 Transactions and relations with members of the Management Board and the Board of Directors

CHF million	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
	Management Board		Board of Directors		Total	
Short-term employee benefits	7.8	6.9	2.1	1.9	9.8	8.8
Post-employment benefits	0.6	0.7			0.6	0.7
Share based payments	4.7	5.6	1.8	1.6	6.5	7.2
Total	**13.1**	**13.1**	**3.9**	**3.6**	**16.9**	**16.7**

The total compensation to the Management Board for the 2024/25 reporting period, as shown above, relates to eight active members and members that left during the financial year (2023/24: eight active members and one former member).

The total compensation to the Board of Directors for the 2024/25 reporting period, as shown above, relates to ten active members (2023/24: nine active members and one former member).

Transactions between the Group and the various post-employment benefit plans for the employees of the Group are described in Note 7.3.

Further information in accordance with Swiss law relating to remuneration and ownership of shares and options of the Board of Directors and the Management Board can be found in the Note 3.6 of the financial statements of Sonova Holding AG.

7.3 Employee benefits

Defined benefit plans

Sonova Group's retirement plans include defined benefit pension plans in Switzerland, Austria, Belgium, Canada, France, Germany and Israel. These plans are both funded and unfunded and governed by local regulations using independent actuarial valuations according to IAS 19. Sonova Group's major defined benefit plan is located in Switzerland, which in total accounts for CHF 567.1 million or 96.7% (previous year CHF 530.4 million or 96.4%) of Sonova's defined benefit obligation.

Pension plans in Switzerland

The current pension arrangement for employees in Switzerland is made through a plan governed by the Swiss Federal Occupational Old Age, Survivors and Disability Pension Act (BVG). The plan of Sonova's Swiss companies is administered by a separate legal foundation, which is funded by regular employer and employee contributions as defined in the pension fund rules. The Swiss pension plan contains a cash balance benefit which is, in essence, contribution-based with certain minimum guarantees. Due to these minimum guarantees, the Swiss plan is treated as a defined benefit plan for the purposes of these consolidated financial statements, although it has many of the characteristics of a defined contribution plan. The plan is invested in a diversified range of assets in accordance with the investment strategy and the common criteria of asset and liability management. A potential under-funding may be remedied by various measures such as increasing employer and employee contributions or reducing prospective benefits. Above a set insured salary, the savings capital will be split into pension-accumulating and capital-accumulating savings capital. The pension-accumulating savings capital will generate a life-long retirement pension upon retirement. The insured person may request a lump sum settlement in lieu of the retirement pension or a part thereof. The capital-accumulating savings capital will generate a one-off capital payment upon retirement. An annuity rate of 5.4% to the individual accumulated retirement savings capital was applied for the financial years 2024/25 and 2023/24.

As of March 31, 2025, 1,460 employees (previous year 1,495 employees) and 192 beneficiaries (previous year 178 beneficiaries) are insured under the Swiss plan. The defined benefit obligation has a duration of 16.4 years (previous year 15.6 years).

The results of all defined benefit plans are summarized below:

Amounts recognized in the balance sheet CHF million	31.3.2025	31.3.2024
Present value of funded obligations	(572.5)	(537.1)
Fair value of plan assets	591.2	553.4
Net present value of funded plans	**18.7**	**16.3**
Present value of unfunded obligations	(13.8)	(13.5)
Total assets (liabilities), net	**4.9**	**2.9**
Amounts in the balance sheet:		
Retirement benefit obligation	(14.8)	(13.9)
Retirement benefit asset	19.7	16.8
Assets (liabilities) in the balance sheet, net	**4.9**	**2.9**

Remeasurements recognized in equity CHF million	2024/25	2023/24
Balance April 1	(10.7)	2.5
Actuarial losses/(gains) from		
- changes in demographic assumptions	(0.1)	(0.5)
- changes in financial assumptions	4.9	67.0
- changes in experience adjustments	6.2	17.5
Return on plan assets excluding interest income	(15.1)	(28.0)
Change in asset ceiling		(69.2)
Balance March 31	**(14.7)**	**(10.7)**

Amounts recognized in the income statement CHF million	2024/25	2023/24
Current service cost[1]	21.8	15.3
Net interest cost	0.2	(1.0)
Interest expense on effect of asset ceiling		1.4
Total employee benefit expenses[2]	**21.9**	**15.7**

1) Excluding Participants' contributions.
2) The amount recognized in the consolidated income statement 2024/25 has been charged to:
– cost of sales CHF 2.7 million (previous year CHF 2.0 million);
– research and development CHF 8.9 million (previous year 6.1 million);
– sales and marketing CHF 4.3 million (previous year 3.0 million);
– general and administration CHF 5.9 million (previous year CHF 4.2 million);
– financial expense CHF 0.2 million (previous year CHF 0.4 million).

Movement in the present value of the defined benefit obligations CHF million	2024/25	2023/24
Beginning of the year	550.5	457.4
Interest cost	7.5	9.8
Current service cost	21.8	15.3
Participants' contributions	16.1	15.6
Benefits paid, net	(19.5)	(31.9)
Actuarial losses/(gains) on obligations	11.0	84.1
Exchange differences	(1.2)	0.2
Present value of obligations at end of period	**586.3**	**550.5**

Movement in the fair value of the plan assets CHF million	2024/25	2023/24
Beginning of the year	553.4	512.3
Interest income on plan asset	7.2	10.7
Employer's contributions paid	18.5	17.9
Participants' contributions	16.1	15.6
Benefits paid, net	(19.0)	(31.2)
Return on plan assets excluding interest income	15.1	28.0
Exchange differences	0.1	0.0
Fair value of plan assets at end of period	**591.2**	**553.4**

The plan assets consist of:	31.3.2025	31.3.2024
Cash	4.5%	1.7%
Domestic bonds	19.5%	19.3%
Foreign bonds	6.9%	7.8%
Domestic equities	11.2%	10.3%
Foreign equities	30.2%	30.7%
Real estates	15.9%	13.9%
Alternative investments	11.9%	16.2%

With the exception of cash, all of the plan assets have quoted market prices. The actual return on plan assets amounted to CHF 22.2 million (previous year CHF 38.7 million). The expected employer’s contributions for the Swiss retirement benefit plan to be paid in the 2025/26 financial year amount to CHF 18.1 million.

Principal actuarial assumptions Swiss retirement benefit plan (weighted average)	2024/25	2023/24
Discount rate	1.40%	1.30%
Future salary increases	1.50%	2.00%
Future pension increases	0%	0%
Fluctuation rate	BVG 2020	BVG 2020
Demography	BVG 2020GT	BVG 2020GT

The following sensitivity analysis shows how the present value of the benefit obligation for the Swiss retirement benefit plan would change if one of the principal actuarial assumptions was changed. For the analysis, changes in the assumptions were considered separately and no interdependencies were taken into account.

Sensitivity analysis - impact on defined benefit obligation CHF million	**31.3.2025**	**31.3.2024**
Discount rate		
Discount rate +0.25%	(20.2)	(18.9)
Discount rate –0.25%	23.0	21.5
Life expectancy		
One year increase	9.7	9.0
One year decrease	(10.1)	(9.3)
Pension growth		
Pension growth +0.5%	22.3	20.5
Fluctuation rate		
Fluctuation rate +5%	(19.8)	(18.2)
Fluctuation rate –5%	28.3	26.6

Defined contribution plans

Several of the Group's entities have a defined contribution plan. The employer's contributions amounted to CHF 31.0 million in the year ended March 31, 2025 (previous year CHF 27.1 million) and are recognized directly in the income statement.

Accounting policies

Most employees are covered by post-employment plans sponsored by corresponding Group companies in the Sonova Group. Such plans are mainly defined contribution plans (future benefits are determined by reference to the amount of contributions paid) and are generally administered by autonomous pension funds or independent insurance companies. These pension plans are financed through employer and employee contributions. The Group's contributions to defined contribution plans are charged to the income statement in the year to which they relate.

The Group also has several defined benefit pension plans, both funded and unfunded. Accounting and reporting of these plans are based on annual actuarial valuations. Defined benefit obligations and service costs are assessed using the projected unit credit method, with the cost of providing pensions charged to the income statement so as to spread the regular cost over the service lives of employees participating in these plans. The pension obligation is measured as the present value of the estimated future outflows using interest rates of high quality corporate bonds, which have terms to maturity approximating the terms of the related liability. Service costs from defined benefit plans are charged to the appropriate income statement heading within the operating results.

A single net interest component is calculated by applying the discount rate to the net defined benefit asset or liability. The net interest component is recognized in the income statement in the financial result.

Actuarial gains and losses, resulting from changes in actuarial assumptions and differences between assumptions and actual experiences, are recognized in the period in which they occur in "Other comprehensive income" in equity.

Accounting judgements and estimates

The Sonova Group has various employee benefit plans. Most of its salaried employees are covered by these plans, of which some are defined benefit plans. The present value of the defined benefit obligations at the end of the 2024/25 financial year amounts to CHF 586.3 million (previous year CHF 550.5 million). This includes CHF 567.1 million (previous year CHF 530.4 million) from the Swiss pension plan. With such plans, actuarial assumptions are made for the purpose of estimating future developments, including estimates and assumptions relating to discount rates, and future wage as well as pension trends. Actuaries also use statistical data such as mortality tables and staff turnover rates with a view to determining employee benefit obligations. If these factors change due to a change in economic or market conditions, the subsequent results could deviate considerably from the actuarial reports and calculations. In the medium term, such deviations could have an impact on the equity.

7.4 Equity plans

Equity plans are offered annually to the members of the Board of Directors (BoD), to the members of the Management Board (MB) as well as to other management and senior employees of the Group, entitling them to receive long-term incentives in the form of equity plans free of charge. Equity plans are settled either with Sonova Holding AG shares (equity-settled share-based payment) or for certain US employees with an equivalent amount in cash (cash-settled share-based payment). The amount granted varies depending on the degree of management responsibility held.

In the 2024/25 and 2023/24 financial years, as part of the Executive Equity Award Plan (EEAP) Sonova granted restricted shares, restricted share units (RSUs), performance share units (PSUs), options, and for US employees, share appreciation rights (SARs). Options as well as PSUs granted to the Management Board in 2024/25 and 2023/24 include a performance criterion.

The following share-based payment costs have been recognized in the financial years

CHF million	2024/25	2023/24
Equity-settled share-based payment costs	20.4	22.6
Cash-settled share-based payment costs	0.0	0.2
Total share-based payment costs	**20.4**	**22.8**

The following table shows the outstanding options and/or SARs, granted as part of the EEAP 2018 to 2025. All of the equity instruments listed below (except for the non-recurring performance options granted to the COO (now CEO) in 2017/18) vest in 4 equal tranches, annually over a period of 4 years.

Summary of outstanding options and SARs granted until March 31, 2025:

Financial year granted	Instruments granted	First vesting date / expiry date	Granted	Exercise price (CHF)	Outstanding	Average remaining life (years)	Exercisable
2017/18	Options/SARs[1]	1.4.2023 30.9.2027	47,415	147.85	46,528	2.5	46,528
2017/18	Options[2]	1.6.2019 31.1.2028	341,943	147.85	59,752	2.8	59,752
2018/19	Options/SARs[3]	1.6.2020 31.1.2029	249,760	182.40	84,493	3.8	84,493
2019/20	Options/SARs[4]	1.6.2021 31.1.2030	208,245	241.80	100,711	4.8	100,711
2020/21	Options/SARs[5]	1.6.2022 31.1.2031	170,694	218.70	105,029	5.8	78,586
2021/22	Options/SARs[6]	1.6.2023 31.1.2032	112,656	333.60	74,269	6.8	36,916
2022/23	Options/SARs[7]	1.6.2024 31.1.2033	138,302	233.40	101,107	7.8	25,243
2023/24	Options/SARs[8]	1.6.2025 31.1.2034	118,673	279.10	102,333	8.8	
2024/25	Options/SARs[9]	1.6.2026 31.1.2035	99,502	319.20	99,502	9.8	
Total			**1,487,190**		**773,724**[10]	**6.0**	**432,229**[11]
Thereof:							
Equity-settled			1,328,472		704,655		390,434
Cash-settled			158,718		69,069		41,795

1) Non-recurring performance options, granted to the COO (now CEO). Terms were amended in the financial year 2020/21 - for further details refer to section "Options" in this note.
2) Including 150,114 performance options, granted to the CEO and MB members.
3) Including 80,850 performance options, granted to the CEO and MB members.
4) Including 77,574 performance options/SAR, granted to the CEO and MB members.
5) Including 61,779 performance options/SAR, granted to the CEO and MB members.
6) Including 38,252 performance options/SAR, granted to the CEO and MB members.
7) Including 46,012 performance options/SAR, granted to the CEO and MB members.
8) Including 41,799 performance options/SAR, granted to the CEO and MB members.
9) Including 32,640 performance options/SAR, granted to the CEO and MB members.
10) Weighted average exercise price of outstanding options/SARs amounts to CHF 241.87
11) Weighted average exercise price for exercisable options/SARs amounts to CHF 210.24

The fair value of options and/or SARs is calculated at the grant date by using an "Enhanced American Pricing Model". The expected volatility is based on historical measures. The main valuation assumptions used for the options and/or SARs granted in the current and in the previous financial year are as follows:

Assumptions for valuation at grant date	EEAP 2025 - Management Board Options/SARs	EEAP 2025 Options/SARs	EEAP 2024 - Management Board Options/SARs	EEAP 2024 Options/SARs
Valuation date	1.2.2025	1.2.2025	1.2.2024	1.2.2024
Expiry date	31.1.2035	31.1.2035	31.1.2034	31.1.2034
Restriction period	5 years		5 years	
Share price on grant date	CHF 319.20	CHF 319.20	CHF 279.10	CHF 279.10
Exercise price	CHF 319.20	CHF 319.20	CHF 279.10	CHF 279.10
Volatility	31.7%	31.7%	31.3%	31.3%
Expected dividend yield	1.5%	1.5%	1.7%	1.7%
Weighted risk free interest rate	0.4%	0.3%	1.2%	1.1%
Weighted average fair value of options/SARs issued	**80.88**	**78.60**	**72.69**	**70.55**

Options

The exercise price of options is equal to the market price of Sonova Holding AG shares on the SIX Swiss Exchange at grant date. The fair value of the options granted is estimated at grant date and recorded as an expense over the corresponding vesting period. Assumptions are made regarding the forfeiture rate which is adjusted during the vesting period (including adjustments due to re-assessments of the likely ROCE targets achievements for performance options granted to the CEO and the other members of the MB) to ensure that only a charge for vested amounts occur. Options may be exercised after the vesting date, until their expiry date. If options are exercised, one share per option from the conditional share capital is issued, or treasury shares are used for fulfillment. In the financial year 2024/25 and 2023/24 the options granted to the CEO and the members of the MB include a restriction period of 5 years, which was considered in the fair value of the options at grant date.

Changes in outstanding options:		2024/25		2023/24
	Number of options	Weighted average exercise price (CHF)	Number of options	Weighted average exercise price (CHF)
Outstanding options at April 1	827,185	224.78	885,588	207.93
Granted[1)]	88,257	319.20	110,397	279.10
Exercised[2)]	(159,297)	187.98	(136,099)	150.57
Forfeited[3)]	(51,490)	274.68	(32,701)	260.70
Outstanding options at March 31	**704,655**	**241.09**	**827,185**	**224.78**
Exercisable at March 31	**390,434**	**208.55**	**443,419**	**192.44**

1) 2024/25 includes 30,044 performance options (previous year 41,799 performance options), granted to the CEO and MB members in February 2025.
2) The total consideration from options exercised amounted to CHF 29.8 million (previous year CHF 20.5 million). The weighted average share price of the options exercised during the year 2024/25 was CHF 298.71 (previous year CHF 263.62).
3) Includes forfeiture of performance options granted to CEO and MB members subject to ROCE hurdle, which vested in the financial year 2024/25 and 2023/24 (performance adjustment). In addition 2023/24 includes forfeiture of options relating to the one-time performance options granted in 2017/18 to the COO (now CEO).

Share appreciation rights (SARs)

The exercise price of SARs is generally equal to the market price of Sonova Holding AG shares on the SIX Swiss Exchange at grant date. Upon exercise of SARs, an employee shall be paid an amount in cash equal to the number of shares for which the employee exercised SARs, multiplied by any surplus, of the per share market price at the date of exercise versus the per share exercise price (determined at the date of grant of SARs). The initial fair value of the SARs is in line with the valuation of the options of the respective period and recorded as an expense over the corresponding vesting period. Assumptions are made regarding the forfeiture rate which is adjusted during the vesting period (including adjustments due to re-assessments of the likely ROCE targets achievements for performance options/SARs granted to the members of the MB) to ensure that only a charge for vested amounts occur. Until the liability is settled, it is revalued at each reporting date recognizing changes in fair value in the income statement. The SARs may be sold after the vesting date, until they expire, except for the SARs granted to members of the MB, which include a restriction period of 5 years.

Changes in outstanding SARs:		**2024/25**		**2023/24**
	Number of SARs	Weighted average exercise price (CHF)	Number of SARs	Weighted average exercise price (CHF)
Outstanding SARs at April 1	76,900	237.07	74,518	229.76
Granted[1)]	11,245	319.20	8,276	279.10
Exercised	(6,659)	183.83	(1,760)	170.47
Forfeited	(12,417)	268.67	(4,134)	217.80
Outstanding SARs at March 31[2)]	**69,069**	**249.89**	**76,900**	**237.07**
Exercisable at March 31[3)]	**41,795**	**226.04**	**36,693**	**212.80**

1) 2024/25 includes 2,596 performance SARs (previous year 0) granted to a MB member.
2) The carrying amount of the liability relating to the SARs at March 31, 2025 is CHF 3.0 million (previous year CHF 3.9 million).
3) The intrinsic value of the SARs exercisable at March 31, 2025 amounts to CHF 1.3 million (previous year CHF 1.8 million).

Performance share units (PSUs)

In 2025, as well as in the previous year, grants made to the members of the Management Board under the EEAP consist of PSUs. The PSUs are measured on relative TSR (rTSR) against the constituents of a recognized index. The fair value of a PSU at grant date was based on a "Monte-Carlo valuation". PSUs entitle the holder up to two shares per PSU, subject to the achievement of the performance criterion. PSUs granted are subject to a restriction period, which was considered in the fair value of the PSU at grant date. Upon vesting of the PSUs, the respective shares are either created out of the conditional share capital or treasury shares are used. The cost of the PSUs granted is expensed over their vesting period. Assumptions are made regarding the forfeiture rate which is adjusted during the vesting period, to ensure that only vested amounts are expensed.

Assumptions for valuation at grant date	PSU 2025	PSU 2024
Valuation date	1.2.2025	1.2.2024
Date of grant	1.2.2025	1.2.2024
Share price on grant date	CHF 319.20	CHF 279.10
Fair value	CHF 346.86	CHF 293.53
End of restriction period	31.1.2030	31.1.2029
Performance conditions	Total shareholder return (TSR)	Total shareholder return (TSR)
TSR performance period	1.2.2025 - 31.3.2028	1.2.2024 - 31.3.2027
TSR comparator group	Swiss Leader Index (SLI)	Swiss Leader Index (SLI)

Restricted share units (RSUs)

Under the EEAP grants 2020 to 2025, entitled employees have been granted RSUs. The value of an RSU is equal to the market price of Sonova Holding AG shares on the SIX Swiss Exchange on the grant date, adjusted for the fair value of expected dividends, as RSUs are not entitled to dividends. The fair value of a RSUs granted on February 1st, 2025 amounted to CHF 307.01 (fair value of grant February 1st, 2024 CHF 267.29). RSUs entitle the holder to one share per RSU after the vesting period. Upon vesting of the RSUs, the respective shares are either created out of the conditional share capital or treasury shares are used. The cost of the RSUs granted is expensed over their vesting period. Assumptions are made regarding the forfeiture rate which is adjusted during the vesting period to ensure that only vested amounts are expensed.

Restricted shares

In addition to the PSUs granted in respect to the EEAP 2025 and 2024, restricted shares have been granted to the Chairman of the Board of Directors as well as to the other members of the Board of Directors in the financial year 2024/25 and 2023/24. These shares are entitled to dividends and are restricted for a period of 64 months (Chairman), respectively 52 months (other members of the Board of Directors). The fair value of a restricted share granted on February 1st, 2025 amounted to CHF 319.20 (fair value of grant February 1st, 2024 CHF 279.10).

The costs for the restricted shares granted to the members of the Board of Directors have been fully expensed in the 2024/25 financial year as these shares have no vesting period.

Changes in outstanding PSUs/RSUs/Restricted shares:				2024/25				2023/24
	Number of PSUs	Number of RSUs	Number of restricted shares	Total	Number of PSUs	Number of RSUs	Number of restricted shares	Total
Balance April 1	33,270	189,424	39,028	261,722	33,620	193,831	40,052	267,503
Granted	6,044	49,558	5,668	61,270	8,456	58,901	5,909	73,266
Subject to holding period (PSUs)	-	-	7,956	7,956			4,540	4,540
Settled	(9,565)	(48,086)	(11,359)	(69,010)	(4,689)	(50,082)	(11,473)	(66,244)
Forfeited	(5,581)	(16,047)	-	(21,628)	(4,117)	(13,226)		(17,343)
Balance March 31	**24,168**	**174,849**	**41,293**	**240,310**	**33,270**	**189,424**	**39,028**	**261,722**

In addition to the plans described above a cash-settled share based payment arrangement existed in relation to an acquisition entered in the financial year 2019/20. A portion of the deferred payments of that transaction can be settled in Sonova shares (number of shares granted 102,421) or in cash at the discretion of the counterparties and represent share-based payments as the payment was linked to employment conditions. In the financial year 2023/24 the last tranche vested and a liability of CHF 6.0 million was transferred to equity as the beneficiaries opted for settlement in Sonova shares.

Accounting policies

The Board of Directors of Sonova Holding AG, the Management Board, and certain management and senior employees of other Group companies participate in equity compensation plans. The fair value of all equity compensation awards granted to employees is determined at the grant date and recorded as an expense over the vesting period. The expense for equity compensation awards is charged to the appropriate income statement heading within the operating result and an equivalent increase in equity (for equity-settled compensation) or financial liability (for cash-settled compensation) is recorded. In the case of cash-settled compensation, until the liability is settled, it is revalued at each reporting date, recognizing changes in the fair value in the income statement.

7.5 Events after the balance sheet date

There have been no material events after the balance sheet date.

7.6 List of significant companies

Company name	Activity	Domicile (country)	Share/paid-in capital[1] Local currency 1,000		Shares held
Switzerland					
Sonova Holding AG	A	Stäfa	CHF	2,981	100%
Sonova AG	A, B, C, D	Stäfa	CHF	2,500	100%
Advanced Bionics AG	A, B	Stäfa	CHF	4,350	100%
EMEA (excluding Switzerland)					
Boots Hearing Care Ltd.	B	Conwy (UK)	GBP	0 [2]	51%
SOD Invest SAS	A	Cahors (FR)	EUR	60,000	100%
Sonova Audiological Care Austria GmbH	B	Wals-Himmelreich (AT)	EUR	450	100%
Sonova Audiological Care France SAS	B	Cahors (FR)	EUR	60,000	100%
Sonova Audiological Care Italia S.r.l	B	Milan (IT)	EUR	1,166	100%
Sonova Audiological Care Nederland B.V.	B	Rotterdam (NL)	EUR	19	100%
Sonova Audiological Care Polska Sp.z.o.o.	B	Lodz (PL)	PLN	678	100%
Sonova Consumer Hearing GmbH	A, B	Wedemark-Hannover (DE)	EUR	25	100%
Sonova Deutschland GmbH	B	Fellbach (DE)	EUR	41	100%
Sonova France S.A.S.	B	Bron-Lyon (FR)	EUR	1,000	100%
Sonova Ibérica S.A.U.	B	San Vicente del Raspeig (ES)	EUR	7,000	100%
Sonova Retail Belgium NV	B	Groot-Bijgaarden(BE)	EUR	8,999	100%
Sonova Retail Deutschland GmbH	B	Dortmund (DE)	EUR	1,000	100%
Sonova UK Ltd.	B	Warrington (UK)	GBP	2,500	100%

Activities:
A Holding/Finance: The entity is a holding or finance company.
B Sales: The entity performs sales and marketing activities.
C Production: This entity performs manufacturing for the Group.
D Research: This entity performs research and development activities for the Group.
1) Share/paid-in capital may not reflect the taxable share/paid-in capital amount and does not include any paid-in surplus.
2) GBP 133

Company name	Activity	Domicile (country)	Share/paid-in capital[1] Local currency 1,000		Shares held
Americas					
Advanced Bionics Corp.	A	Valencia (US)	USD	1	100%
Advanced Bionics LLC	B, C, D	Valencia (US)	USD	0 [2]	100%
Alpaca Group Holdings, LLC	A	Delaware (US)	USD	298,893	100%
Connect Hearing Inc.	B	Aurora (US)	USD	0 [3]	100%
Development Finance Inc.	A	Aurora (US)	USD	0 [4]	100%
National Hearing Services Inc.	B	Kitchener (CA)	CAD	0 [2]	100%
Sonova Canada Inc.	B	Mississauga (CA)	CAD	0 [2]	100%
Sonova Consumer Hearing USA LLC	B	Old Lyme (US)	USD	20,000	100%
Sonova do Brasil Produtos Audiológicos Ltda.	B	Sao Paulo (BR)	BRL	120,379	100%
Sonova North American Operations Center, S.A. de C.V.	C	Monterrey, Nuevo León (MX)	MXN	10	100%
Sonova United States Hearing Instruments, LLC	A	Aurora (US)	USD	0 [2]	100%
Sonova USA, Inc.	B	Aurora (US)	USD	46,608	100%
Asia/Pacific					
Hubei Hysound Health Technology Corp. Ltd.	B	Wuhan (CN)	CNY	1,000	100%
Shanghai Chengting Technology Corp. Ltd	B	Shanghai (CN)	CNY	18,871	100%
Sonova (Shanghai) Co., Ltd.	B	Shanghai (CN)	CNY	20,041	100%
Sonova Audiological Care Australia Pty. Ltd	B	NSW (AU)	AUD	109,277	100%
Sonova Audiological Care New Zealand Ltd	B	Auckland (NZ)	NZD	20,450	100%
Sonova Australia Pty Ltd	B	Norwest (AU)	AUD	10,475	100%
Sonova Hearing (Beijing) Co., Ltd	B	Beijing (CN)	CNY	44,932	100%
Sonova Hearing (Suzhou) Co., Ltd.	C	Suzhou (CN)	CNY	46,249	100%
Sonova Operation Center Vietnam Co., Ltd.	C	Binh Duong (VN)	VND	36,156,000	100%

Activities:
[A] Holding/Finance: The entity is a holding or finance company.
[B] Sales: The entity performs sales and marketing activities.
[C] Production: This entity performs manufacturing for the Group.
[D] Research: This entity performs research and development activities for the Group.
[1] Share/paid-in capital may not reflect the taxable share/paid-in capital amount and does not include any paid-in surplus.
[2] Without par value
[3] USD 1
[4] USD 10

7.7 Other accounting policies

Investments in subsidiaries

Investments in subsidiaries are fully consolidated. These are entities over which Sonova Holding AG directly or indirectly exercises control. Control exists when the Group is exposed, or has rights, to variable returns from its relationship with an entity and has the power to affect those returns. Control is presumed to exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity unless, in exceptional circumstances, it can clearly demonstrate that such ownership does not constitute control. For the consolidated entities, 100% of assets, liabilities, income, and expenses are included. Non-controlling interests in equity and net income or loss are shown separately in the balance sheet and income statement. Changes in the ownership interest of a subsidiary that do not result in a loss of control will be accounted for as an equity transaction. Hence, neither goodwill nor any gains or losses will result.

Group Companies acquired during the year are included in the consolidation from the date on which control over the company transferred to the Group. Group companies divested during the year are excluded from the consolidation as of the date the Group ceased to have control over the company. Intercompany balances and transactions (including unrealized profit on intercompany inventories) are eliminated in full.

Related parties

A party is related to an entity if the party directly or indirectly controls, is controlled by, or is under common control with the entity, has an interest in the entity that gives it significant influence over the entity, has joint control over the entity or is an associate or a joint venture of the entity. In addition, members of the Board of Directors and the Management Board or close members of their families are also considered related parties as well as post-employment plan organizations (pension funds) for the benefit of Sonova employees. No related party exercises control over the Group.

Shape the future
with confidence

Report of the statutory auditor to the General Meeting of Sonova Holding AG

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Sonova Holding AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 March 2025, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements (pages 114 to 179) give a true and fair view of the consolidated financial position of the Group as at 31 March 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

Basis for opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the “Auditor’s responsibilities for the audit of the consolidated financial statements” section of our report. We are independent of the Group in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, as well as those of the International Ethics Standards Board for Accountants’ *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the “Auditor’s responsibilities for the audit of the consolidated financial statements” section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the consolidated financial statements.

Goodwill

Area of focus	Our audit response
As of 31 March 2025, the Group has goodwill of CHF 2,407.5 million representing 41% of the Group’s total assets and 90% of the Group’s total equity. Per note 3.5, goodwill is tested for impairment at least annually. In performing the impairment analysis, management applies considerable judgment in respect of future market and economic conditions, such as economic growth, expected inflation rates, demographic developments, expected market share, revenue and margin development of the cash generating units (CGUs) to which goodwill has been allocated. Changes in these assumptions might lead to a change in the carrying value of goodwill. We focused on this area given the significant judgment applied in the assessment process.	We assessed and tested the assumptions, including weighted average cost of capital (WACC), methodologies and technical input parameters for the valuation model applied by the Group. We involved our internal valuation specialists to assist us with these audit procedures. In addition, we evaluated the cash flow projections for the CGUs by performing a retrospective assessment of the accuracy of management’s past projections and analyzing management’s business forecasts. In particular, we focused on the sensitivity in the available headroom of the CGUs and whether reasonably possible changes in assumptions could cause the carrying amount of the CGUs to exceed its recoverable amount. Our audit procedures did not lead to any reservations regarding the carrying value of goodwill.

Provisions for product liabilities

Area of focus	Our audit response
As of 31 March 2025, the Group has provisions for product liabilities of CHF 28.4 million. Per note 3.7, provisions for product liabilities mainly relate to the Advanced Bionics voluntary field corrective action regarding cochlear implant products in 2020. Cost includes replacement products, medical expenses, compensation for actual damages as well as legal fees. We focused on this area given the uncertainty in the assumptions and estimates of the provision, as it largely depends on the outcome of administrative and legal proceedings.	We assessed management’s process for the identification and evaluation of claims and analyzed the calculation models to determine the amount of the provisions for product liabilities. We tested the mathematical accuracy of the model, assessed key input factors such as number of devices in the market, failure rates, claim rates and costs per case. We enquired with the Group’s legal counsel about disputes in relation to product liabilities and analyzed responses from legal letters obtained from third-party legal representatives. We also reviewed the Group’s disclosures made in the consolidated financial statements. Our audit procedures did not lead to any reservations regarding the provision for product liabilities.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, the compensation report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with IFRS Accounting Standards and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISA and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse's website at: http://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

Report on other legal and regulatory requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Zurich, 8 May 2025

Ernst & Young Ltd

Martin Mattes	**Philippe Schlatter**
Licensed audit expert	Licensed audit expert
(Auditor in charge)	

Financial statements of Sonova Holding AG

Income statement

CHF million	Notes	2024/25	2023/24
Income			
Investment income		483.0	470.8
Financial income	2.1	29.0	26.9
Total income		**512.0**	**497.7**
Expenses			
Administration expenses		(10.0)	(9.4)
Other expenses		(0.7)	(0.8)
Depreciation and amortization		(0.1)	(12.8)
Financial expenses	2.1	(53.1)	(49.5)
Direct taxes		(0.2)	(0.5)
Total expenses		**(64.1)**	**(72.9)**
Net profit for the year		**447.9**	**424.8**

Balance sheet

Assets CHF million	Notes	31.3.2025	31.3.2024
Cash and cash equivalents		73.8	3.8
Financial assets		75.0	0.0
Other receivables			
- Third parties		0.4	0.1
- Group companies		12.0	73.8
Prepaid expenses		0.1	0.2
Total current assets		**161.4**	**77.9**
Financial assets	2.2		
- Third parties		1.2	1.6
- Group companies		1,798.3	1,704.7
Investments	2.3	448.1	435.0
Total non-current assets		**2,247.6**	**2,141.3**
Total assets		**2,408.9**	**2,219.2**

Liabilities and shareholders' equity CHF million	Notes	31.3.2025	31.3.2024
Trade account payables			
- Third parties		0.3	0.2
Short-term interest-bearing liabilities			
- Third parties		4.8	4.8
Bonds	2.4	358.6	
Other short-term liabilities to third parties		2.5	2.1
Accrued liabilities		14.8	11.0
Total short-term liabilities		**381.0**	**18.1**
Bonds	2.4	1,150.0	1,512.3
Other long-term liabilities to third parties		(0.7)	0.1
Total long-term liabilities		**1,149.3**	**1,512.4**
Total liabilities		**1,530.3**	**1,530.5**
Share capital		3.0	3.0
Statutory retained earnings		1.8	1.8
Treasury shares	2.5	(5.6)	(3.8)
Balance carried forward		431.6	262.9
Net profit for the year		447.9	424.8
Total shareholders' equity		**878.6**	**688.8**
Total liabilities and shareholders' equity		**2,408.9**	**2,219.2**

Notes to the financial statements of Sonova Holding AG as of March 31, 2025

1. General information

The financial statements of Sonova Holding AG, with registered office in Stäfa, comply with the requirements of Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations, 'SCO'). The company does not have any employees (previous year: none).

2. Accounting principles

2.1 Financial income/expenses

Financial income/expenses consists of gains and losses from sale/transfer of shares in relation to long-term incentive plans, realized/unrealized foreign exchange gains and losses as well as interest income/expenses.

2.2 Financial assets

Financial assets contain loans to third parties as well as to Group companies and are recognized at cost less adjustments for foreign currency losses and impairment of value. Loans granted in foreign currency are translated at balance sheet date.

2.3 Investments

Investments consist mainly of participations in fully consolidated Group companies. They are subject to individual valuation.

2.4 Bonds

Bonds are valued at nominal value. Any bond premium/discount is accrued/capitalized and released/amortized linearly over the term.

2.5 Treasury shares

Treasury shares are recognized at cost and deducted from shareholders' equity. The gain or loss from sale is recognized in the income statement as financial gain or financial loss.

3. Information on income statement and balance sheet items

3.1 Bonds

As of March 31, 2025, the Group has the following bonds/US Private Placement outstanding:

Financial liabilities	Currency	Nominal value	Interest rate	Maturity
US Private Placement	USD	180	2.84%	July 14, 2025
Fixed-rate bond	CHF	200	0.50%	October 6, 2025
Fixed-rate bond	CHF	300	0.75%	October 6, 2028
Fixed-rate bond	CHF	200	1.05%	February 19, 2029
Fixed-rate bond	CHF	100	0.00%	October 11, 2029
Fixed-rate bond	CHF	200	1.95%	December 12, 2030
Fixed-rate bond	CHF	250	1.40%	February 19, 2032
Fixed-rate bond	CHF	100	0.40%	October 11, 2034

3.2 Treasury shares

On March 29, 2022, Sonova Holding AG announced that its Board of Directors approved a share buyback program of up to CHF 1.5 billion. The program started in April 2022 and was concluded on April 17, 2025. No treasury shares were bought under the share buyback program during the financial years 2024/25 and 2023/24.

Treasury shares held by Sonova Holding AG Number/CHF million

	Number	Treasury shares at cost
Balance April 1, 2024	13,587	3.8
Purchase of treasury shares	225,100	67.3
Sale / Transfer of treasury shares	(219,862)	(45.2)
Loss from sale of treasury shares		(20.3)
Balance March 31, 2025	**18,825**	**5.6**

3.3 Contingent liabilities

CHF million	31.3.2025	31.3.2024
Letters of comfort given on behalf of Group companies	0.0	9.4
Guarantees given in respect of rental obligations of Group companies	1.7	2.4

The Swiss Sonova entities form a VAT group and, hence, every company participating in the group is jointly and severally liable for VAT debt of other group participants. Further Sonova Group companies participating in the cash pool are jointly and severally liable for any debit position or outstanding overdraft in connection with them.

3.4 List of investments

Company name	Activity	Domicile	Share/paid-in capital[1)] Local currency 1,000		Shares held by Sonova Holding
Switzerland					
Sonova AG	A,B,C,D	Stäfa	CHF	2,500	100%
Sonova Communications AG	B, C, D	Murten	CHF	500	100%
Verve Hearing Systems AG	A	Stäfa	CHF	100	100%
EMEA (excluding Switzerland)					
Sonova Belgium NV	A, B	Asse Zellik (BE)	EUR	15,311	70%[2)]
Sonova Deutschland GmbH	B	Fellbach (DE)	EUR	41	85%[2)]
Sonova Denmark A/S	B	Middelfart (DK)	DKK	14,182	78%[2)]
Sonova Ibérica S.A.U.	B	San Vincente del Raspeig (ES)	EUR	7,000	100%
Sonova France SAS	B	Bron-Lyon (FR)	EUR	1,000	30%[2)]
SCI Du Triangle De Bron	A	Bron-Lyon (FR)	EUR	46	100%
Sonova Norway AS	B	Oslo (NO)	NOK	1,854	49%[2)]
Sonova Polska Sp. Z o.o.	B	Warsaw (PL)	PLN	100	100%
Sonova RUS LLC	B	Moscow (RU)	RUB	4,000	100%
Sonova Sweden AB	B	Solna (SE)	SEK	100	100%
Sonova UK Ltd.	B	Warrington (UK)	GBP	2,500	100%
Boots Hearing Care Ltd.	B	Llandudno (UK)	GBP	0[3)]	51%

For significant indirect investments refer to Note 7.6 of the consolidated financial statements of Sonova Holding AG.
Description:
[A] Holding/Finance: The entity is a holding or finance company.
[B] Sales: The entity performs sales and marketing activities for the group.
[C] Production: This entity performs manufacturing for the group.
[D] Research: This entity performs research and development activities for the group.
[1)] Share/paid in capital may not reflect the taxable share/paid-in capital amount and does not include any paid-in surplus.
[2)] The remaining shares are held by a subsidiary of Sonova Holding AG.
[3)] GBP 133

Company name	Activity	Domicile	Share/paid-in capital[1) Local currency 1,000		Shares held by Sonova Holding
Americas					
CAS Argosy Participações Ltda.	B	São Paulo (BR)	BRL	22,014	100%
Sonova Canada Inc.	B	Mississauga (CA)	CAD	0[3)	85%[2)
Sonova Mexico Soluciones S.A. de C.V.	B	Ciudad de Mexico (MX)	MXN	94,050	85%[2)
AudioNova Mexico S.A. de C.V.	B	Ciudad de Mexico (MX)	MXN	66,050	99%[2)
Sonova United States Hearing Instruments, LLC	B	Aurora (US)	USD	0[3)	73%[2)
Asia/Pacific					
Sonova Hearing (Suzhou) Co., Ltd.	C	Suzhou (CN)	CNY	46,249	100%
Sonova (Shanghai) Co., Ltd	B	Shanghai (CN)	CNY	20,041	80%[2)
Sonova Hearing India Pvt. Ltd.	B	Mumbai (IN)	INR	459	56%[2)
Sonova Korea Ltd.	B	Seoul (KR)	KRW	50,000	100%
Sonova New Zealand (Wholesale) Ltd.	B	Auckland (NZ)	NZD	250	100%
Sonova Singapore Pte. Ltd.	B	Singapore (SG)	SGD	250	100%
Sonova Taiwan Pte. Ltd.	B	Zhonge City (TW)	TWD	3,100	100%
Sonova Operation Center Vietnam Co., Ltd.	C	Thuan An (VN)	VND	36,156,000	100%
Sonova Vietnam Company Limited	B	Ho Chi Minh City (VN)	VND	2,088,000	70%[2)

For significant indirect investments refer to Note 7.6 of the consolidated financial statements of Sonova Holding AG.
Description:
B Sales: The entity performs sales and marketing activities for the group.
C Production: This entity performs manufacturing for the group.
1) Share/paid in capital may not reflect the taxable share/paid-in capital amount and does not include any paid-in surplus.
2) The remaining shares are held by a subsidiary of Sonova Holding AG.
3) Shares without par value

3.5 Significant shareholders

The following overview shows the significant shareholders as of March 31, 2025 based on shareholdings recorded in the share register and notifications on the SIX Swiss Exchange online reporting platform. Significant shareholders may also hold non-registered shares.

	2025[1)]	2025[2)]	2024[1)]	2024[2)]
	No. of shares	In %	No. of shares	In %
Beda Diethelm and Annamaria Diethelm-Pandiani[3)]	6,712,878	11.26	6,712,878	11.26
Family of Hans-Ulrich Rihs [3), 4)]	3,683,649	6.18	3,683,649	6.18
BlackRock, Inc.	3,334,293	5.10	3,334,293	5.10
UBS Fund Management (Switzerland) AG	3,263,184	5.48	1,825,453	3.06
T. Rowe Price Associates, Inc.	3,025,893	5.08		<3
The Capital Group Companies, Inc. [5)]	1,990,498	3.34		<3
MFS Investment Management [6)]	1,847,415	3.02	1,847,415	3.02

1) Or at the last reported date if shareholdings are not registered in the share register.
2) On the basis of the shares of Sonova Holding AG registered in the commercial register at the last reported date which may differ.
3) Beda Diethelm and Hans-Ulrich Rihs were already shareholders before the Initial Public Offering in November 1994. There are no shareholders' agreements among these individuals and they can trade freely.
4) Hans-Ulrich Rihs, Gabriela Rihs and Stefan Rihs as a group jointly control 3,683,649 registered shares (corresponding to 6.18% of total Sonova share capital) pursuant to the last disclosure notice. These shares were previously controlled by Hans-Ulrich Rihs as a single shareholder.
5) The Capital Group Companies, Inc. are held by the following direct or indirect holders: Capital Research and Management Company, Los Angeles, US; Capital International Sarl, Geneva, CH; Capital International Limited, London, GB; and Capital International, Inc., Los Angeles, US.
6) MFS Investment Management, formerly known as Massachusetts Financial Services, is held by Sun Life Financial Inc. which is traded on the TSX, NYSE and PSE (ticker symbol SLF).

3.6 Shareholdings and participations of the Board of Directors and the Management Board

	31.03.2025				31.03.2024			
	Shares	Restricted Shares [1) 3)]	PSUs/RSUs [3)]	Options (incl. SARs) [3)]	Shares	Restricted Shares [2) 3)]	PSUs/RSUs [3)]	Options (incl. SARs) [3)]
Board of Directors	124,948	29,980			109,685	29,148		31,603
Management Board	26,398		22,310	316,380	27,529		31,534	383,894
Total	**151,346**	**29,980**	**22,310**	**316,380**	**137,214**	**29,148**	**31,534**	**415,497**

1) These shares are subject to a restriction period which varies from June 1, 2025 to June 1, 2030 depending on the grant date.
2) These shares are subject to a restriction period which varies from June 1, 2024 to June 1, 2029 depending on the grant date.
3) For further details see also Note 7.4 in the consolidated financial statements.

For further details to shareholdings in the company by members of the Board of Directors and by members of the Management Board, in accordance with Swiss Code of Obligation article 663c, refer to the compensation report of Sonova Holding AG.

3.7 Events after the balance sheet date

There have been no material events after the balance sheet date.

Appropriation of available earnings

As proposed by the Board of Directors to the Annual General Shareholders' Meeting of June 10, 2025:

CHF million	31.3.2025
Balance carried forward from previous year	431.6
Net profit for the year	447.9
Total available earnings	**879.5**
Dividend distribution[1)]	(262.3)
Balance to be carried forward	**617.2**

1) If the Annual General Shareholders' Meeting approves the proposed appropriation of available earnings, a gross dividend of CHF 4.40 per registered share of CHF 0.05 will be paid out (previous year: CHF 4.30).

Shape the future
with confidence

Report of the statutory auditor to the General Meeting of Sonova Holding AG

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Sonova Holding AG, which comprise the balance sheet as at 31 March 2025, the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 184 to 190) comply with Swiss law and the Company's articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the financial statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the financial statements.

Valuation of investments in subsidiaries

Area of focus	Our audit response
As of 31 March 2025, investments in subsidiaries of the Company amounted to CHF 448.1 million and represent 19% of total assets. Investments in subsidiaries are valued at historical cost less any impairment of value. The Company values investments in subsidiaries individually (single-asset-valuation principle). Refer to note 2.3 (Investments) in the financial statements for further details.	Our audit procedures included understanding the Company's investment in subsidiaries impairment testing process and the determination of key assumptions. We evaluated the Company's impairment testing model and key assumptions. We further corroborated the Company's key assumptions applied based on internally and externally available evidence and underlying data. Our audit procedures did not lead to any reservations relating to the valuation of investments in subsidiaries.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, the remuneration report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website at: https://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

Report on other legal and regulatory requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

Based on our audit in accordance with Art. 728a para. 1 item 2 CO, we confirm that the proposal of the Board of Directors complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Zurich, 8 May 2025

Ernst & Young Ltd

Martin Mattes
Licensed audit expert
(Auditor in charge)

Philippe Schlatter
Licensed audit expert

Investor information

Financial calendar

June 10, 2025
General Shareholders' Meeting of Sonova Holding AG

November 14, 2025
Publication of the half-year results as of September 30, 2025

May 18, 2026
Publication of the full-year results as of March 31, 2026

June 16, 2026
General Shareholders' Meeting of Sonova Holding AG

Financial information

Corporate & ad hoc news
Annual Reports
Semi-Annual Reports
IR presentations
www.sonova.com/en/investors

Information on the General Shareholders' Meeting

Invitation and agenda
General Shareholders' Meeting presentations
General Shareholders' Meeting minutes
www.sonova.com/en/AGM

IR online news service

IR News Service
www.sonova.com/en/services-and-contacts

Capital structure and shareholder rights

Share data
www.sonova.com/en/investors/share-data

Shareholder structure
www.sonova.com/en/investors/shareholder-structure

Shareholder participation rights
www.sonova.com/en/investors/shareholder-participation-rights

Regulations and principles
Articles of Association
Organizational Regulations
Rules on Board Operations and Procedures
Committee Charters
Code of Conduct
Supplier Principles
www.sonova.com/en/regulations-principles

Contact form

www.sonova.com/en/services-and-contacts

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Senior Director Group Investor Relations

Thomas Bernhardsgrütter

Director Investor Relations

Jessica Grassi

Investor Relations Analyst

Olivier Fergg

Investor Relations Associate

Nicole Jenni

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ESG Report 2024/25

Message from the CEO

Dear readers,

GRI 2-22

This year, Sonova has continued to make significant strides in sustainability and responsible business practices. We have taken important steps to improve our ESG reporting and are working towards alignment with the European Sustainability Reporting Standards (ESRS) in preparation for the Corporate Sustainability Reporting Directive (CSRD). Additionally, we remain committed to complying with Swiss non-financial reporting requirements, including the climate ordinance, to ensure our reporting remains transparent and meets high standards.

Our ESG strategy, *IntACT*, is an integral part of our business strategy and overall success and continues to guide us in creating a positive impact in the world. Since 2016, Sonova has been a proud signatory of the UN Global Compact, endorsing its ten principles on human rights, labor, environment and anti-corruption. This commitment underscores our dedication to ethical practices and sustainability.

Our progress

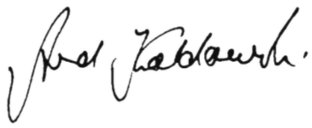
Climate change is our primary environmental focus. We have significantly reduced our global carbon footprint across scope 1, 2, and 3 emissions, reaching a 24.5% reduction since 2019/20 on a comparable basis. Our energy consumption per full-time equivalent (FTE) has also improved, reflecting our ongoing efforts to minimize environmental impact. Increasing access to hearing care is an essential element of our vision and purpose at Sonova. This year, we have achieved a 67.3% increase in hearing aids sold in low- and middle-income countries (LMIC) compared to 2018/19, meeting our target. Additionally, 555 individuals graduated from the Sonova International Hearing Academy (SIHA) program in LMIC, continuing to grow the number of well-trained hearing care professionals. We have also launched initiatives to further empower and develop our employees, including new Leadership Principles and the LinkedIn Learning platform. Our diversity and inclusion efforts have increased the share of women in senior and middle management positions to 30.5% and 41.6%, respectively.

In terms of governance, we have rolled out our new Supplier Code of Conduct, an important measure to ensure our suppliers share our sustainability commitments. We also achieved a 98% on-time completion rate for our Code of Conduct training, underscoring our dedication to ethical business practices.

External Recognition

It makes me proud to see our commitment to sustainability be recognized by several renowned organizations. We are included in the Dow Jones Sustainability Index for the eleventh consecutive year, being ranked 1st in our sector. We have maintained the highest-possible AAA ESG rating from MSCI, and Sustainalytics ranked us first in the medical devices industry. Sonova also received the Ecovadis Platinum rating, placing us in the top 1% globally. In addition, TIME Magazine recognized us as the top healthcare company in its “World’s Most Sustainable Companies 2024” list.

I therefore want to say **Thank You** to all our dedicated employees for their continued commitment to our sustainability journey. We acknowledge this is an ongoing effort, and we are committed to continuous improvement and learning along the way.



Arnd Kaldowski
Chief Executive Officer

Highlights, recognitions and frameworks

2024/25 sustainability highlights

Sonova made significant achievements and progress during the 2024/25 financial year.

Almost 18,000 employees worldwide (FTEs)	–24.5% Scope 1, 2 and 3 greenhouse gas emissions on a comparable basis to 2019/20	67% increase in hearing instruments sold in low- and middle-income countries compared to 2018/19
–13% energy consumption per FTE compared to 2022/23	65% of our leaders are recruited internally	16% improvement in the cochlear implant reliability rate compared to 2023/24
98% of our employees completed the annual Code of Conduct training on time	90% of direct material suppliers with high ESG risk were assessed through Ecovadis	–6% operational waste per FTE compared to 2022/23
5,168 hearing aids fitted through Hear the World Foundation projects	More than 30% of our senior leaders are female	555 hearing care professionals trained in low- and middle-income countries through the SIHA program

2024/25 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 2024/25 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

Member of the DJSI since 2014; ranked 1st out of 275 companies in the health care equipment and supplies industry in 2024.

Rated Prime with a score of B in the 2024 ISS ESG Corporate Rating, placing Sonova in the top 2% of the health care equipment and supplies industry.

Reached the highest possible rating of AAA (on a scale of AAA-CCC) in the 2024 MSCI ESG Ratings assessment[1].

Awarded a CDP score of B in the 2024 climate change rating.

Received the Ecovadis Platinum rating in 2024, representing the top 1% of all companies rated.

Frameworks and initiatives supported

Sonova's ESG Report has been prepared in accordance with Global Reporting Initiative (GRI) Standards since 2012/13.

Sonova has applied the TCFD framework for climate-related risk reporting since 2021/22.

Sonova has used the SASB standard for medical equipment and supplies since 2020/21.

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.

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Basis for preparation

The ESG Report provides information about our sustainability approach and progress to all our stakeholders. This report forms part of Sonova's Annual Report, together with the Financial Report and Business Report, and the sub-reports: the corporate governance report and compensation report. The ESG Report provides information about how Sonova governs, manages and implements sustainability, as well as performance measures and progress on ESG targets. This report was published on May 13, 2025, 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 10, 2025. GRI 2-3

The report is prepared in accordance with the Swiss Code of Obligations Art. 964b and related ordinances. 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. Information about the relevant disclosures and exemptions can be found in the Swiss Code of Obligations (Art. 964b) and the Climate-related financial disclosure content index (Swiss Climate Ordinance - TCFD).

The 2024/25 ESG Report, in combination with the 2024/25 Business Report and Financial Report, has been prepared in accordance with the Global Reporting Initiative's (GRI) 2021 Standards and forms an integral part of Sonova's UN Global Compact Communication on Progress. It follows standards and frameworks, including Sustainability Accounting Standards Board (SASB) standards, United Nations Sustainable Development Goals (SDGs), and UNGC 10 principles. Please see our content indices for further information: GRI content index, SASB content index, and SDG and UNGC content indices. Furthermore, Sonova is actively working towards the implementation of the EU Corporate Sustainability Directive (CSRD) and EU Taxonomy. In the 2024/25 financial year, we reported certain ESRS disclosures (see the ESRS content index) and voluntarily disclosed eligibility information in line with Article 8 of the EU Taxonomy Regulation 2020/852 (see the EU Taxonomy note). Sonova remains committed to complying with relevant current and future reporting requirements.

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 is a global provider of hearing care solutions and operates through four businesses – Hearing Instruments, Audiological Care, Consumer Hearing, and Cochlear Implants – with multiple brands. Our businesses are closely interconnected, leveraging R&D, manufacturing, marketing, sales, and customer support to ensure sustained, fruitful contact with consumers, business partners and hearing care professionals. Our strategy is aligned with our vision and we aim to lead innovation, expand consumer access, extend customer reach, invest in high-growth markets, drive continuous improvement and leverage M&A to accelerate growth. Further information can be found in the Strategy and businesses section. GRI 2-1, GRI 2-2

The Sonova ESG Report has been prepared on the same consolidated basis as the financial statements. It includes Sonova Holding AG as well as the domestic and foreign subsidiaries over which Sonova Holding AG exercises control (for details refer to Note 1.2 of the financial statements). The list of Sonova's significant Group companies can be found in Note 7.6 List of significant companies in the 2024/25 Annual Report. For companies acquired, the data is included as of date of acquisition. The ESG Report is published annually and follows Sonova's financial year from April 1 to March 31. Information regarding the consistency of data and details on assumptions, calculation methodologies, approximations and judgements are further explained in the Sustainability notes.

Ernst & Young Ltd (EY) provided limited assurance on selected performance metrics presented in this ESG Report. EY is the external statutory auditor of Sonova. All assured figures are highlighted in the ESG report with ✓ Data externally assured (limited assurance). Details about the scope of the 2024/25 assurance can be found in the Independent assurance report. GRI 2-5

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

Stakeholder engagement

Sonova is dedicated to actively engaging with its stakeholders. We foster an open and meaningful dialogue, recognizing their essential role in creating shared value and driving sustainable growth.

SDG 17.16

Continuous engagement with stakeholders allows us to better understand their needs and expectations concerning our business activities, products and services, as well as sustainability initiatives and projects. Stakeholder engagement is vital for Sonova's long-term performance and regular interactions provide us with meaningful insights. We review the outcomes of stakeholder engagements and incorporate them into our operational and strategic decisions. Additionally, insights from our engagements are considered when reviewing and amending related policies. Our Management Board and Board of Directors receive updates on key stakeholder engagements, including on sustainability impacts. In certain cases, depending on the nature of the engagement, the Board of Directors directly interacts with stakeholders.

The list below provides an overview of our key stakeholders and engagement methods. Additional important stakeholders include media, competitors, community representatives and NGOs.

GRI 2-29

Key stake-holders	Engagement methods	Engagement purpose	Engagement outcomes
Employees	• Annual and regular engagement surveys • Performance appraisal and development planning • Cross-functional team workshops (e.g., Kaizens) • Town halls and intranet • Employee resource group exchanges • Dialogue with employees' representatives and unions	• Gather feedback on workplace and employee experiences • Raise performance expectations and evolve employee skills/careers • Continuous improvement input and facilitate collaboration • Connect to business context and engage in an open dialogue • Support fair labor practices	• Improve workplace and update talent management practices • Better business outcomes and improved talent retention and succession • Improved processes and better understanding of Sonova's operating model • Transparent communications and better alignment to Sonova strategy and priorities • Compliance with local labor law and regulations
Consumers	• Direct consumer support via several channels (e.g., phone, in-store and sales representatives, apps and online) • Satisfaction surveys • Community interactions such as HearingLikeMe.com, HearingJourney™ and Sennheiser Explorers community • Mentorship programs with cochlear implant mentors	• Gather feedback and address inquiries or issues • Improve consumer satisfaction and product and service experiences • Provide supportive communities and inspire consumers	• Improve product and service quality • Influence product design and feature • Identify trends and leverage data for new products and services • Earn, retain and extend consumer loyalty

Key stake-holders	Engagement methods	Engagement purpose	Engagement outcomes
Customers and insurers	• Satisfaction surveys • Product and service training programs • Customer support via several channels (e.g., phone, sales representatives, apps and online) • Customer loyalty programs • Advisory board initiatives • Engagement with governmental and social institutions including participating in tender processes	• Improve customer satisfaction • Equip and train customers • Gather feedback and address inquiries or issues • Support product development across various domains • Ensure accessibility of products and services	• Improve product and service quality • Influence product design and features • Improve product and service training resources • Improve accessibility approaches
Suppliers	• Sustainability assessments • Engagement and training sessions • Knowledge sharing • Onsite audits and site visits	• Evaluate sustainability performance • Address improvement areas • Improve product quality • Build ESG capability	• Track ESG improvements, and corrective and risk mitigation action plans • Enhance supplier engagement and sustainability performance • Improve product quality • Improve feedback mechanisms
Shareholders and financial communities	• Semi-annual and annual report publication, and Annual General Shareholders' Meeting • Roadshows, conferences and investor meetings • ESG rating participation	• Foster transparent publication • Engage with existing and potential investors • Communicate ESG strategy and performance	• Improve transparency and reporting • Answer questions • Identify ESG trends and priorities
Academia and opinion leaders	• Participation and collaboration in research projects and scientific publications • Internships and thesis project opportunities for students • Serving on academic advisory boards	• Support academic growth and research • Advance scientific knowledge and clinical best practice • Scientific standards for performance measurement • Contribute to, and engage with the scientific community	• Integrate outcomes into product and service strategies • Build long-term partnerships • Assure valid evidence for solution performance • Apply findings to clinical practice and product development • Support skills development
Regulators	• Compliance reporting and documentation • Sharing specialist knowledge in industry working groups and committees	• Ensure compliance with regulatory requirements • Safeguard product safety and effectiveness • Support regulators to ensure high quality standards for the products	• Ensure alignment with regulatory standards • Improvements based on feedback • Improve internal processes and influence policy

In addition, Sonova's SpeakUp platform allows stakeholders who know of or suspect a violation of applicable laws, regulations, the Code of Conduct or internal policies and procedures, to report it. Detailed information on SpeakUp policy and procedures is available in the Business ethics chapter of this report. In our double materiality assessment, we also comprehensively analyze stakeholder perspectives.

Double materiality assessment

In the 2023/24 financial year, a full double materiality assessment (DMA) was performed involving over 100 internal and external participants. More information about last year's DMA process and outcome can be found in the ESG Report 2023/24. Sonova performs a full DMA every third year, involving a wide range of stakeholders chosen for their interest in, or influence on, Sonova's business model and strategy. In the intervening years, we conduct an internal review of the previous assessment. The 2024/25 DMA builds on the previous year's efforts and results and includes an in-depth assessment of the positive and negative impacts that Sonova has, or could have, on society and the environment, and the sustainability-related risks and opportunities the company faces. It also includes a mapping of material issues to the value chain, and it highlights the elements of Sonova's strategy and business model that relate to or impact on sustainability matters. The DMA covers the Sonova Group, including all businesses and its value chain.

In the 2024/25 financial year, we conducted the DMA by completing the following five steps:

1. **List compilation:** Building on the previous DMA, all potentially material short-listed topics were mapped to the European Sustainability Reporting Standards (ESRS) topics listed under Application Requirement (AR) 16 at sub-topic level. This resulted in some changes in scope and naming of topics. GRI 3-1

2. **Identification of impacts, risks, and opportunities (IROs):** IROs were identified by the Corporate Sustainability team for each of the potentially material short-listed topics following extensive desk research. Sources for identifying the draft list of IROs included: Sonova's ESG Report 2023/24, UN Impact Radar, World Economic Forum Global Risks Report, Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct 2023, United Nations Environment Programme Finance Initiative (UNEPFI), Rethinking Impact to Finance the SDGs (2018), World Wide Fund for Nature (WWF) Risk Filter suite and Science Based Targets Network (SBTN) Materiality Screening Tool. All identified IROs are directly linked to ESRS topics. No entity-specific IROs were identified.

Internal topic experts contributed to refining and completing the list of IROs to ensure comprehensiveness and relevance. They provided insight into whether IROs were actual or potential, and whether risks and opportunities were linked to identified impacts.

3. **Internal stakeholder consultation and assessment of IROs:** Building on the extensive stakeholder engagement in the 2023/24 DMA, this year's DMA review involved interviews with 24 internal topic experts. For the IRO assessment, topic experts were provided with a scoring rubric for materiality with a scale of 1-5, 5 being the highest. The criteria considered for impact materiality were severity and likelihood, where severity is made up of scale, scope, and, for

negative impacts, irremediability. The criteria considered for financial materiality (risks and opportunities) were magnitude and likelihood, whereby risks were assessed without taking into account existing or planned mitigating actions. This is in line with Sonova's enterprise risk management (ERM) risk assessment process. Individual risk thresholds applied in the identification of sustainability risks also corresponded to the thresholds applied in ERM. In the process, connections between potential negative impacts and risks were discussed and analyzed with the topic experts.

4. **Materiality calculation and expert calibration:** To calculate severity of impacts, the average score was taken across scale, scope, and irremediability. We conducted a sense-check to ensure that no negative human rights impacts were masked by taking an average score, understanding that severity (with a particular focus on irremediability) should take precedence over likelihood. Further, results from existing due diligence processes were taken into account in both impact identification and assessment.

Topic scores were defined by the highest-scoring IRO related to each topic. The materiality threshold was defined to account for all topics that scored 'high' materiality on one of the two perspectives. This means that for IROs, the threshold was set at 20 and above, based on the relative distribution of topics to ensure the appropriate extent of disclosures.

Relative materiality across topics was reviewed in two calibration sessions by all topic experts. The final list of material topics resulted from these sessions. Representatives from Sonova's enterprise risk management (ERM) unit participated in the calibration sessions. Upon conclusion of the DMA process, the material topics were mapped against the ERM risk landscape.

Material sustainability-related impacts, risks, and opportunities (IROs)

The table below summarizes the identified material IROs and topics. They relate to all of Sonova's business units and geographies, except when mentioned otherwise. More detailed information can be found in the topical sections throughout this report. GRI 3-2

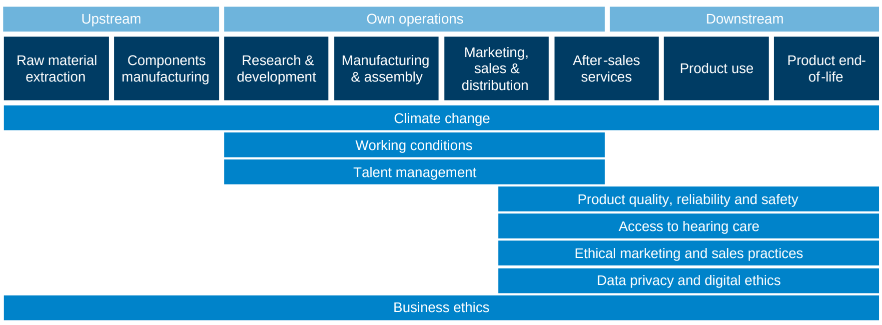
Material ESG topics and descriptions of IROs (in order of ESRS):

Sonova topic	IRO (risk assessed as if unmitigated)	Occurrence	Expected time horizon
Climate change (E1)	**Positive impact: Renewable energy use** Increasing the share of renewable energy over conventional carbon emitting options reduces Sonova's and our suppliers' carbon footprint.	Entire value chain	Increase in short-term
	Negative impact: Greenhouse gas emissions Greenhouse gas emissions from energy used for own operations and production by suppliers contribute to climate change, leading to further negative environmental impacts.	Upstream and own operations	Increase in medium- to long-term
Talent management (S1)	**Risk: Attraction and retention** Lack of training and skills development as well as career and development opportunities could negatively affect talent recruitment and retention, hence negatively influence the ability to innovate, risking the viability of the business.	Own operations	Increase in medium- to long-term
Working conditions (S1)	**Positive impact: Employee wellbeing** Conducive working conditions and employee wellbeing initiatives can impact positively on employees and their families, therefore contributing to social stability in a community.	Own operations	No change
Access to hearing care (S4)	**Positive impact: Improving the quality of life** Access to hearing care improves the quality of life of individuals with hearing loss through the provision of social, emotional and cognitive benefits (e.g., via social inclusion, economic productivity). Family members and carers can also be positively impacted.	Downstream	Increase in short-, medium-, long-term
	Positive impact: Addressing health care costs Untreated hearing loss can have harmful effects on health and wellbeing and is associated with high costs for our healthcare systems. By treating their hearing loss, users of hearing instruments and cochlear implants can maintain their health and wellbeing and potentially address the risk of health-related issues.	Downstream	Increase in short-, medium-, long-term
Product quality, reliability and safety (S4)	**Positive impact: Social inclusion** Reliable, well-functioning products of Sonova's Cochlear Implants and Hearing Instruments businesses, as well as the service delivery through the Audiological Care business, can significantly contribute to the social inclusion of users of hearing instruments and cochlear implants. This, in turn, can also help raise awareness among other individuals with hearing loss who may also benefit from the technology.	Downstream	No change

Sonova topic	IRO (risk assessed as if unmitigated)	Occurrence	Expected time horizon
	Risk: Loss of consumer trust There could be a loss of sales and market share if customer and consumer trust is lost due to quality or safety concerns.	Downstream	No change
	Risk: Product exchanges and recalls If faulty or unreliable products enter the market there is a risk of costly repairs, fines, or product recalls.	Downstream	No change
	Risk: Product-related chemical requirements Legal requirements are becoming stricter and more fragmented, leading to a risk of non-compliance and subsequent fines.	Downstream	Increase in medium- to long-term
Ethical marketing and sales practices (S4)	**Positive impact: Sharing of reliable information** By sharing reliable information on hearing health, Sonova raises awareness on the topic. This can encourage individuals to seek hearing care, which in turn can improve their quality of life.	Downstream	Increase in short-, medium-, long-term
	Positive impact: Improved hearing care Well informed and trained hearing care professionals (HCPs) can lead to better health outcomes: Empowered HCPs can better contribute to a functioning health system by providing accurate information tailored to the individual client. This can lead to better health outcomes in communities overall.	Downstream	Increase in short-, medium-, long-term
Data privacy and digital ethics (S4)	**Risk: Data protection** Violation of privacy, particularly with respect to sensitive health-related data, can lead to reputational damage and fines.	Downstream	Increase in medium- to long-term
Business ethics (G1)	**Risk: Sustainability regulations** The sustainability-related regulatory landscape is quickly changing and becoming more fragmented. Not being able to comply with existing and upcoming regulations (in time) can lead to reputational damage and fines.	Entire value chain	Increase in short-, medium-, long-term
	Risk: Ethical behavior Unethical behavior and non-compliance with legal requirements can lead to the loss of large contracts or key accounts.	Entire value chain	Increase in short-, medium-, long-term
	Risk: Protection of whistleblowers Whistleblowers play an important role in maintaining ethical conduct. A lack of their protection can lead to reputational and legal risks.	Entire value chain	No change expected

Non-material short-listed topics included the following: affected communities' rights, animal welfare, awareness raising on hearing health, biodiversity, circular economy, corporate citizenship, diversity and inclusion, occupational health and safety, pollution, public affairs, substances of concern, supplier relations, water and working conditions in the value chain.

The material DMA topics cut across Sonova's businesses and strategy, further information can be found in the Strategy and businesses section. They can be mapped to the value chain as follows:



Changes since the previous reporting period

In the previous reporting period, sustainability matters were reported on a topic level, with no specific focus on IROs. It is therefore not possible to make an exact comparison of this year's assessment to previous reporting periods. Changes in topics and materiality from 2023/24 to 2024/25 include the following:

- "Product safety" and "Product quality and reliability" were consolidated into "Product quality, reliability and safety". The topic remains material.
- "Sustainable supply chain" was split into various topics, of which "Climate change" is material.
- "Employee wellbeing" was expanded to "Working conditions" to align with the ESRS. The topic remains material.

ESG strategy and governance

Vision and values

We envision a world where everyone enjoys the delight of hearing and therefore lives a life without limitations. The Sonova core values are foundational for our corporate culture and inspire our actions. They are shared with all our employees across every brand and region of our global organization. Our core values are: GRI 2-6

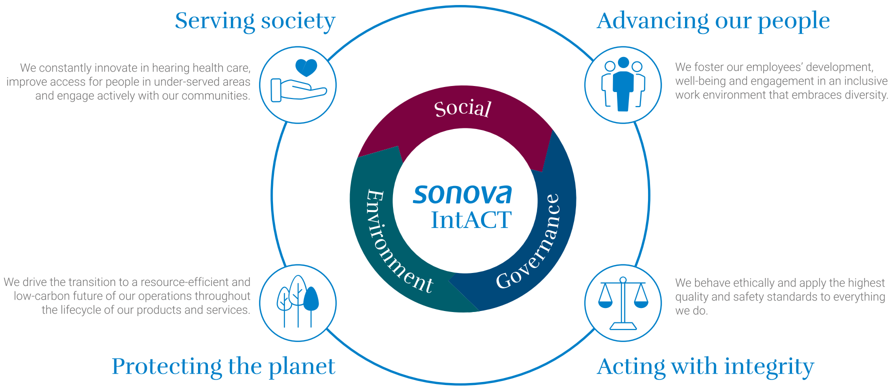
- **We care:** We care for our employees, customers, and consumers, as well as our shareholders and society.
- **We drive innovation:** We courageously pioneer new ideas and approaches to come up with impactful innovations to delight customers and consumers.
- **We strive for excellence:** We act with 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 acting responsibly and create long-term value for all our stakeholders is defined in our Code of Conduct and deeply rooted in our vision, values, and culture. More information about our strategy and our four businesses can be found in the Strategy and businesses section.

ESG strategy and targets

Sonova's ESG strategy, *IntACT*, aligns our sustainability commitments into four strategic pillars. 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 metrics. In the table below, we list our key ESG targets. The chapters of this report provide further information about how we manage and govern our ESG commitments, along with specific policies, actions and performance metrics.

Key ESG targets	ESG topic	Progress	2024/25 performance	2025/26 target
Environment				
We reduce scope 1 and 2 greenhouse gas emissions by 78.3% vs. 2019/20 by 2032/33.	Climate change	On track	68.4% reduction of scope 1 and 2 CO_2e emissions compared to 2019/20	✓
We reduce scope 3 greenhouse gas emissions by 32.5% vs. 2019/20 by 2032/33.	Climate change	On track	19.3% reduction of scope 3 CO_2e emissions compared to 2019/20	✓
We reduce energy consumption per FTE by 10% vs. 2022/23 by 2027/28.	Climate change	Achieved	13% reduction in energy consumption per FTE compared to 2022/23	
We reduce packaging material weight by 20% vs. 2023/24 by 2026/27.	Circular economy	Behind schedule	2.6% reduction in packaging weight compared to 2023/24	✓
We reduce operational waste per FTE by 5% vs. 2022/23 by 2027/28.	Circular economy	Achieved	6% reduction in operational waste per FTE compared to 2022/23	
We reduce water withdrawal per FTE by 5% vs. 2022/23 by 2027/28.	Water	Achieved	15% decrease in water withdrawal per FTE compared to 2022/23	
Social				
We maintain or improve our annual employee engagement score year-over-year.	Talent management	-	Due to the change of survey provider and methodology, performance cannot be compared to the 2023/24 engagement score	✓
We increase the share of women in senior management to 35% by 2028/29.	Diversity and inclusion	On track	30.5% women in senior management compared to 28.3% in 2023/24	✓
We increase the share of women in middle management to 50% by 2028/29.	Diversity and inclusion	On track	41.6% women in middle management compared to 39.9% in 2023/24	✓
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	Achieved	67.3% increase compared to 2018/19	
We initiate a Group-wide access to hearing care program in 2025/26.	Access to hearing care	-	New target for financial year 2025/26	✓
We increase lives impacted by the Hear the World Foundation by 10% year-over-year.	Corporate citizenship	Achieved	27.1% increase compared to 2023/24	
We train >1,000 people leaders on Mental Health First Aid Conversations for Managers by 2024/25.	Working conditions	Achieved	1,085 people leaders trained since 2022/23	
We conduct at least one social audit per year.	Working conditions	Achieved	One social audit conducted in 2024/25	✓
We improve the product reliability rate by >20% year-over-year for hearing instruments.	Product quality, reliability and safety	Not achieved	10% improvement of the hearing instruments product reliability rate compared to 2023/24	✓
We improve the product reliability rate by >20% year-over-year for cochlear implants (externals).	Product quality, reliability and safety	Not achieved	16% improvement of the cochlear implants product reliability rate compared to 2023/24	✓
We achieve an annual on-time mandatory Anti-Bribery Policy training completion rate of > 95% completion (for senior- and middle management, and relevant functions).	Ethical marketing and sales practices	-	New target for financial year 2025/26	✓
We achieve an annual on-time employee Data Privacy training completion rate of >95%.	Data privacy and digital ethics	-	New target for financial year 2025/26	✓

Key ESG targets	ESG topic	Progress	2024/25 performance	2025/26 target
Governance				
We achieve an annual on-time employee Code of Conduct training completion rate of >95%.	Business ethics	Achieved	98% on-time completion of annual Code of Conduct training in 2024/25	✓
We conduct assessments of >90% of direct material suppliers with potential high ESG risk by 2024/25.	Supplier relations	Achieved	90% of identified potential high ESG risk suppliers assessed in 2024/25	

The key ESG targets table also indicates targets relevant for the 2025/26 financial year. We have further streamlined our targets to align with material ESG topics.

ESG governance

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

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 managers and experts, as well as local Group company representatives. 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. Similar to the prior financial year, shareholders at the 2025 Annual General Meeting will be able to endorse the ESG Report in a non-binding advisory vote. The Board of Directors is also responsible for approving 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. Most of the regular Board of Directors and committee meetings during 2024/25 included ESG topics on the agenda for discussion. During the 2024/25 financial year, critical ESG topics specifically dealt with by the Board and its committees included ESG target-setting and achievement progress, the double materiality assessment, reporting and assurance, and progress on implementing relevant sustainability 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 reporting, 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 the appropriate representation of ESG capabilities and experience across the Board. In addition, the Nomination and Compensation Committee reviews and approves ESG-related targets and achievements 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.

The Management Board is responsible for Sonova’s activities across all material ESG topics, with specific responsibilities assigned to individual members for certain ESG topics. These material topics are identified through the double materiality assessment (DMA). Further details on the DMA process and methodology are available in the Double materiality assessment chapter. ESG actions and target progress are regularly reviewed and discussed at Management Board meetings. ESG targets, derived from expert discussions and DMA findings, are set and monitored by the Corporate Sustainability team, topic managers, and members of the Management Board. ESG targets are integrated into performance objectives for each Management Board member’s variable cash compensation (VCC), accounting for 10% of overall VCC. More information on the VCC targets and performance outcomes for the 2024/25 financial year can be found in the compensation report.

The ESG Council includes the Sonova Group CEO, CFO, GVP Operations, GVP Human Resources Management & Communications, Group General Counsel, and VP Sustainability & Infrastructure. The council meets quarterly to review the monthly development and implementation of the Group ESG strategy, including its commitments and targets, progress on ESG performance metrics and initiatives, defining measures, and assigning responsibility for actions. The council members also receive frequent updates on key ESG targets and performance development.

Sonova’s Corporate Sustainability team, led by the VP Sustainability & Infrastructure, provides expertise on ESG topics to the Board of Directors and the Management Board, implements and develops ESG strategy and initiatives, monitors progress, prepares quarterly ESG Council meetings, and regularly engages with relevant internal and external stakeholders. The team collaborates closely with ESG topic managers and functional/business experts, as well as local Group company representatives. These local representatives report ESG progress and performance data to the Corporate Sustainability team and/or topic managers and drive relevant ESG initiatives within specific countries and regions. In 2024/25, Sonova also established a sustainability reporting team within the Finance function.

Environmental information

The following sections are covered in the environmental information chapter:

- Climate change
- Circular economy
- Pollution and substances of concern
- Water
- Biodiversity

Climate change

Strategy, governance and IROs

GRI 3-3

TCFD-GOV-a, TCFD-GOV-b

At Sonova, we recognize our responsibility in addressing climate change and acknowledge the need to achieve net zero emissions by 2050. Rising temperatures and extreme weather pose risks not only to our business but also to society and the environment. Sonova's Board of Directors has ultimate oversight and responsibility for ESG, including climate change. The Board of Directors and its committees receive climate change performance metric updates at most of their regular meetings. At Management Board level, responsibility for environmental sustainability is assigned to the GVP Operations, who monitors scope 1-3 greenhouse gas (GHG) emissions and energy consumption progress on a monthly basis. Within each region, dedicated environmental leaders are responsible for driving scope 1 and 2 emission reductions as well as implementing energy efficiency measures with local 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 differing local contexts. For scope 3 reductions, dedicated cross-functional teams were established in the 2024/25 financial year to accelerate climate action.

The topic of climate change is defined as climate change mitigation, climate change adaptation and energy use, and is relevant to Sonova across the entire value chain.

Material impacts, risks and opportunities related to climate change:

IRO	Occurrence	Expected time horizon
Positive impact: Renewable energy use Increasing the share of renewable energy over conventional carbon emitting options reduces Sonova's and our suppliers' carbon footprint.	Entire value chain	Increase in short-term
Negative impact: Greenhouse gas emissions Greenhouse gas emissions from energy used for own operations and production by suppliers contribute to climate change, leading to further negative environmental impacts.	Upstream and own operations	Increase in medium- to long-term

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. It is underlined by our ambitious near-term Science Based Target (SBT), which was approved in 2023 by the Science Based Targets initiative (SBTi). Our goals are to decrease our combined absolute scope 1 and 2 (market-based) emissions by 78.3% and our scope 3 emissions by 32.5% by financial year 2032/33 versus our 2019/20 financial year baseline. To achieve GHG emission reductions, Sonova's overall climate mitigation approach encompasses four types of actions: SDG 13.1

- **Measure** emissions and continuously improve 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

For Sonova to achieve the required GHG reductions within our own operations, we need to keep a strong focus on securing 100% renewable energy to power all our sites and electric vehicles (EVs). In addition, Sonova aims to accelerate the transition towards a lower carbon car fleet, by further increasing the ratio of fully electric vehicles and more efficient vehicles. To further reduce operational scope 1 emissions, we will maintain our focus on the energy efficiency of our Audiological Care store network and further electrify our heating supplies. Before each new financial year, climate mitigation initiatives are integrated into the annual budget cycle.

As part of our commitment to reduce our scope 3 emissions, we have identified various levers to meaningfully drive GHG reductions. We will further accelerate supplier engagement and encourage critical partners to align with our decarbonization goals. We also seek to decrease our packaging weight and volume and optimize our supply chain network to shorten distribution distances. Additionally, we are committed to exploring lower-impact materials while embracing circular economy principles, such as designing for repair, dismantling, refurbishing and service.

To strengthen our resilience, we have been addressing climate-related risks and opportunities since the 2021/22 financial year through structured assessments. These cover nine markets most relevant to Sonova in terms of operational footprint, store network, and sales, providing insights into short- (2025), medium- (2030), and long-term (2050) risks. While the 2025 short- term horizon is chosen to align with Sonova's short-term risk horizon, 2030 is used as a proxy for the near-term Science Based Target. The long-term time horizon aligns with the broadly acknowledged need to achieve net zero emissions by 2050 to keep global warming well below 1.5°C as outlined by the Intergovernmental Panel on Climate Change (IPCC). We assess the potential impact on Sonova's business and resilience using qualitative and quantitative climate-related scenario analyses: TCFD-RMA-a, TCFD-RMA-b

- A high-mitigation, i.e., 1.5°C and below 2°C warming scenario to assess risks related to the transition to a low-carbon future
- A business-as-usual, i.e., 4°C warming scenario to capture the physical risks associated with the intensification of widespread climate hazards

These insights are integrated into Sonova's broader strategic risk management framework alongside other business risks. TCFD-RMA-c

Based on interviews with internal stakeholders and using the EU Taxonomy's climate-related hazards classification (2021), we identified seven physical risks, four transition risks, and two transition opportunities, totaling thirteen potential climate-related risks and opportunities. Transition risks and opportunities were identified focusing on policy, legal, technology, market, and reputation factors.

Next, we conducted a climate analysis using the Representative Concentration Pathway (RCP) 8.5 scenario to project changes in risks and opportunities through 2030 and 2050. We evaluated transition risks and opportunities for 2025, 2030, and 2050 using various scenarios, including IEA STEPS, which projects a temperature increase of approximately 3°C by 2100, IEA SDS, which predicts global warming to be 1.75°C, and IEA NZE net zero by 2050 scenario. Risks and opportunities were rated qualitatively based on Sonova's footprint and likelihood of occurrence. The table below shows the highest risks and opportunities that were identified across all timeframes (2025, 2030, and 2050) and scenarios on which they are based. TCFD-STR-a

Generic country-level analysis of physical and transition risks and opportunities (combined 2025, 2030, and 2050 scenarios)[1]

Risk/opportunity	Category	Type	AU	BR	CA	CH	CN	DE	UK	US	VN
Episodes of higher temperatures	Physical risk	Acute	N/A	N/A	Very high	Very high	N/A	Very high	Very high	Very high	N/A
Extreme cold	Physical risk	Acute	N/A	N/A	Low	Low	N/A	Low	Low	Low	N/A
Heavy precipitation and flooding	Physical risk	Acute	Moderate	Moderate	N/A	N/A	High	N/A	N/A	N/A	Very high
Heavy winds and storms	Physical risk	Acute	N/A	N/A	N/A	Low	Low	Low	Low	High	N/A
Tropical cyclones	Physical risk	Acute	High	N/A	N/A	N/A	Low	N/A	N/A	N/A	Low
Wildfires	Physical risk	Acute	High	N/A	N/A	N/A	N/A	N/A	N/A	Very high	N/A
Sea level rise and coastal flooding	Physical risk	Chronic	High	High	N/A	N/A	N/A	N/A	N/A	N/A	Very high
Carbon pricing schemes	Transition risk	Policy & legal	Very high	Very high	N/A	Low	N/A	Low	Low	N/A	N/A
Net zero retrofit requirements	Transition risk	Policy & legal	Very high	N/A	Low	Low	Low	Low	Low	Low	Low
Scope 3 reduction challenges	Transition risk	Policy	N/A	N/A	N/A	N/A	High	Low	N/A	N/A	N/A
Increase in airfares	Transition risk	Policy	N/A	N/A	N/A	High	N/A	High	High	N/A	N/A
Energy savings due to net zero retrofits	Transition opportunity	Market	Very high	N/A	Low	High	Moderate	Low	Low	High	Low
Electrification of transportation sector	Transition opportunity	Market	Very high	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Country abbreviations: AU: Australia; BR: Brazil; CA: Canada; CH: Switzerland; CN: China; DE: Germany; UK: United Kingdom; US: United States of America; VN: Vietnam

[1] The physical 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.

The assessment of transition risks revealed low risks overall, except for challenges in reducing scope 3 emissions from suppliers in China, potential increases in operating costs due to stricter aviation policies, and risks from carbon pricing schemes in Australia and Brazil.

To assess how physical climate-related risks could impact Sonova’s long-term operations (2050), we conducted a site-level assessment of four very high-scoring risks from our country-level assessment. The findings are summarized in the table below. Sonova’s omnichannel strategy, which emphasizes online sales and service, can help mitigate some identified risks and enhance resilience.

TCFD – Summary of Sonova-specific site-level analysis[1]

Potential risk	Country	Potential threat
Episodes of higher temperatures	United States, United Kingdom, Germany, Canada, Switzerland	The frequency and duration of higher temperatures are expected to rise, particularly in the southern and eastern U.S., leading to higher cooling costs and greater heat stress for employees and consumers. Since elderly individuals, who are most prone to hearing loss, are also highly vulnerable to heat stress, they may avoid stores, impacting sales.
Wildfires	United States	Rising average and peak temperatures during wildfire season will heighten wildfire risks, which may impact our California production site.
Heavy precipitation and flooding	Vietnam	Heavy precipitation in the Ho Chi Minh City region is expected to rise significantly, potentially impacting our supply chain and operations center through 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 quantified the financial impact of two risks: increased heavy precipitation and flooding near our operations in Vietnam and China, and rising air-transportation costs due to carbon policies.

TCFD-STR-b, TCFD-STR-c

Our assessment indicated that flood risk to our operations is not expected to increase, as local teams have precautions in place. We then focused on critical suppliers, finding that four supplier locations are at risk of river flooding and two of coastal flooding. The financial impact was calculated based on potential operational downtime, supply shortages, and revenue loss. Overall, the assessment showed low risk today, in 2030, and in 2050 under both 2°C and 4°C scenarios.

We also analyzed the financial impact of rising carbon prices on air transportation costs in Switzerland, Germany, and the UK, finding that air freight poses a higher risk than business travel, but the overall risk remains low in 2030 and 2050. Achieving our current science-based targets could reduce potential carbon costs by 70%. Sonova plans to update its climate risks and opportunities assessment in the 2025/26 financial year.

Policies and actions

Climate action has been at the top of Sonova's environmental agenda for many years across the entire value chain and is governed by several policies. The Code of Conduct focuses on our general climate change commitment for our own employees and business partners. The Corporate Environmental Policy principles include continuous monitoring and improvement of our environmental objectives and performance across the Group. In addition, we train our employees on the policy while raising awareness on environmental topics and consideration of environmental sustainability in business decisions and activities, facility construction and modifications. The Supplier Code of Conduct covers the upstream value chain and climate-related aspects.

In the 2024/25 financial year, we have continued to install LED lighting across our facilities, optimized HVAC equipment, switched from fossil fuel heating to electric heating (e.g., heat-pumps) where feasible, and improved building management systems to improve our energy efficiency and reduce scope 1 and 2 emissions. We have also increased the number of electric vehicles (EV) in our fleet and updated our car policy to further incentivize the uptake of EVs.

To reduce our scope 3 emissions, we implemented a wide range of initiatives during the 2024/25 financial year. Our supplier engagement efforts intensified, including direct collaboration with ten key direct material suppliers to support their decarbonization progress. As a result, 3 of these suppliers improved their decarbonization maturity, and we received our first supplier-specific Product Carbon Footprints (PCFs), which will now guide targeted emissions reduction actions across our value chain. Sustainability criteria were further embedded in our procurement processes, including incorporating sustainability performance as a scored criterion in selected vendor assessments. Additionally, we optimized some of our packaging to reduce our scope 3 emissions and strengthened the integration of GHG emissions reduction and broader sustainability considerations into product development within our Hearing Instruments and Consumer Hearing businesses. Further initiatives focused on optimizing our supply chain network, with an increased emphasis on shipping materials and products via ground and sea freight to reduce emissions. We also piloted an internal carbon price of CHF 100 per tCO_2e, applying it to material and supplier selection as well as project evaluations to drive lower-carbon decision-making.

Performance metrics and targets

Energy

Key ESG target:
We reduce our energy consumption per employee by 10% vs. 2022/23 by 2027/28.

The Group's total energy consumption decreased by 0.7% in the 2024/25 financial year compared to the previous year, and reduced by 4.2% per FTE. This reduction is largely attributable to lower heating energy requirements due to mild weather, along with various energy-saving initiatives, mainly in the Audiological Care Group companies. We have reduced our energy intensity by 13% compared to 2022/23, and have therefore achieved our energy intensity target ahead of schedule. ESRS E1-5

Energy intensity

✓ Data externally assured (limited assurance)

Sales in CHF million, MWh and MWh/FTE[1]

	2024/25	2023/24	2022/23 [2]	vs PY (%)	in % vs baseline
Sales	3,865.4	3,626.9	3,738.4		
Total energy consumption	108,886	109,628	116,161	(0.7%)	
Energy intensity relative to sales	**28.2**	**30.2**	**31.1**	**(6.8%)**	
Energy intensity relative to FTE	**5.92**	**6.17**	**6.83**	**(4.2%)**	**(13%)**

1) For definition, methodology, data, and restatements, see Sustainability note 1 - Climate change.
2) 2022/23 figures do not include HYSOUND.

Renewable energy represented 59% of Sonova's total energy consumption in the 2024/25 financial year, an increase of two percentage points compared to 2023/24. We follow a three-step approach for our 100% renewable electricity sourcing. Firstly, we invest in onsite electricity generation: in 2024/25, 1.8% of our total energy consumption was produced with onsite photovoltaic panels. Where onsite generation is not yet feasible, Group companies are prompted to source certified renewable electricity locally. In the 2024/25 financial year, 34% of total electricity consumption was sourced locally via bundled certified renewable electricity, and 4% was sourced from Power Purchase Agreements (PPAs). Lastly, for all those Group companies where renewable energy is not yet used or available, Sonova purchases unbundled Energy Attribute Certificates, which covered the remaining 62% of total electricity consumption.

SDG 7.2, SDG 7.3, SDG 9.4

Energy mix

✓ Data externally assured (limited assurance)

MWh

	2024/25	2023/24[2]	2022/23[2,3]	vs PY (%)
Total energy consumption[1]	**108,886**	**109,628**	**116,161**	**(0.7%)**
Non-renewable energy consumption	**44,889**	**47,824**	**55,814**	**(6.1%)**
Crude oil and petroleum products	23,023	23,280	22,433	
Natural gas	17,190	20,645	29,067	
Purchased electricity, heat, steam, or cooling from fossil sources	4,458	3,898	4,315	
Liquefied petroleum gas	218	0	0	
Renewable energy consumption	**63,997**	**61,805**	**60,347**	**3.5%**
Purchased electricity, heat, steam, or cooling renewable sources	62,079	59,762	58,744	3.9%
Solar	4,667			
Hydro	28,082			
Wind	4,734			
Biomass / biogas[4]	1,924	1,691	1,402	
Mixed sources / unknown	22,672	58,070	57,342	
Self-generated renewable energy	1,918	2,043	1,603	(6.1%)
Share of renewable energy	**59%**	**56%**	**52%**	
Share of certified renewable electricity procurement methods[5]				
Power purchasing agreement	2,717			
Total bundled energy attribute certificates	20,306			
Total unbundled energy attribute certificates	37,132			

1) For definition, methodology, data, and restatements see Sustainability note 1 - Climate change. No energy is sourced from nuclear, coal, nor from geothermal, hydrogen, or other renewable and non-renewable sources not listed in the table.
2) Breakdown of renewable sources and certified renewable electricity procurement methods is only available for the financial year 2024/25.
3) Does not include HYSOUND.
4) Accounted for in scope 1 - stationary combustion.
5) Refer to purchased electricity, heat, steam or cooling renewable sources total quantities, excluding biogas.

Greenhouse gas (GHG) emissions

Sonova classifies GHG emissions into the following categories:

- **Scope 1:** direct GHG emissions deriving from the combustion of fossil fuels related to company vehicles, stationary combustion (e.g., heating), and fugitive emissions (e.g., from refrigerants)
- **Scope 2:** indirect GHG emissions from sources such as electricity or district heating
- **Scope 3:** GHG emissions that arise from our value chain

Key ESG targets:
We reduce scope 1 and 2 greenhouse gas emissions by 78.3% vs. 2019/20 by 2032/33.*
We reduce scope 3 greenhouse gas emissions by 32.5% vs. 2019/20 by 2032/33.*

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

In June 2023, the SBTi approved our near-term science-based targets, which guide our GHG emissions reduction efforts. During the 2024/25 financial year, our scope 1 and 2 emissions decreased by 68.4% compared to 2019/20 and by 4.4% compared to 2023/24. Scope 3 decreased by 19.3% compared to 2019/20, but increased by 4.7% compared to 2023/24. Our total scope 1-3 GHG emissions in 2024/25 increased by 4.3% compared to the previous year, while still representing a 24.5% decrease vs. 2019/20.

ESRS E1-6

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

GHG emissions – Scope 1-3

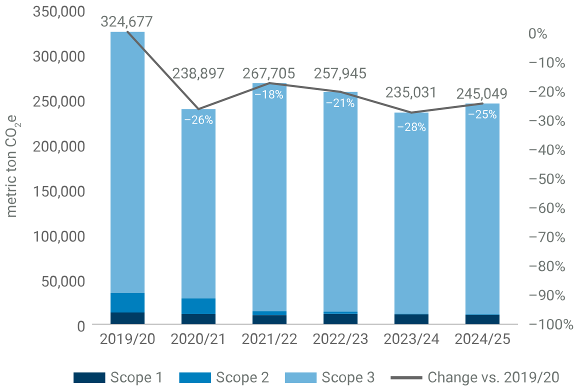
✓ Data externally assured (limited assurance)

Metric tons CO_2e[1]

	2024/25	2023/24	2022/23	...	2019/20 (SBTi target baseline)	vs PY (%)	in % vs baseline
Scope 1[2]	**10,178**	**10,779**	**11,268**		**12,828**	**(5.6%)**	**(20.7%)**
Mobile combustion	5,268	5,426	5,396		6,361	(2.9%)	
Stationary combustion	3,691	4,302	5,713		6,058	(14.2%)	
Refrigerants	1,218	1,051	158		409	16.0%	
Scope 2 (market-based)	**801**	**701**	**2,514**		**21,919**	**14.3%**	**(96.3%)**
Scope 1-2 (market-based)	**10,979**	**11,480**	**13,782**		**34,747**	**(4.4%)**	**(68.4%)**
Scope 2 (location-based)	18,573	19,392	21,158		19,497	(4.2%)	
Scope 1-2 (location-based)	**28,751**	**30,170**	**32,426**		**32,325**	**(4.7%)**	
Scope 3	**234,070**	**223,552**	**244,163**		**289,930**	**4.7%**	**(19.3%)**
Category 1: Purchased goods and services	126,919	120,553	142,841		161,784	5.3%	
Category 2: Capital goods	2,925	2,605	2,124		3,073	12.3%	
Category 3: Fuel- and energy-related activities	9,802	8,001	9,312		8,076	22.5%	
Categories 4 and 9: Upstream and downstream transportation and distribution	50,877	50,985	49,991		57,235	(0.2%)	
Category 5: Waste generated in operations	538	541	467		1,246	(0.5%)	
Category 6: Business travel	14,246	12,943	10,500		23,940	10.1%	
Category 7: Employee commuting	21,780	21,079	21,557		26,986	3.3%	
Category 8: Upstream leased assets	514	534	851		1,419	(3.8%)	
Category 11: Use of sold products	3,872	3,686	3,967		4,026	5.0%	
Category 12: End-of-life of sold products	2,233	2,274	2,278		2,058	(1.8%)	
Category 15: Investments	364	353	276		87	3.1%	
Total scope 1-3[3]	**245,049**	**235,031**	**257,945**		**324,677**	**4.3%**	**(24.5%)**
Biogenic emissions (Out-of-scope) [4]	**383**	**337**	**279**		**0**	**13.8%**	

1) For definition, methodology, data and emission factor sources, and restatements, see Sustainability note 1 - Climate change. Sonova does not have operational control in investees, therefore our share of GHG emissions related to those are reflected in scope 3, category 15: Investments.
2) None of Sonova's scope 1 emissions are from regulated emission trading schemes. Includes N_2O and CH_4 emissions from biogenic sources.
3) Calculated considering scope 2 (market-based) emissions.
4) Biogenic CO_2 emissions are separately disclosed as out-of-scope emissions in accordance with the GHG Protocol. The only source of these emissions is biogas consumption for stationary combustion.

Total GHG emissions 2019/20 – 2024/25



Scope 1 and 2 GHG emissions

Scope 1 emissions decreased by 5.6% compared to the financial year 2023/24, primarily due to reduced GHG emissions from heating. Additionally, emissions from Sonova's car fleet decreased by 2.9% as mileage with traditional internal combustion engine cars decreased in favor of electric and hybrid vehicles. Meanwhile, scope 2 emissions increased 14.3%, reflecting the increased use of district heating in the reported year, especially in our Audiological Care stores. Because of our renewable electricity sourcing efforts, Scope 2 emissions have been reduced by 96% compared to our SBTi baseline, with district heating being the only remaining source of scope 2 (market-based) emissions.

Scope 3 GHG emissions

Our value chain accounts for more than 95% of our total GHG emissions, where purchased goods and services, transport and distribution, employee commuting, and business travel represent more than 90% of scope 3 emissions. Sustaining a sharp focus on reducing scope 3 emissions is therefore critical for Sonova. Our scope 3 emissions grew by 4.7% compared to the 2023/24 financial year. The increase mainly stemmed from business growth, which was partially offset through ongoing initiatives.

The largest source of Sonova's GHG emissions is the procurement of direct and indirect materials and services, which accounts for 54% of scope 3 emissions in the 2024/25 financial year. Category 1 emissions rose by 5.3% compared to the 2023/24 financial year, due to the increase in materials and services purchased by the Hearing Instruments and Cochlear Implants businesses. Several initiatives are ongoing to continue our pursuit to lower the GHG emissions intensity of our products and components. Sonova's GHG emissions from transport and distribution remained stable compared to the 2023/24 financial year, despite a great increase in shipping volumes. A lower emission intensity was achieved through increased use of shipping by ground and sea instead of air, and through the lower intensity of air freight emissions by some of our major carriers. Sonova remains committed to assessing opportunities to move towards lower impact transportation modes and reduce transportation distances, which will enhance our supply chain resilience.

Air travel represents 98% of category 6 business travel emissions, while car allowances represent the remaining 2%. In the 2024/25 financial year, overall business travel emissions increased by 10% compared to the previous year. Business travel emissions for 2024/25 still represent an overall decrease of 40% compared to the pre-COVID level of 2019/20. Sonova's GHG emissions from employee commuting increased by 3.3% compared to 2023/24, due to an increase in the number of employees during the financial year.

Total GHG emission intensity decreased to 63.4t CO_2e per million CHF revenues for 2024/25, compared with 64.8t CO_2e in the prior year.

GHG emission intensity

✓ Data externally assured (limited assurance)

Metric tons CO_2e/sales in CHF million[1]

	2024/25	2023/24	2022/23[2]	vs PY (%)
Sales[3]	**3,865.4**	**3,626.9**	**3,738.4**	
Scope 1	2.6	3.0	3.0	(11%)
Scope 2 (market-based)	0.2	0.2	0.2	7%
Scope 2 (location-based)	4.8	5.3	5.2	(10%)
Scope 1-2 (market-based)	2.8	3.2	3.2	(10%)
Scope 1-2 (location-based)	7.4	8.3	8.2	(11%)
Scope 3	60.6	61.6	65.1	(2%)
Scope 1-3[4]	**63.4**	**64.8**	**68.2**	**(2%)**

1) For definition, methodology, data and emission factor sources, and restatements, see Sustainability note 1 - Climate change.
2) 2022/23 GHG emissions do not include HYSOUND.
3) Sales refer to financial report 2024/25, 5 year key figures.
4) Calculated considering scope 2 (market-based) emissions.

As part of Sonova's commitment to maintaining carbon-neutral operations, we purchase carbon credits to offset the remaining scope 1 and 2 emissions. We have contractual agreements in place until the end of 2025/26 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 Gold Standard or VCS certified, and the carbon credits are used separately and are not accredited to our GHG reduction targets. As of the 2024/25 financial year, we have not used or invested in carbon capture and storage (CCS) or direct CO_2 removal (CDR) solutions.

ESRS E1-7

Carbon credits

✓ Data externally assured (limited assurance)

Metric tons CO_2e avoided outside of Sonova's value chain[1]

	2024/25	% of total
Total carbon credits cancelled	**10,979**	
Gold Standard	3,660	33%
VCS (Verified Carbon Standard)	7,319	67%

		Future cancellations
Total future carbon credits cancellation based on contractual agreements		**4,440**

1) None of the projects are located in the EU. None of the projects qualify as a corresponding adjustment under Article 6 of the Paris Agreement.

Circular economy

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

SDG 12.2, SDG 12.4, SDG 12.5

GRI 306-2

Packaging and distribution

Key ESG target:
We reduce packaging material weight by 20% vs. 2023/24 by 2026/27 for our Hearing Instruments business.

In 2024/25 we reduced packaging material for the Hearing Instruments business by 2.6% compared to 2023/24. A cross-functional team was formed to drive packaging reductions, mainly by replacing packaging components with lighter alternatives, moving to lower carbon alternatives, and improving the packaging architecture. One example of the solutions developed by the team is a new product packaging box, which decreases the annually produced weight of the selected product by more than 65% per article.

Packaging weight (Hearing Instruments business)

✓ Data externally assured (limited assurance)

Metric tons[1]

	2024/25	2023/24
Packaging weight	1,395	1,433

1) For definition, methodology, data, and restatements see Sustainability note 2 - Other environmental topics.

We also prioritize circular packaging initiatives in our Consumer Hearing business. In the financial year 2024/25, 17% of products and spare parts sold featured plastic-free packaging, and the latest True Wireless product packaging range is 42% smaller in volume than its first-generation counterparts.

Product use, repair, and refurbishment

Service and repair procedures are integrated into the Hearing Instruments product development process. Several projects have been launched to extend the lifecycle of our products and components, such as optimizing spare parts usage for electronic modules, extending repair services, testing used devices, and enhancing reliability. Each improvement in product reliability leads to several positive environmental impacts, such as reduced material use for replacements, lower transportation volumes to our repair centers, and fewer consumer trips to return devices. The proprietary diagnostic equipment used across all Sonova Service Centers to test the functionality of our hearing instrument chargers continues to reduce the number of chargers that require replacement rather than repair.

The continued uptake of rechargeable lithium-ion behind-the-ear (BTE) and receiver-in-canal (RIC) devices helps to reduce single-use battery waste. In the 2024/25 financial year, 66% of all BTE and RIC hearing instruments sold were rechargeable, compared to 63% in 2023/24. Our Cochlear Implants business also offers rechargeable battery options for cochlear implant sound processors.

In our Consumer Hearing business, repairability is becoming increasingly important for ensuring product durability. We offer various spare parts on our website, enabling customers to repair only the necessary components instead of replacing the entire product. We are also making ongoing efforts to increase our refurbishment activities, which help to curb waste and minimize scrapping.

Waste

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.

Key ESG target:
We reduce our operational waste per employee by 5% vs. 2022/23 by 2027/28.

In 2024/25 we reduced our waste per full-time employee equivalent (FTE) by 6% compared to 2022/23, achieving our target ahead of schedule. The absolute waste figure increased by 92 metric tons (up 3% compared to 2023/24). Sonova complies with legal requirements in countries where we operate to transport and dispose of hazardous waste solely through officially authorized disposal agents. Local waste reduction efforts resulted mainly in a reduction of recycling waste, which decreased by 6% compared to the prior year, therefore also reducing the overall recycling rate. Local measures included selling used furniture and IT equipment for upcycling, and selling food waste for animal feed.

SASB HC-MS-410a.2

GRI 306-3

Operational waste

✓ Data externally assured (limited assurance)

Metric tons[1]

	2024/25	2023/24	2022/23
Total waste	**3,545**	**3,453**	**3,499**
Non-hazardous waste	**3,432**	**3,373**	**3,424**
Preparation for reuse	25	-	-
Recycling	1,725	1,881	1,951
Incineration with and without energy recovery	561	585	674
Landfill	964	907	799
Other treatments	156	-	-
Hazardous waste	**113**	**80**	**75**
Recycling[2]	26	18	19
Incineration with and without energy recovery	48	33	34
Landfill	23	19	14
Other treatments	16	11	8
Total recycled waste	**1,776**	**1,899**	**1,970**
Total non-recycled waste	**1,769**	**1,555**	**1,529**
Recycling rate	**50%**	**55%**	**56%**
Total waste per FTE [kg/FTE]	**192.6**	**194.5**	**205.8**
Waste per FTE vs baseline 2022/23	**(6%)**	**(6%)**	

1) For definition, methodology, data and restatements see Sustainability note 2 - Other environmental topics.
2) Not included in recycling rate.

Product end-of-life

SASB HC-MS-410a.2

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 enable consumers to bring their used hearing aid batteries back to the store. The batteries collected are disposed of through officially authorized disposal agents. In 2024/25, more than three metric tons of batteries were collected at different stores worldwide.

Pollution and substances of concern

SASB HC-MS-410a.1, SASB HC-MS-430a.3

SDG 12.4

Sonova is committed to minimizing pollution and the use of substances of concern and their impact on the environment and human health. 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.

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 that may be present in products above the regulatory threshold level of 0.1% by weight of the article.

In the 2023/24 financial year, Sonova assessed the global airborne emissions from our facilities and car fleet, which confirmed that their levels of air pollutants (SOx, NOx, PM10) were 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.

Water

GRI 303-1, GRI 303-3

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.

Key ESG target:
We reduce our water withdrawal per employee by 5% vs. 2022/23 by 2027/28.

SDG 6.4

In 2024/25, Sonova decreased its water withdrawal per employee by 15% compared to 2022/23, reaching 11.7 m^3/FTE, achieving our target ahead of schedule. Water withdrawal reduction measures focused on proactive maintenance.

Water withdrawal[1]

✓ Data externally assured (limited assurance)

m^3

	2024/25	2023/24	2022/23
Total water withdrawal	214,651	247,589	232,339
Water withdrawal per FTE	11.7	13.9	13.7
Water withdrawal per FTE vs baseline 2022/23	(15%)	2%	
Total water withdrawal in water-stressed areas[2]	13%	8%	

1) For definition, methodology, data and restatements see Sustainability note 2 - Other environmental topics.
2) 2024/25 value not comparable with 2023/24 due to calculation boundaries change.

SDG 6.3

During the 2024/25 financial year, we conducted a physical water risk analysis covering 100% of our water withdrawal. We used 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 13% (28,245m^3) 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 Mexico, United States, China, India and Israel. This data allows us to prioritize our future water withdrawal reduction efforts.

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. By using the WWF Biodiversity Risk Filter we assessed all owned and leased sites in the 2024/25 financial year for potential biodiversity-related risks, which showed that less than 0.5% 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.

Social information

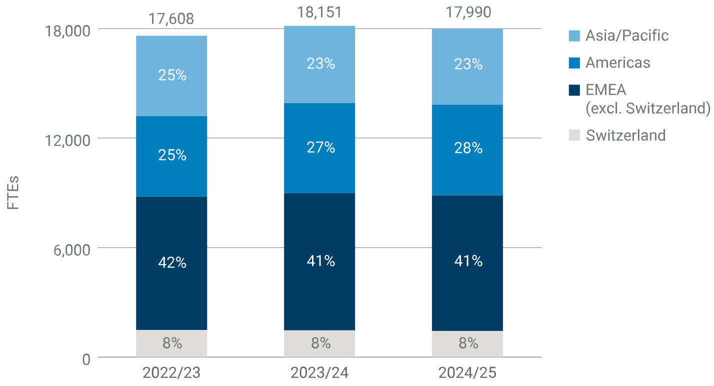
The following sections are covered in the social information chapter:

- **Our employees**
- Talent management
- Working conditions
- Diversity and inclusion
- Occupational health and safety
- Working conditions in the value chain and affected communities' rights
- Corporate citizenship
- **Our consumers**
- Access to hearing care
- Awareness raising on hearing health
- Product quality, reliability and safety
- Ethical marketing and sales practices
- Data privacy and digital ethics

Our employees

We recognize that our employees are vital to our success. They drive our innovative solutions and services, care for our customers and consumers, and enable us to achieve our business goals. Our workforce includes several categories, such as research and development, manufacturing, distribution, sales and service of hearing care and consumer hearing products. Whether our colleagues are working at our production sites, serving our consumers in audiological stores or supporting us in functional roles, they are essential for the success of Sonova.

Number of employees



As of the end of the 2024/25 financial year, Sonova had 17,990 employees (FTE). During this financial year, several smaller businesses were acquired in EMEA, the Americas, and Asia/Pacific. All of the companies acquired are in the business of distributing and servicing hearing instruments. In the 2024/25 financial year, Sonova opened a new distribution center in Erfurt, Germany, to better serve our consumers in Europe and at the end of the 2024/25 financial year, more than 70 employees were employed there.

ESRS S1-6

Employees by region

✓ Data externally assured (limited assurance)

FTE (end of period)[1, 2]

	2024/25	2023/24	2022/23
Total	**17,990**	**18,151**	**17,608**
Switzerland	1,434	1,469	1,482
EMEA (excl. Switzerland)	7,427	7,514	7,311
Americas	4,984	4,945	4,409
Asia / Pacific	4,145	4,223	4,406

Headcount (end of period)[1]

	2024/25	2023/24	2022/23
Total	**19,327**	**19,314**	**18,692**
Switzerland	1,517	1,559	1,585
EMEA (excl. Switzerland)	8,495	8,431	8,175
Americas	5,002	4,979	4,433
Asia / Pacific	4,313	4,345	4,499
Employees by significant countries (10% of total employees)			
Germany	3,058	3,043	2,900
United States	2,798	2,928	2,980

1) For definition and methodology see Sustainability note 3 - Employees.
2) For related employee information in the financial statement see Note 7.1 Number of employees.

Employees by employment contract and by gender

✓ Data externally assured (limited assurance)

Headcount (end of period)[1]

			2024/25			2023/24			2022/23
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Total	**12,839**	**6,488**	**19,327**	**12,875**	**6,439**	**19,314**	**12,414**	**6,278**	**18,692**
Permanent	12,208	6,127	18,335	12,260	6,106	18,366	11,798	5,967	17,765
Temporary	605	356	961	615	333	948	616	311	927
Non-guaranteed hours[2]	26	5	31						

1) For definition and methodology see Sustainability note 3 - Employees.
2) Categorization of non-guaranteed hours is only available for the financial year 2024/25 (previously included under temporary employees).

Over the past three years, our total employee turnover rate remained stable at around 14.7% and during the 2024/25 financial year, the voluntary turnover rate decreased from 10.5% to 9.7%. Our overall talent management practices, including a focus on leadership development and internal leadership career progression, as well as acting on employee feedback to improve engagement, have contributed to the voluntary turnover reduction.

Employees turnover rates

✓ Data externally assured (limited assurance)

FTE & % of FTE [1]	2024/25	2023/24	2022/23
Number of employees who left Sonova (FTE)	**2,676.6**	**2,501.2**	**2,578.9**
Employee turnover rate (%)	**14.7**	**14.3**	**14.7**
Turnover by gender			
Women	15.0	14.5	14.8
Men	14.1	13.7	14.0
Turnover by age			
under 30 years old	22.7	20.1	23.1
30-50 years old	13.6	13.6	13.1
over 50 years old	11.1	11.0	10.6
Employee voluntary turnover rate (%)	**9.7**	**10.5**	**11.3**
Voluntary turnover by gender			
Women	10.2	10.8	11.4
Men	8.9	9.8	10.4
Voluntary turnover by age			
under 30 years old	16.3	15.7	18.0
30-50 years old	9.2	10.1	10.2
over 50 years old	5.7	7.2	7.5

1) For definition and methodology see Sustainability note 3 - Employees.

At the end of the 2024/25 financial year, Sonova had 3,496 external employees (non-employees) as consultants through service agreements or via staff leasing. Primary functions with non-employees include IT, sales, marketing, and finance.

ESRS S1-7

Non-employees

✓ Data externally assured (limited assurance)

Headcount (end of period)[1]	2024/25	2023/24	2022/23
Number of non-employees	3,496	3,608	3,768

1) For definition and methodology see Sustainability note 3 - Employees.

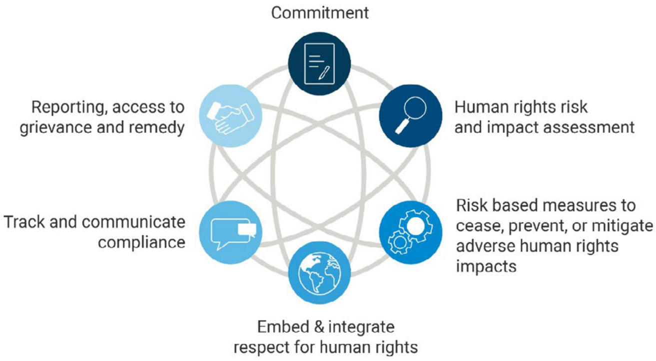
Employee rights and engagement

SDG 8.7, SDG 10.2

Sonova is committed to respecting and supporting human rights and this commitment extends across our global operations and throughout our value chain. Our commitment is guided by applicable laws as well as internationally recognized human rights and labor standards. Our dedication to human rights is embedded in key policies, including our Code of Conduct and the Human Rights Policy, which align with global frameworks. Our Code of Conduct governs our own employees as well as business partners ensuring ethical behavior and accountability across all interactions. Meanwhile, the Supplier Code of Conduct establishes clear expectations for responsible sourcing and worker protection within our supply chain, fostering alignment with our internal policies and promoting consistent ethical standards throughout our value chain. Our policies strictly prohibit exploitative practices, including child labor, forced labor and human trafficking. In addition, our Code of Conduct addresses discrimination, and emphasizes diversity and inclusion, supported by various trainings and processes. Additional information on these efforts can be found in the Diversity and inclusion section.

Sonova's Human Rights Policy governs our human rights due diligence (HRDD) across the entire value chain, delivered through an HRDD framework that aligns with the United Nations Guiding Principles on Business and Human Rights (UNGP). It also outlines key salient issues applicable across the value chain, including our employees. A list of these issues is available in the Sustainability note 6 - Salient human rights issues. Sonova also reports on its human rights due diligence practices in compliance with local regulations, including the UK's Modern Slavery Act, the Norwegian Transparency Act and Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act.

Our human rights due diligence framework



Sonova's commitment to human rights is further reinforced by its SpeakUp Policy and SpeakUp process. The policy provides clear guidance on grievance mechanisms and details on the availability of SpeakUp, our anonymous reporting platform, which is available for employees, contractors, and other stakeholders to report concerns, including potential human rights violations. The policy outlines the SpeakUp process, including the steps for the remediation, corrective actions and disciplinary measures when necessary. Importantly, the policy explicitly prohibits retaliation against anyone who, in good faith, reports a suspected violation. Our employees receive annual training on these policies to ensure awareness and adherence. Sonova's Group General Counsel is responsible for the SpeakUp process as well as human rights monitoring and implementation, while the Audit Committee reviews the process quarterly. For further details about SpeakUp and our policy training, please refer to the Business ethics section.

Sonova conducts social audits and human rights assessments to identify and evaluate potential human rights risks related to employees' working conditions across our business operations. These assessments include monitoring the implementation of recommended actions and address identified concerns, such as working conditions, wage practices, and workplace discrimination. Additional details on the social audit performed in the 2024/25 financial year are available in the Working conditions section. We also conduct internal audits for Group functions and at a Group company level to ensure compliance with local labor laws and internal regulations.

Sonova acknowledges the significance of employee engagement in shaping its strategy and addressing impacts. Engagement with employees takes place through various channels, such as annual and monthly employee engagement surveys, our human resources processes, local exchanges with unions and employees' representatives, and exchanges with our employee resource groups. Engaging with employees globally and locally helps us gain comprehensive insights and take effective improvement actions. Sonova's GVP Corporate Human Resource Management & Communications has the overall responsibility for employee engagement.

In addition to the engagement methods described above, we value employees' input to solve business challenges, improve customer experience and reduce waste in our processes. Through Sonova X – our business system and mindset for continuous process improvement, our leadership training programs, and our change management approach, we ensure that our improvement actions are both practical and adaptable, and effectively address internal and external challenges at every level in the organization.

Talent management

Strategy, governance and IROs

Sonova operates in an industry with strong competition and increasingly limited availability of specialized talents. In order to deliver on Sonova strategy and continue to bring innovative solutions to our customers and consumers, the focus on talent attraction, development and retention is critical. Talent management is defined as career path offerings, performance management, skills and competency development, succession planning, as well as initiatives that foster engagement and employer attractiveness.

GRI 3-3

Material impacts, risks and opportunities related to talent management:

IRO (risk assessed as if unmitigated)	Occurrence	Expected time horizon
Risk: Attraction and retention Lack of training and skills development as well as career and development opportunities could negatively affect talent recruitment and retention, hence negatively influence the ability to innovate, risking the viability of the business.	Own operations	Increase in medium- to long-term

We use sustainable processes to attract, develop and retain talents, with special focus on audiology and R&D. We develop talents by encouraging internal mobility and providing an environment where employees take accountability for continuously improving their skills and owning their career progression. We have a continuous focus on employee engagement and the working environment. This keeps critical talents within the Group, which helps to sustain our competitive advantage and long-term success, and mitigate the material risk.

Sonova's GVP Corporate Human Resource Management & Communications is responsible for overseeing talent management, including setting the strategic direction, monthly oversight, and tracking. Monthly key talent management performance metrics, including employee turnover rate and internal recruitment rate, are reviewed at global, business and local levels to track the effectiveness of our actions. Updates on key talent metrics are communicated monthly to the Management Board and regularly to the Board of Directors. Risks and mitigation actions are reported regularly to the Audit Committee through the enterprise risk management process.

Policies and actions

Our commitments to our employees are governed by our Code of Conduct and our Human Rights Policy. Detailed information about these policies can be found in the sections Our employees and Business ethics. In addition, multiple internal policies and standard operating procedures govern specific aspects of working experience.

In the 2024/25 financial year, we initiated several key talent development actions, rolling out our new Leadership Principles and launching an enhanced leadership curriculum, the Leadership Excellence Hub, along with further learning offerings such as LinkedIn Learning. The Sonova Leadership Principles form our common leadership framework, serving as our collective identity, the foundation for decision making and ways of working applicable to each and every Sonova colleague. The Leadership Principles allow us to jointly elevate our Sonova culture and deliver more for our customers, consumers and shareholders. The Leadership Excellence Hub consists of webinars, immersive workshops, and internal leadership developmental programs to empower all to become better leaders. LinkedIn Learning, launched for all employees in April 2024, offers more than 15,000 courses, from professional growth to the latest in technology, creative skills, and leadership essentials. These talent management actions all relate to our strategic aim to keep talent within Sonova by offering learning and development opportunities, and they therefore all serve to mitigate the relevant material risk.

Leadership Excellence Hub	Description
Sonova Leadership Development Programs	These programs are designed to develop/enhance leadership skills and business acumen, and are being offered to our colleagues at different stages of their own leadership journey: I Learn - Personal Leadership, a 2 day in person program for all employees; I Lead - Leadership Fundamentals for first time and new to Sonova people leaders; I Accelerate - Leadership Excellence, aimed at mid-level people leaders; Executive Leadership Orientation, a 3 day in person program for top executives.

Leading Self Portfolio	Offerings designed to inspire employees to become curious learners, equip them with change leadership skills and build their resilience. It includes the tools for professional and personal growth, such as language training, performance management and Sonova culture.
Leading Teams Portfolio	Offerings targeted for people leaders, with workshops and webinars covering various topics to enable them to become better at leading their teams and balance team leadership better with their business accountability. It includes change management and communications, leading high performing teams and mental health first aid conversations.
Leading System Portfolio	Offerings focused on all colleagues to understand the broader organizational context and the importance of driving customer value through innovation and operational excellence. Topics covered are continuous improvement tools, generative AI and financial acumen.

Empowering growth: the new development planning process
In the 2024/25 financial year, we held a cross-functional Kaizen to further improve the development planning process. The new process is focused on strengthening the employee's ownership of their own development as well as the accountability of people leaders to have more frequent development discussions with their teams. Through feedback from both employees and people leaders, the developmental process itself has been simplified. The new process was piloted in the United Kingdom Group companies to gain more practical insights and further improve the process before scaling it across all Sonova.

The performance management process at Sonova further reinforces our culture of accountability where people leaders and employees have a pre-defined timeline through the financial year to set performance objectives, continuing through the year with performance check-ins, and closing with a performance appraisal discussion at the end of the year. The process encourages dialogue to provide clarity on what customer, consumer and shareholder outcomes are expected of each of our colleagues as well as what behaviors are expected from individuals in how they lead themselves, their teams and thus Sonova – in line with the Sonova Leadership Principles.

HearMe, our annual employee survey, gathers insights on how engaged our colleagues are, as well as their feedback on key themes such as workplace culture, innovation, accountability, operational excellence and people leadership. In the 2024/25 financial year, the external survey provider was changed to better leverage more advanced technology and an external research-proven methodology. We continue with our practice in which people leaders conduct HearMe workshops to discuss the survey results with their teams and commit to improvement actions. In addition to the annual survey, monthly engagement surveys were reestablished in 2024/25 to get more frequent "pulse" feedback on the improvement actions.

Performance metrics and targets

Employee engagement

Almost 17,300 eligible employees were invited to complete HearMe. We maintained our consistently high participation rate, 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.

Due to the external survey provider change, the employee engagement score is not comparable to the prior year and therefore cannot be assessed against our target. The new engagement score methodology measures three core questions covering employer advocacy, sense of accomplishment and discretionary efforts. The 2024/25 engagement score is 68%, which is five points lower compared to the new Healthcare equipment and services benchmark. We are committed to further enhancing our employee engagement, with actions in place to maintain or improve our employee engagement score for 2025/26 compared to the new 2024/25 baseline.

Employee engagement survey participation rate and engagement score

✓ Data externally assured (limited assurance)

Participation in %, and favorable engagement answers as % of survey eligible headcount[1]

	2024/25	2023/24	2022/23
Participation rate	**92**	**92**	**93**
Employee engagement score[2]	**68**		
Women	70		
Men	65		

1) For definition and methodology see Sustainability note 3 - Employees.
2) The employee engagement rate is not comparable with prior year due to the change of provider and methodology.

Learning and development

GRI 404-3

Sonova's development process includes annual discussions on career development between employees and people leaders. This helps us to improve the retention of specialized skills and experiences in critical positions, as well as to strengthen our talent pipeline and succession by providing targeted individual developmental journeys to our internal talents. In the 2024/25 financial year, 99.5% of our employees with daily work access to a computer have a documented development plan in the Group-wide HR system.

Development plan

✓ Data externally assured (limited assurance)

% of employees with a development plan of development plan eligible head-count[1]

	2024/25	2023/24	2022/23
Development plan rate	**99.5**	**99.7**	**97.4**
Development plan rate women	99.5	99.8	
Development plan rate men	99.4	99.7	

1) For definition and methodology see Sustainability note 3 - Employees.

In the 2024/25 financial year, more than 4,000 employees completed 20,000 hours of Leadership Excellence Hub learning, and in addition, our employees completed 7,200 hours of training via LinkedIn Learning. We also introduced a 360-degree feedback tool, cross-unit exchanges for coaching, and "action learning" sets to facilitate learning transfer and to work on real business challenges.

Talent attraction

GRI 401-1

During 2024/25, 3,677 employees joined Sonova and more than 65% of job openings for all leadership positions (people leaders and project managers) were filled by existing Sonova employees.

New hire rate

✓ Data externally assured (limited assurance)

% of new hired headcount[1]

	2024/25	2023/24	2022/23
Gender			
Women	66.9	68.7	67.7
Men	33.1	31.3	32.3
Age			
under 30 years old	39.7	38.2	39.5
30-50 years old	46.7	48.8	47.7
over 50 years old	13.6	13.0	12.8

1) For definition and methodology see Sustainability note 3 - Employees.

Internal leadership recruitment rate (ILRR)
✓ Data externally assured (limited assurance)

% of headcount[1]

	2024/25	2023/24	2022/23
Total internal hires to leadership positions (%)	65.4	64.9	66.0

1) For definition and methodology see Sustainability note 3 - Employees.

Working conditions

Strategy, governance and IROs

At Sonova, we are dedicated to fostering a workplace that drives our teams' accountability for customer, consumer and shareholders outcomes with focus on their development and balancing their wellbeing. Our commitment to responsible employment practices encompasses a comprehensive definition of working conditions, which includes secure employment, worktime, adequate wages, freedom of association, the existence of work councils, social dialogue, consultation and participation rights of workers, collective bargaining, employee wellbeing, family-related leave, prevention of child labor and forced labor, adequate housing and privacy.

GRI 3-3

SDG 8.7

Material impacts, risks and opportunities related to working conditions:

IRO	Occurrence	Expected time horizon
Positive impact: Employee wellbeing Conducive working conditions and employee wellbeing initiatives can impact positively on employees and their families, therefore contributing to social stability in a community.	Own operations	No change

We are dedicated to fostering a workplace that ensures employees' rights, job stability, equitable compensation, and fair working conditions while promoting constructive dialogue. We aim to create a workplace where employees feel valued, empowered, and supported in balancing their accountability to deliver performance objectives with their professional and personal lives. We recognize that a safe and healthy work environment with a focus on employee wellbeing is enabling our colleagues to create more value for our customers, consumers and shareholders and to deliver business outcomes as well as improving employee engagement. Our wellbeing framework is based on five pillars:

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

Sonova's GVP Corporate Human Resource Management & Communications is responsible for overseeing working conditions, including setting the strategic direction, monthly oversight, and tracking. Performance metrics are reviewed monthly at global, business and local levels. The Group General Counsel is responsible for monitoring and implementing of the SpeakUp process, including our anonymous whistleblowing platform, and other human rights initiatives. Employee wellbeing is led and managed through a cross-functional global health team, supported by local champions in our Group companies. In addition, we conduct internal audits for Group functions and at a Group company level to ensure for compliance with local labor laws as well as our own regulations.

Policies and actions

Our commitment to our employees is described in our Code of Conduct and Human Rights Policy. Key aspects include respecting the personal integrity of our employees, freedom of association and promoting human rights. Detailed information about the policies can be found in the Our employees and the Business ethics sections. Multiple internal policies and standard operating procedures govern specific aspects of working conditions. They are globally standardized and locally implemented in accordance with country-specific laws and regulations. The internal policies are tailored to the differing work needs of employees in different role and working in different business environments.

During the 2024/25 financial year, we launched a new wellbeing guide and training program for our employees to help them manage their time and energy effectively by setting workspace boundaries. We also provided a new training for people leaders on having meaningful 1:1 conversations with the teams to address topics like workload management and task prioritization. We have also provided several other wellbeing-related activities, including online events, training, guides and communication on the Sonova intranet.

Performance metrics and targets

Wellbeing

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

In the 2022/23 financial year, we launched the Mental Health First Aid Conversations for Managers training to equip people leaders with the skills to recognize early signs of mental health challenges and engage in meaningful conversations to support their teams. Throughout the past three financial years, we have successfully trained 1,085 of our people leaders, achieving our target. We will continue to foster mental health awareness in the organization.

People leaders trained in Mental Health First Aid Conversations for Managers

✓ Data externally assured (limited assurance)

Number

	2024/25	2023/24	2022/23
Number of people leaders trained in Mental Health First Aid Conversations for Managers	557	341	187

[1] For definition and methodology see Sustainability note 3 - Employees.

Sonova's Employee Assistance Program (EAP) provides anonymous counseling services for employees and immediate family members with personal concerns, both at and outside work. In the 2024/25 financial year 83% of our employees had access to the EAP. We measure employee wellbeing as part of HearMe, our annual engagement survey, the score is based on the questions about energy at work, trusted relationships with colleagues and self-perception at work. In the 2024/25 survey, Sonova's wellbeing score was 77, one percentage point above the Health Care Equipment & Services industry benchmark.

Collective bargaining and protecting employees' rights

Key ESG target: We conduct at least one social audit per year.

During the 2024/25 financial year, we conducted one social audit, thereby achieving our target. The social audit took place in our operations center in Mexicali, Mexico, and was performed by independent auditors using the ELEVATE Responsible Sourcing Assessment (ERSA) standard. The audit included onsite confidential interviews with employees, documentation review, physical observations, and management interviews. None of the findings identified concerned child or forced labor, or were rated as zero tolerance or critical. Improvement areas regarding transparency on wages and working hours, discriminatory practices were identified, discussed with relevant stakeholders, and addressed through improvement actions. The operations center was assessed as performing very well in the areas of environment, business ethics and management systems.

SDG 8.7, SDG 8.8

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 the SpeakUp process, key policy training and regular campaigns for awareness raising can be found in the Business ethics section.

By the end of the 2024/25 financial year, 24% of our global workforce was covered by collective bargaining agreements. In addition, 21% of our employees are represented by workers' representatives. At Sonova, we are dedicated to ensuring fair compensation for our employees, utilizing market data to inform salary adjustments based on market movements. In the event of significant organizational changes, we are taking adaptive measures to minimize negative impacts on our employees, including early retirement offers, internal mobility opportunities, financial compensation, retraining programs and outplacement services. In the past three financial years, there have been no significant job cuts affecting more than 1,000 employees or more than 5% of the total workforce.

GRI 2-30

Diversity and inclusion

At Sonova, we are committed to our long-standing principles of diversity and inclusion (D&I). This commitment is reflected in our global Code of Conduct. We maintain a zero tolerance policy for discrimination and harassment and have established procedures for raising and addressing concerns. As an equal opportunity employer, we ensure that our workplace reflects the diverse range of stakeholders and communities we serve, encompassing various aspects such different races, ethnicities, genders, ages, sexual orientations, beliefs, cultural backgrounds or languages we speak. We strongly believe that D&I in the workplace drive innovation, strengthen employee engagement as well as customer satisfaction and improve overall business performance. Our commitment to equal opportunities spans the entire employee experience, from hiring and development to career advancement. We strive to create an environment where all employees feel safe, valued, included, and empowered to realize their full potential. In seeking to build an inclusive environment, we do not engage in quotas or set-asides or make any employment-related decisions based on sex or any other protected characteristic. Our global D&I strategy is built on six pillars:

SDG 5.5, SDG 8.5, SDG 10.2

- **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.
- **Attraction and development:** We stand for equity, equal opportunity, diversity and inclusion in how we attract and develop talents.
- **Training:** We train our employees and people leaders on the importance of equal opportunities, diversity and inclusion.
- **Communication:** We drive transparent communication to foster an inclusive culture, promote equal opportunities workplace and encourage role model behavior.
- **Supportive environment:** We strive to make our physical, technical and cultural work environment inclusive.

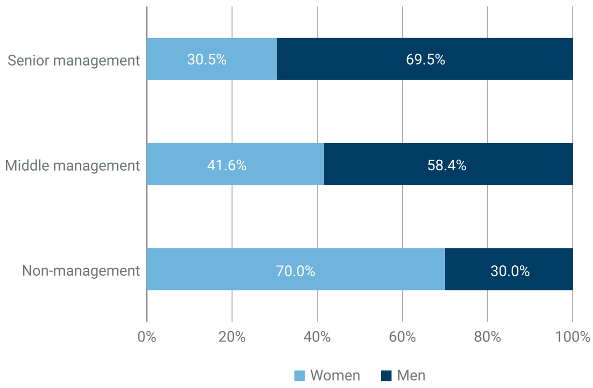
Our Global D&I Council, chaired by GVP Corporate Human Resource Management & Communications, oversees our D&I initiatives. We also have regional D&I councils and several employee resource groups, including: the Global Wo/Men's Network, the Global OutLoud Network and the Global Hearing Loss Network. Our employee resource groups have grown to over 450 members by the end of the 2024/25 financial year.

In order to promote a supportive workplace, we offer flexible working conditions, including part-time work, flexible hours, breastfeeding rooms, discounted daycare and extended maternity and paternity leave. As an example, in the United States, our family bonding leave policy includes eight weeks of leave for all new parents, regardless of gender. In Switzerland and Canada we have equipped meeting rooms with our Roger™ wireless communication devices at our sites to enhance sound clarity and amplification for our colleagues with hearing aids.

As part of our commitment to equal pay we prioritize fair compensation through our job evaluation and grading process, during hiring and salary review processes. In Switzerland, we received certification from the Fair-ON-Pay Association for our equal pay analysis. In the United Kingdom, we published the legally required gender pay gap report.

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 2024/25



At Sonova, we strive for diverse representation across all levels. At the end of the 2024/25 financial year, three of the ten members of the Sonova Board of Directors were women (30%), as were three[1] of the eight members (37.5%) of the Sonova Group Management Board. The share of women in senior management was 30.5%, and 41.6% in middle management, and we remain on track to achieve our 2028/29 targets.

GRI 405-1

ESRS S1-9

1 Including our new CFO, Elodie Carr-Cingari, who will start with the company in May 2025, and will be appointed to the Management Board as of July 2025.

Women in management positions

✓ Data externally assured (limited assurance)

Number and % of headcount within respective management position[1]

	2024/25		2023/24		2022/23	
	Number	%	Number	%	Number	%
Women in senior management	62	30.5	62	28.3	44.0	22.0
Women in middle management	737	41.6	669	39.9	505.0	36.4
Women in non-management	12,612	70.0	12,658	70.3	11,741.0	69.2

1) For definition and methodology see Sustainability note 3 - Employees.

Employees by age

✓ Data externally assured (limited assurance)

% of headcount[1]

	2024/25	2023/24	2022/23
under 30 years old	18.8	19.8	20.5
30-50 years old	58.8	58.6	58.4
over 50 years old	22.4	21.6	21.2

1) For definition and methodology see Sustainability note 3 - Employees.

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

✓ Data externally assured (limited assurance)

% of headcount[1]

	2024/25	2023/24	2022/23
Share of women in people leader positions	53.3	54.6	54.4
Share of women in STEM-related positions	26.4	25.4	24.8
Share of women in revenue-generating functions and as people leaders	55.5	56.6	56.5

1) For definition and methodology see Sustainability note 3 - Employees.

Employees and people leaders by nationality (top 5)

✓ Data externally assured (limited assurance)

% of headcount[1]

	2024/25	2023/24	2022/23
All employees			
Germany	16.0	15.3	15.3
United States	15.1	16.0	16.9
China	8.9	9.7	10.4
Vietnam	6.7	7.0	8.0
Switzerland	4.6	4.8	5.3
People leaders			
Germany	27.9	26.6	27.7
United States	11.6	11.9	11.9
China	6.4	11.5	12.7
Poland	6.4	6.1	6.3
Switzerland	5.5	5.5	5.5

1) For definition and methodology see Sustainability note 3 - Employees.

Occupational health and safety

GRI 403-2, GRI 403-9

Sonova is committed to maintaining a safe and healthy workplace where all employees are protected from harm. To do this, we have health and safety procedures and processes in place for our operations and distribution centers, such as inspections to identify hazards and potential risks. As a first step, we aim to prevent the occurrence of injuries, but if an injury occurs, we conduct thorough investigations 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 a health and safety program and for ensuring compliance with standards. 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 regionally on a weekly basis. Health and safety is an integral aspect of employee and contractor training, and a key criterion for our annual internal operations site award. Local operations or distribution sites also establish action plans, including 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 below covers approximately 22% of our global workforce, and focuses on employees in manufacturing, operations, and distribution roles. For the 2024/25 financial year, we included all of our manufacturing sites in Switzerland, Vietnam, China, Ireland, Germany (including our newly opened distribution center in Erfurt), the United States, Mexico, our operations and distribution center in the United States, and our service centers in Spain and the United Kingdom. In the 2024/25 financial year, we recorded a lost day rate of 93.5 and a lost-time injury frequency rate of 3.5. Compared to 2023/24, the number of injuries across our sites increased, as well as the absence after the injuries. The increase in the lost day rate is mainly caused by two injuries, representing 51% of the total lost days.

Occupational health and safety
✓ Data externally assured (limited assurance)

Own employees[1]	2024/25	2023/24	2022/23
Number of work-related injuries	27	17	24
Number of hours worked	7,677,287	6,984,199	6,489,871
Lost day rate (LDR)	93.5	47.5	63.8
Lost-time injury frequency rate (LTIFR)	3.5	2.4	3.7
Work-related fatalities	0	0	0

1) For definition and methodology see Sustainability note 3 - Employees.

Working conditions in the value chain and affected communities' rights

At Sonova, we recognize that workers throughout our value chain play a critical role in sustaining our operations and achieving our goals. Our dedication to respecting and adhering to human rights standards extends beyond our own operations and comprises workers in our value chain and the communities impacted by our operations.

We acknowledge that the biggest potential for human rights violations within our operational footprint arises from the extracting and sourcing of materials in our supply chain. We collaborate closely with business partners, including suppliers to identify and mitigate potential human rights risks over time. Our commitment to human rights is described in our Code of Conduct, Supplier Code of Conduct and Human Rights Policy. Sonova's dedication to safeguarding and monitoring workers' rights within the upstream value chain is governed by its Supplier Code of Conduct which sets expectations for ethical labor standards and safe working conditions. The Human Rights Policy supports the key elements of the human rights due diligence (HRDD) framework, as described in the Our employees section. The Human Rights Policy outlines the key human rights risks (salient issues) identified by Sonova within its value chain, the list is available in the Sustainability note 6 - Salient human rights issues. Furthermore, Sonova's global SpeakUp policy outlines our grievance mechanisms and details of our SpeakUp platform, available for all stakeholders along the value chain to voice their concerns. More information about SpeakUp and our SpeakUp Policy can be found in the Business ethics chapter.

In November 2022, Sonova conducted its second human rights risk assessment, building on the first assessment from 2020. The assessment covered our global value chain and ranked potential human rights issues based on the severity of the risk to potentially affected people. In 2022/23, the assessment methods included desk research and internal workshops. A new human rights risk registry was introduced 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.

GRI 408-1, GRI 409-1, GRI 414-2

SDG 8.7, SDG 8.8

In the 2024/25 financial year, Sonova revised the due diligence process for business partners. The revised process includes distributor and supplier assessments and covers human rights in two steps. Firstly, suppliers are screened against watch lists and adverse media articles, enabling us to identify and respond proactively to potential human rights risks and violations. Secondly, it includes a dedicated human rights assessment to evaluate suppliers against key human rights risks, including child labor, forced labor, freedom of association, discrimination, and fair wages. These assessments are ongoing and will be integrated into our upcoming human rights risk assessment, which is planned for the 2025/26 financial year.

Corporate citizenship

Sonova is committed to being a responsible 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. Sonova has also sponsored hearing-related research projects. In addition, various Group companies engage with local communities through fundraising campaigns and volunteering.

Hear the World Foundation

The Hear the World Foundation (HTWF) focuses on increasing access to hearing care and improving the quality of life for children in low- and middle-income countries. Sonova supports HTWF's mission by providing funding, expertise, employee volunteers, and hearing solutions.

Key ESG targets:
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 2024/25 financial year, we surpassed our target by fitting 5,168 hearing aids through HTWF-supported projects, compared to 4,067 in the previous year. HTWF supported 14 projects worldwide during the period, providing more than 110,000 hearing screenings for newborns and children. In addition, HTWF enabled audiological training for 4,978 volunteers and hearing care professionals, and Sonova employees contributed over 1,000 hours of voluntary work. Further information about the activities, goals, and impacts of HTWF in 2024/25 is published in the annual Activity Report on the HTWF website.

Hear the World Foundation activities

✓ Data externally assured (limited assurance)

	2024/25	2023/24	2022/23
Fitted hearing aids	5,168	4,067	2,880
% increase compared to previous year	27.1%	41.2%	21.5%

Our consumers

We envision a world where everyone enjoys the delight of hearing and therefore lives a life without limitations. Our consumers are at the center of our actions, and we are committed to building strong relationships across all levels of interaction.

Consumer rights and engagement

We are committed to respecting and protecting the rights of our consumers. Sonova's Code of Conduct and Human Rights Policy govern this commitment and are aligned with international frameworks. Our Human Rights Policy outlines key salient issues and applies to all aspects of Sonova's operations, including its downstream value chain. A list of these issues is available in the Sustainability note 6 - Salient human rights issues. Our grievance mechanism process is defined in our SpeakUp Policy and managed through the SpeakUp process. The policy provides guidance on grievance mechanisms, such as SpeakUp, our anonymous reporting platform which enables stakeholders to report concerns, including potential human rights violations. The policy also outlines steps for any necessary remediation, corrective actions, and disciplinary measures while ensuring protection against retaliation for good-faith reports. The Group General Counsel is responsible for the monitoring and implementation of the SpeakUp process. The complaints raised are reviewed quarterly by the Audit Committee. For further details about SpeakUp, please refer to the Business ethics section.

We also provide accessible channels for consumers to report product-related safety and quality concerns as well as service-related concerns. Consumers can report complaints by contacting the respective support teams through the contact form available on the brands' websites or via dedicated customer service hotlines. Complaint handling teams are responsible for receiving, reviewing, and evaluating complaints related to product safety and product performance trends. Complaints are evaluated to determine whether they represent an event that is required to be reported under applicable regulatory and legal requirements.

Sonova acknowledges the importance of consumer engagement in shaping its strategy and addressing impacts. We directly engage consumers through digital platforms, training programs, and direct feedback channels. Engagement with consumers occurs at multiple points in the product lifecycle and contributes to our continuous improvement efforts, particularly in early-stage product design, feature development, service optimization, and post-market surveillance. Insights gathered from consumer interactions are regularly shared in leadership meetings.

Access to hearing care

Strategy, governance and IROs

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 have a positive impact on millions of lives and we are committed to further improving access to hearing care. Access to hearing care is defined as access to Sonova's products and services, including hearing care professional (HCP) training offerings.

GRI 3-3

SDG 3.8, SDG 9.5

Material impacts, risks and opportunities related to access to hearing care:

IRO	Occurrence	Expected time horizon
Positive impact: Improving the quality of life Access to hearing care improves the quality of life of individuals with hearing loss through the provision of social, emotional and cognitive benefits (e.g., via social inclusion, economic productivity). Family members and carers can also be positively impacted.	Downstream	Increase in short-, medium-, long-term
Positive impact: Addressing health care costs Untreated hearing loss can have harmful effects on health and wellbeing and is associated with high costs for our healthcare systems. By treating their hearing loss, users of hearing instruments and cochlear implants can maintain their health and wellbeing and potentially address the risk of health-related issues.	Downstream	Increase in short-, medium-, long-term

Untreated hearing loss can affect both society and individuals through its social, developmental, academic, and professional consequences. Hearing loss can also have a negative impact on cognition, as recent studies suggest. In response, we develop innovative hearing care solutions, accessible to as many people as possible, and help to educate and develop HCPs. Access to hearing care is closely linked to our Group strategy, especially in such aspects as omnichannel audiological care, innovation, multichannel partnerships, and investment in high-growth markets.

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 across various price levels, continuously improving speech intelligibility, sound resolution and quality, and ease of use. In addition, Sonova is committed to training and developing HCPs worldwide to meet the rising demand for hearing care and support the increasing population living with hearing loss.

The material topic of access to hearing care is governed within Sonova's individual businesses. However, our aim is to establish a group-wide access to hearing care program to guide the access to hearing care approach and business-specific actions.

Policies and actions

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.

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. 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. 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 United States, to offer bundled pricing which allows consumers to get the right hearing care product and support. Our offering of prescription hearing instruments is complemented by over-the-counter (OTC) hearing aids from our Consumer Hearing business. OTC hearing aids can be purchased online or across various retail channels in the United States and in China, and can be self-fitted to support easier access. They allow consumers to improve their hearing earlier and at a lower cost.

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 omnichannel Audiological Care network. By operating through many channels, we multiply consumers' potential paths to hearing. Sonova's Audiological Care business has more than 3,700 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 and digital solutions include such advancements 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. 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 HCPs is limited. We enable 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 HCP without requiring a face-to-face consultation.

At a global level, Audiological Care's Global Academy was established in the 2024/25 financial year to strengthen our offerings for continued education and growth to HCPs working across Audiological Care stores globally. The Academy also oversees the Swiss International Hearing Academy (SIHA) program and works in close collaboration with its network of regional academies, including in Germany and China, to educate highly qualified HCPs. In 2024/25, the Audiological Care Academy engaged over 5,000 HCPs in training programs on new products, as well as on critical holistic hearing care topics such as tinnitus and cognition.

The SIHA is a Sonova Group initiative offering a pioneering blended-learning program in audiology for aspiring 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. In 2024/25, the SIHA program was launched in Spanish to serve Latin America.

Research of benefits by using AI features

One of our research focus areas in 2024/25 was assessing the benefit of our latest generations of hearing aids, Phonak Infinio and Infinio Sphere. 2024/25 studies focused on assessing various benefit dimensions, including technical measures, classic speech intelligibility, and especially simulated dynamic conversation conditions in social settings. The studies showed that features of hearing aids can provide significant benefits, allowing users to seamlessly and actively engage in social interactions. We specifically tested speech intelligibility in highly dynamic dinner table situations and showed how AI-based features significantly improved speech intelligibility and facilitated more effortless conversations. These findings align with our overarching perspective on the benefits of hearing care in broader, more holistic aspects of quality of life.

Performance metrics and targets

Accessibility

Key ESG target:
We aim for a 50% increase in the number of hearing aids sold in low- and middle-income countries by 2024/25, compared to 2018/19.

In the 2024/25 financial year, we reached a 67% increase compared to 2018/19, and therefore achieved our target.

Sales growth in low- and middle-income countries

✓ Data externally assured (limited assurance)

vs. 2018/19[1]

	2024/25	2023/24	2022/23
Increase in number of hearing instruments sold in low-and middle-income countries vs. 2018/19	67.3%	48.2%	48.5%

1) For definition and methodology see Sustainability note 4 - Other social topics.

Innovative hearing solutions

As part of our innovation process, we filed 47 new patent applications in the 2024/25 financial year across our businesses. By the end of the financial year, Sonova owned in total 1,929 active granted patent and design rights.

Patents and design rights

✓ Data externally assured (limited assurance)

Number of active patents and new patent applications

	2024/25	2023/24
Number of active patents and design rights	1,929	2,082
New patent and design rights applications	47	52

Training and education

During the 2024/25 financial year, 555 HCPs in low- and middle-income countries graduated and additionally, 567 were enrolled in the SIHA program at the end of the 2024/25 financial year.

SIHA graduates in low- and middle-income countries

✓ Data externally assured (limited assurance)

Number of graduates in low- and middle-income countries[1]

	2024/25	2023/24	2022/23
SIHA graduates in low- and middle-income countries	555	369	186

1) For definition and methodology see Sustainability note 4 - Other social topics.

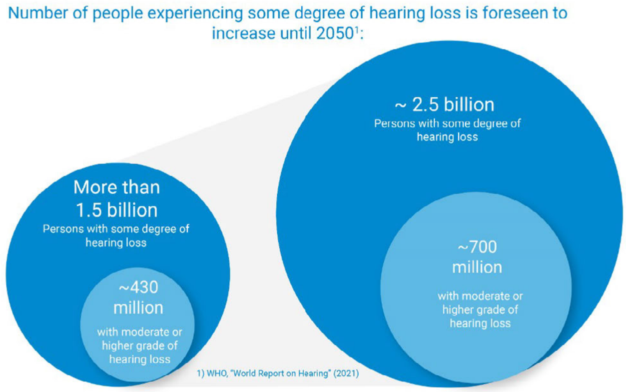
In addition to SIHA, we have established additional education programs in multiple local markets. For example, in China, where the aging population has rapidly increased and the rising number of people with hearing loss has strained an already under-resourced hearing care system, we have trained more than 260 local HCPs through a six-month program. In addition, more than 5,000 people participated in the monthly online training on the theme of solving daily problems and debugging. 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.

SDG 3.C

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 that 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 2024/25, our teams trained around 3,719 participants through online and onsite training courses. The participants completed a total of almost 13,765 individual training modules.

Awareness raising on hearing health

We are committed to raising awareness on hearing health and addressing hearing loss stigma. According to World Health Organization (WHO) statistics, more than 1.5 billion people, representing 20% of the global population, experience some degree of hearing loss[1]. Among them, over 5% of the world's population suffers from moderate to severe hearing loss[2]. Nearly 30 million have profound or complete hearing loss in both ears. These numbers are expected to rise significantly due to aging populations and the effects of 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 loss[1]. It also 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 costs[1]. Unaddressed hearing loss is among the three most prominent causes of years lived with disability (YLD) around the globe. All these facts highlight the need for increased hearing-health awareness among consumers, insurers, distributors, and society. 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.



In the 2024/25 financial year, Sonova undertook initiatives and actions through a wide range of channels to improve hearing health awareness. For many years we have been offering free online hearing tests, and provided more than 800,000 of these during the 2024/25 financial year. We regularly conduct free hearing test days in our stores to reach the broader public. Around 500 medical partners of our Audiological Care business took part in virtual events to present the latest research and best practices in the field of hearing loss and its relation to cognitive health and artificial intelligence. We also organized several awareness-raising initiatives, such as workshops and various professional training programs. 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.

Sonova has been supporting and participating in clinical research for decades. In the 2024/25 financial year, Sonova's research program continued to support the ACHIEVE (Aging and Cognitive Health Evaluation in Elders) study, led by the Johns Hopkins Bloomberg School of Public Health. The study was designed to determine whether treating hearing loss in older adults

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

[2] In 2021, the WHO updated the threshold for moderate hearing loss at 35 dB in the better ear.

reduces cognitive decline over a three-year period. The research program has recently released three scientific papers with new findings. One of the findings confirms that hearing aids significantly reduce the burden of hearing loss in daily life and moreover, study participants continued to use their hearing aids regularly throughout the three years rather than leaving them aside after a limited period of use. Another publication demonstrates that hearing care positively affects social participation, leading to an increase in both social network size and diversity. A third study finds that hearing aid users report feeling less fatigued at the end of the day, emphasizing the broader wellbeing benefits of effective hearing solutions.[1]

Recognizing the importance of these insights, our Phonak brand continues to offer the ECHHO (Enhancing Cognitive Health via Hearing Optimization) training program. This program was launched during the 2023/24 financial year and 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. The program encourages 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.

[1] Additional information available at: https://www.achievestudy.org/publications

Product quality, reliability and safety

Strategy, governance and IROs

GRI 3-3, GRI 416-1

Sonova is committed to delivering high-quality, reliable, and safe products that meet our consumers' expectations, while continuously striving for improvements. Product quality, reliability and safety is defined as the personal health and safety of users and the reliable functioning of the product.

Material impacts, risks and opportunities related to product quality, reliability and safety:

IRO (risk assessed as if unmitigated)	Occurrence	Expected time horizon
Positive impact: Social inclusion Reliable, well-functioning products of Sonova's Cochlear Implants and Hearing Instruments businesses, as well as the service delivery through the Audiological Care business, can significantly contribute to the social inclusion of users of hearing instruments and cochlear implants. This, in turn, can also help raise awareness among other individuals with hearing loss who may also benefit from the technology.	Downstream	No change
Risk: Loss of consumer trust There could be a loss of sales and market share if customer and consumer trust is lost due to quality or safety concerns.	Downstream	No change
Risk: Product exchanges and recalls If faulty or unreliable products enter the market there is a risk of costly repairs, fines, or product recalls.	Downstream	No change
Risk: Product-related chemical requirements Legal requirements are becoming stricter and more fragmented, leading to a risk of non-compliance and subsequent fines.	Downstream	Increase in medium- to long-term

Sonova has integrated quality, reliability and safety considerations into every stage of our processes, from research, product design, development and production to post-sale product use. We closely monitor our markets and use relevant design for reliability (DFR) principles in our development processes, ensuring that product quality is built in from the design to the manufacturing phase. 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.

Each of our businesses operates under a dedicated quality framework for quality, reliability and safety to fulfill the specific requirements of each product and enable prompt, detailed actions for improvement. We adhere to key regulatory requirements, including design controls, marketing approvals, good manufacturing practices, vigilance systems, clinical studies and other relevant product regulations, standards, and normative documents specified by regulatory agencies. To support this, we have established quality management systems where applicable as well as cross-functional quality, reliability and safety teams. Product quality, reliability and safety is governed within each of our businesses. Quality and reliability teams within the businesses review key performance metrics monthly to drive continuous improvement and ensure regulatory compliance. Updates on these topics are provided to the full Management Board and to the Board of Directors at least annually to ensure ongoing oversight and strategic alignment.

Additionally, 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, and 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, reporting results and maintaining records. We document and file reports on the audit findings, corrective actions and other follow-up activities. After each audit is completed, its data is reviewed to identify possible trends.

Policies and actions

Sonova's policies and standard operating procedures for quality, reliability and safety ensure adherence to regional and global regulations while promoting a quality culture and awareness across the organization. In the 2024/25 financial year, we introduced a new quality policy for Hearing Instruments business that serves as the primary framework, guiding our quality standards. This policy applies to all our operations sites, and has been approved by our CEO. For hearing instruments, our 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), Class II (wireless hearing aids) and over-the-counter (OTC) hearing aids categories.

Cochlear implants and their accessories comply with healthcare authority requirements relevant to each territory in which they are distributed. For example, in the European Union new products are compliant with 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. Similarly, in the United States, cochlear implants are classified as Class III medical devices and subject to pre-market approval, where the FDA evaluates the safety and effectiveness of these devices before commercialization. Sonova carefully monitors changes in the relevant worldwide regulatory environment to ensure its products always conform.

SASB HC-MS-410a.1, SASB HC-MS-430a.1, SASB HC-MS-430a.2, SASB HCMS- 430a.3

For all products, we evaluate potential safety-related risks using a systematic method to estimate, evaluate, control, and monitor them. Hearing instruments and cochlear implants are governed by the ISO 14971 standard, which specifies the application of risk management to medical devices. We ensure up-to-date regulatory and statutory requirements knowledge through initial and maintenance training programs. We provide specific training programs based on job responsibilities through our learning platform to instill awareness of quality and reliability topics. Employees also receive general training on the quality management system, health, environment, and safety as applicable, and supplemented with in-depth training needed to perform the work. Our operations centers for hearing aids and cochlear implants and major Group companies have their quality systems certified in accordance with ISO 13485, the internationally recognized quality system standard for medical devices. Many of our sites are participants in the Medical Device Single Audit Program (MDSAP) a unified program which covers the requirements of several key countries (Australia, Brazil, Canada, Japan, and the United States). Our operations centers manufacturing products for the European market have quality systems meeting the requirements of the European Medical Device Regulation (MDR 2017/745). 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 aligns with the standard.

Product quality, reliability and safety are integrated elements of our businesses' research, design and development processes. From the outset of design and development, we document relevant inputs, including functionality, performance, quality, and safety requirements based on the intended use, clinical, consumer, and patient needs, and applicable statutory and regulatory requirements, including environmental impact. Changes to these inputs go through the same approval process as the original design input. We conduct regular in-house product testing to verify and validate design, and external third-party testing to ensure compliance with standards and regulatory requirements. Once our products enter commercial distribution, they are continuously assessed to improve quality, safety and effectiveness through 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. Product quality information is also part of supplier evaluation when relevant: using a risk-based approach, we initiate additional measures to ensure high quality.

Customer and consumer complaints are documented and reviewed to determine product quality, reliability and safety, and 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 and consumer 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. We ensure 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.

During the 2024/25 financial year, we completed the transition of our key manufacturing and service sites to our multi-site certificate which meets the requirements of the ISO 13485 standard. This multi-site certification ensures the consistent application of established processes and procedures at our key sites ensuring we achieve our desired results and making it easier to encourage innovation and growth. A multi-site certificate demonstrates Sonova's commitment to excellence in every facet of the organization.

Performance metrics and targets

Product quality and reliability

Key ESG targets:
We improve the product reliability rate by >20% year-over-year for hearing instruments.
We improve the product reliability rate by >20% year-over-year for cochlear implants.

The reliability rate of hearing instruments improved by 10% compared to 2023/24, however, we did not reach our annual target. The cochlear implant externals/processors reliability rate improved by 16% compared to the previous year, not achieving our 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 year[1]

	2024/25	2023/24	2022/23
Improvement of hearing instruments product reliability rate	10%	7%	(2%)
Improvement of cochlear implants product reliability rate (externals/processors)	16%	14%	27%

1) For definition and methodology see Sustainability note 4 - Other social topics.

In the 2024/25 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, indicating potential serious risks or actual product safety issues. Sonova global facilities were inspected by several regulatory agencies during the reporting year, and there have been no enforcement actions for violation of Good Manufacturing Practice (GMP).

SASB HC-MS-250a.1, SASB HC-MS-250a.2, SASB HCMS- 250a.3, SASB HC-MS-250a.4

Hearing Instruments (HI) and Cochlear Implants (CI) businesses: Product safety indicators[1]
✓ Data externally assured (limited assurance)

			2024/25			2023/24			2022/23
	HI	CI	Total	HI	CI	Total	HI	CI	Total
Number of recalls (class I, class II or equivalent)	0	0	0	0	0	0	0	0	0
Number of voluntary recalls	0	0	0	0	0	0	0	0	0
Products listed in any public medical product safety or adverse event alert database	0	0	0	0	0	0	0	0	0
Number of fatalities associated with products	0	0	0	0	0	0	0	0	0
Number of enforcement actions taken in response to violations of good manufacturing practices (GMP) or equivalent standards	0	0	0	0	0	0	0	0	0
Number of regulatory agency inspections	15	11	26	13	4	17	13	5	18

1) For definition and methodology see Sustainability note 4 - Other social topics.

Ethical marketing and sales practices

Strategy, governance and IROs

At Sonova, we are committed to ethical marketing and sales practices towards all our customers and consumers, across all our businesses and channels. Ethical marketing and sales practices is defined as responsible marketing practices, accuracy and comprehensibility of marketing statements, advertising, labeling of products and services, non-discrimination and non-predatory selling practices.

GRI 3-3

SASB HC-MS-240a.2, SASB HC-MS-510a.2

Material impacts, risks and opportunities related to ethical marketing and sales practices:

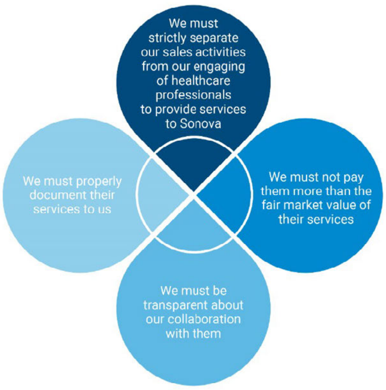
IRO	Occurrence	Expected time horizon
Positive impact: Sharing of reliable information By sharing reliable information on hearing health, Sonova raises awareness on the topic. This can encourage individuals to seek hearing care, which in turn can improve their quality of life.	Downstream	Increase in short-, medium-, long-term
Positive impact: Improved hearing care Well informed and trained hearing care professionals (HCPs) can lead to better health outcomes: Empowered HCPs can better contribute to a functioning health system by providing accurate information tailored to the individual client. This can lead to better health outcomes in communities overall.	Downstream	Increase in short-, medium-, long-term

Sonova promotes ethical marketing and sales practices by implementing rigorous compliance measures and structured training programs. We help people make informed choices and contribute to improved hearing healthcare in society by educating and guiding hearing care professionals (HCPs) and by giving consumers access to trustworthy information.

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 functions such as Marketing, Research and Development, Clinical Affairs, and Legal. The GVPs of our Hearing Instruments, Cochlear Implants, and Consumer Hearing businesses oversee these functions. The Group General Counsel leads legal governance, including brand intellectual property and compliance, with support from senior legal experts. The Management Board and Board of Directors are regularly informed about relevant topics including clinical studies, regulatory and scientific compliance of product performance, and claims studies.

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 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 and at all times, our cooperation with them is governed by our Four-Leaf Clover Principles:



Our mandatory Code of Conduct training 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 procedures for claims management set out clearly how to create compliant safety and performance claims for both medical devices and non-medical devices, including their related accessories and services, adhering to global regulatory requirements. For medical devices, before being disseminated, all claims go through a standardized review and approval process to ensure sufficient evidence, quality, and compliance with global regulatory requirements. Employees from relevant functions are identified and assigned to our mandatory annual training on the claims management procedure.

In the 2024/25 financial year, Sonova updated its social media guidelines to strengthen awareness of responsible social media use. The revised guidelines emphasize the importance of preventing employees from unintentionally making new claims, regardless of whether they post from personal or business accounts. To support this, Sonova has introduced additional training for all employees on responsible communication. We provide this training to offer clear guidance on responsible and appropriate behavior in communications, and specifically when interacting with social media platforms to ensure that Sonova employees do not intentionally or unintentionally create any new, potentially unsubstantiated claims on social media.

Sonova's anonymous reporting platform, SpeakUp, is available to all stakeholders for submitting concerns, including potential violations of marketing and sales ethics. For further details about SpeakUp, see the Business ethics section.

Performance metrics and targets

In the 2024/25 financial year, there were no monetary losses because of legal proceedings associated with misleading marketing claims. All clinical claims have been sufficiently substantiated for all of Sonova's hearing instrument brands as well as for cochlear implants.

SASB HC-MS-270a.1

Data privacy and digital ethics

Strategy, governance and IROs

We are committed to operating ethically and in compliance with regulation, and we continuously prioritize actions and measures to ensure that we protect the data of our consumers and other stakeholders. Data privacy and digital ethics is defined as the ethical collection and management

GRI 3-3

of personal and sensitive data, ethical considerations in employing artificial intelligence (AI), and ensuring customers' and consumers' data privacy. Our products and services incorporate technology, and we understand how crucial it is to keep robust security measures in place to protect privacy, promote transparency, and build stakeholder trust.

Material impacts, risks and opportunities related to data privacy and digital ethics:

IRO (risk assessed as if unmitigated)	Occurrence	Expected time horizon
Risk: Data protection Violation of privacy, particularly with respect to sensitive health-related data, can lead to reputational damage and fines.	Downstream	Increase in medium- to long-term

We have 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 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 function 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 network of Privacy Champions is tasked to embed privacy protection at the Group company level. Both the Global Privacy function and Internal Audit are tasked to monitor program and policy effectiveness. The Data Protection program continuously evolves to meet the changing legal landscape. In order to ensure ethical use of personal data, Sonova has a Compliance and Digital Ethics Committee which 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.

Sonova has a dedicated 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, establishes and sustains a firm-wide cyber aware culture to ensure information security is a shared responsibility, defines information security policies, and 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. Risks and mitigation actions are reported regularly to the Audit Committee through the enterprise risk management process.

In the 2024/25 financial year, Sonova developed a new information security strategy and roadmap which prioritizes risks and aligns with its business objectives. This structured approach ensures risk management effectiveness, addressing the most critical issues first. With strong support from the Management Board, the strategy reinforces Sonova's commitment to safeguarding its operations, products and customer data.

Policies and actions

Sonova's Group Data Protection Policy covers all personal data collected or processed by Sonova, and applies to all Sonova Group companies and their employees and business partners on a worldwide basis. The policy provides transparency to our customers and gives assurance of our 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 has a Global Information Security Policy that specifies information security mandate and key principles, as well as key roles and responsibilities. It is complemented by a set of directives, standards, and guidelines governing cyber security for the functions and subsidiaries controlled by Sonova, covering areas such as the acceptable and secure use of information and information systems and the cyber security of our products. This information security policy framework is amended and supplemented regularly to meet fast moving changes in IT and cyber security. Sonova regularly tests its disaster recovery plans and incident response procedures and 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. Sonova also performs 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. In addition to mandatory training for all employees on best practices, Sonova provides targeted awareness training for specific functions, as well as global and local campaigns and events, and performs regular cyber security resilience exercises (e.g., phishing). During the 2024/25 financial year, we organized an Information Security awareness month featuring month-long communication, sessions and activities for all Sonova employees globally, as well as an onsite event at our headquarters in Stäfa, Switzerland. Such campaigns focus on emerging cyber threats and risks (e.g., deepfakes) with the goal of deepening our employees' understanding and relevance of information security for our business.

Performance metrics and targets

In the financial year 2024/25, we did not experience any substantiated claims from regulatory bodies or outside parties regarding information security or data breaches.

GRI 418-1

Breaches overview

✓ Data externally assured (limited assurance)

Number	2024/25	2023/24	2022/23
Number of information security breaches or other cyber security incidents	0	0	0
Number of substantiated complaints concerning data breaches	0	0	0

Governance information

The following sections are covered in the governance information chapter:

- Business ethics
- Supplier relations
- Public affairs
- Animal welfare

Business ethics

Strategy, governance and IROs

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 abiding by our own Code of Conduct and other internal policies and standards. Business ethics is defined as shaping corporate culture and following our Code of Conduct by fighting fraud, corruption, bribery, and anti-competitive practices, along with whistle-blower protection.

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

Material impacts, risks and opportunities related to business ethics:

IRO (risk assessed as if unmitigated)	Occurrence	Expected time horizon
Risk: Sustainability regulations The sustainability-related regulatory landscape is quickly changing and becoming more fragmented. Not being able to comply with existing and upcoming regulations (in time) can lead to reputational damage and fines.	Entire value chain	Increase in short-, medium-, long-term
Risk: Ethical behavior Unethical behavior and non-compliance with legal requirements can lead to the loss of large contracts or key accounts.	Entire value chain	Increase in short-, medium-, long-term
Risk: Protection of whistleblowers Whistleblowers play an important role in maintaining ethical conduct. A lack of their protection can lead to reputational and legal risks.	Entire value chain	No change expected

To conduct business ethically is a priority and the foundation of delivering on our strategy and providing value to our customers and consumers. We operate in a global legal environment that requires a proactive approach to uphold high standards. This includes setting and communicating our standards, training our employees, undertaking our due diligence process, and taking mitigating actions. For the regulatory risks, the expected increase in short-, medium- and long-term is foreseen due to the increasing amount and fragmentation of legislation as well as due to business growth.

The ultimate oversight for business ethics 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 compliance standards by individual business units and Sonova as a whole. The Compliance and Data Privacy function oversees 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. In addition, business ethics and adherence to regulations and policies are part of the internal audit process for Group functions and at a Group company level. The results of the internal audits are presented to 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, 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, and anti-competition, along with Sonova's commitment to social and environmental responsibility such as human rights, diversity and inclusion, non-discrimination, and workplace safety. Sonova's Code of Conduct training is mandatory for all employees worldwide and is delivered through our eLearning platform or periodically via classroom training for employees who do not have access to a computer in performing their role. It provides 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. Third parties are regularly instructed to ensure adequate understanding and compliance with the Code of Conduct. 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, anti-competitive practices or infringement of intellectual property, 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. In addition, Sonova's Supplier Code of Conduct also serves as a binding principle for its suppliers. Suppliers are required to provide written certification that they will always adhere to these requirements in all of their business transactions, operations, goods, and services pertaining to Sonova.

Sonova's Anti-Bribery Policy prohibits all forms of corruption and provides the framework for ethical interaction with customers, consumers, and third parties – with a particular focus on Sonova's interactions with hearing care professionals (HCPs) and health care organizations. The Anti-Bribery Policy has been communicated to all Sonova employees, and third parties must commit to complying with the principles described in the Anti-Bribery Policy. The content of the Anti-Bribery Policy is integrated in the annual mandatory Code of Conduct training and in addition, mandatory yearly training on the Anti-Bribery Policy has been rolled out to employees in defined high-risk functions such as sales and marketing, finance, as well as senior and middle management and Group company roles such as Managing Directors and company controllers. The training offers an in-depth understanding of anti-bribery principles, incorporating case studies and real-world applications. 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 and must comply with the principles it sets out. GRI 205-2 SDG 16.5

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 has implemented a SpeakUp Policy which outlines the escalation GRI 2-25, GRI 2-26 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. Sonova's SpeakUp platform and process are compliant with the EU Whistleblower directive and have been audited and verified by external auditors. Employees may report a concern to their line manager, their local HR function, a compliance manager, or directly via the SpeakUp platform, which is available online and via phone. The SpeakUp platform is operated by an independent third-party provider and ensures the anonymity of the reporter. We also include the SpeakUp Policy in our annual Code of Conduct training for all employees.

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 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. SpeakUp statistics are published on Sonova's internal platforms to increase trust and assure employees that concerns are addressed promptly.

In the 2024/25 financial year, Sonova revised the due diligence process for business partners, including suppliers and distributors. The revised process incorporates pre-engagement assessment to ensure that new partners align with our commitment to ethical business practices and core values. In addition, our newly launched Supplier Code of Conduct reinforces our dedication to responsible and sustainable business operations across the value chain by clearly outlining our expectations for upstream value chain partners and emphasizing critical areas such as ethical behavior, the protection of human rights, and the reduction of environmental impact.

Performance metrics and targets

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

In the 2024/25 financial year, the target was achieved with an overall on-time completion rate of 98%. We remain committed to achieving a high Code of Conduct training completion rate for the coming financial year.

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 launch[1]	2024/25	2023/24	2022/23
On-time Code of Conduct training completion rate	98.0	97.4	93.8

1) For definition and methodology see Sustainability note 4 - Other social topics.

In the 2024/25 financial year, a total of 245 SpeakUp complaints were reported. All allegations were promptly addressed by the internal investigations team, supported by external experts as needed. 34% 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[1]

	2024/25	
	Total complaints	Substantiated complaints
Number of SpeakUp complaints	**245**	**84**

1) For definition and methodology see Sustainability note 5 - Business ethics.

No fines or non-monetary sanctions for non-compliance, including violation of anti-corruption and anti-bribery laws were levied against Sonova in the 2024/25 financial year.

GRI 2-27, GRI 206-1
SASB HC-MS-510a.1

Supplier relations

Sonova is committed to building and maintaining responsible and fair partnerships with our suppliers, and we have integrated environmental, social, and governance considerations into our supplier selection and management. In the 2024/25 financial year, we sourced direct materials from 933 suppliers across our businesses. Over 95% of our supplier relationships have spanned more than 5 years, reflecting stability and trust. Sonova's relations with suppliers are guided by the Sonova Supplier Code of Conduct, the Sonova Code of Conduct and the General Conditions of Purchase, forming the foundation of 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.

In 2024/25, we continued to embed sustainability in our core procurement processes. Sustainability remains an integral part of the predictive procurement risk assessment matrix and critical supplier assessment process, both based on EcoVadis scorecards and risk pre-screening. Sustainability requirements are also increasingly included in new supplier agreements and RFx (request for proposal, information, or bid) processes. Sustainability aspects such as ESG risk profiles, material compliance and decarbonization potential are discussed monthly within the procurement function and we offer training on the topic for buyers and category leaders. Our suppliers who register for an EcoVadis assessment also receive access to EcoVadis Academy e-learning courses. We further support our suppliers through one-to-one engagement about their specific needs, such as building their decarbonization capability, successfully completing the EcoVadis assessment, or creating corrective action plans.

GRI 308-2

Key ESG target:
We aim to conduct assessments of >90% of direct material suppliers with potential high ESG risk by 2024/25.

During the 2024/25 financial year, we expanded the scope of the target to include direct material suppliers for our Consumer Hearing business and our Hearing Instruments business. Out of 706 relevant suppliers screened, 20 were identified as high or very high inherent ESG risk, and these suppliers were requested to self-assess via EcoVadis. By the end of the 2024/25 financial year, 90% of the high or very high ESG risk suppliers were assessed, reaching our target.

Assessed high ESG risk suppliers
✓ Data externally assured (limited assurance)

% of high ESG risk suppliers that have been assessed in EcoVadis

	2024/25	2023/24	2022/23
High ESG risk suppliers assessed	90%	100%	78%

Suppliers with low assessment scores are engaged and helped to develop an action plan to improve their practices. In 2024/25, one supplier was identified with improvement needs and engaged to put an action plan in place to ensure meaningful improvement. In addition to the

GRI 414-2

SASB HC-MS-430a.1, SASB HC-MS-430a.3

assessment of high ESG risk suppliers, 20 suppliers (based on largest spend, high carbon emissions and strategic tenders) were asked to conduct the self-assessment. In total, 77% of our direct material spend in 2024/25 was covered by the EcoVadis assessments. In addition, our Consumer Hearing business conducted four onsite audits, and our Hearing Instruments business more than 75 supplier visits, which included assessment and discussion of sustainability aspects.

Sonova maintains and continuously assesses a critical supplier list, which included 30 suppliers at the end of the 2024/25 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, those whose items or materials are not substitutable 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.

Public affairs

GRI 2-28, GRI 415-1

Sonova operates in a highly regulated environment, and our public affairs efforts focus on active engagement in public discussions and providing insights on evolving policy changes. These changes include regulations affecting the market placement of hearing instruments and consumer products, as well as public access to medical technology. We work to raise awareness about the societal impact of hearing loss and the benefits of hearing care, all while upholding high standards of business ethics and integrity in compliance with applicable laws. In line with our Global Anti-Bribery Policy, Sonova does not permit donations to political parties.

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:

- 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 actively represented on the governance bodies of several key associations. Our CEO, Arnd Kaldowski, serves as the current President of EHIMA. Stefan Launer, VP of Audiology and Health Innovation, is the Chair of HIMPP’s Board of Directors. Alistair Simpson, President/GVP of Cochlear Implants, is a board member of MDMA, and Nicholai Dessypris, President of Sonova USA, is a board member of HIA. We are also involved in various professional and scientific associations related to our field. In November 2024 under Sonova’s leadership, EHIMA launched a sustainability committee to share best practices and improve understanding of ESG metrics and regulations affecting the sector. Since 2016, Sonova has been a signatory to the UN Global Compact and is part of both the global and Swiss networks.

In the 2024/25 financial year, we contributed more than CHF 1.44 million in membership fees to trade associations and non-commercial organizations. Our largest contributions went to the HIA, EHIMA and Swiss Medtech. We made no contributions to political organizations, parties, candidates, ballot measures, or referendums.

Animal welfare

SASB HC-MS-410a.1

We recognize the importance of animal welfare in advancing medical research and are committed to ethical practices and the responsible treatment of animals in compliance with international standards. Sonova does not conduct any animal testing in-house and works with only a small number of third-party organizations. We adhere to ISO 10993-1, which requires animal testing in certain cases to demonstrate the biological safety of medical devices that come into contact with the human body. As part of our research contributions, we provide components of cochlear implants to a few selected research centers and universities. We are dedicated to the Three Rs principle – replacement, reduction, and refinement – to minimize the need for animal testing.

Three Rs principle	Description
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.

EU Taxonomy note

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

During the 2024/25 financial year, Sonova continued to assess whether its economic activities qualify as eligible under the EU Taxonomy. In line with last year's disclosures, Sonova voluntarily reports in accordance with Article 8 of the EU Taxonomy Regulation (EU) 2020/852.

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. Some CAPEX activities have also been identified as eligible for the environmental objective of climate change mitigation.

During the 2024/25 financial year, Sonova has continued the assessment of its alignment with the Technical Screening Criteria (TSC). This assessment has not been fully completed and will be continued during the 2025/26 financial year. 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 93% of turnover, 41% of CAPEX, and 81% 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 as of March 31, 2025. 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 2024/25	Proportion of turnover 2024/25	Substantial Contribution Criteria: Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity and ecosystems	DNSH criteria ('Does Not Significantly Harm'): Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Taxonomy aligned or eligible proportion of total turnover, 2023/24	Category (enabling activity)	Category (transi-tional activity)
		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*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*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	0%	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	0%	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	0%	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	0%	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	3,464.3	90%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								89%		
Repair, refurbishment and remanufacturing	CE 5.1	129.2	3%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								3%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**3,593.5**	**93%**	0%	0%	0%	0%	93%	0%								**92%**		
Total (A.1+A.2)		**3,593.5**	**93%**	**0%**	**0%**	**0%**	**0%**	**93%**	**0%**								**92%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		**271.9**	**7%**																
Total (A+B)		**3,865.4**	**100%**																

Total turnover, see annual report 2024/25, 5-year key figures

CAPEX

Economic activities	Code	Absolute CAPEX 2024/25	Proportion of CAPEX 2024/25	Substantial Contribution Criteria: Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity and ecosystems	DNSH criteria ('Does Not Significantly Harm'): Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Taxonomy aligned or eligible proportion of total CAPEX, 2023/24	Category (enabling activity)	Category (transi-tional activity)
		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*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*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	0%	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	0%	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	0%	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	0%	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	56.4	27%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								27%		
Manufacture of electrical and electronic equipment	CE 1.2	25.1	12%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								15%		
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								1%		
CAPEX of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**83.9**	**41%**	28%	0%	0%	0%	12%	0%								**44%**		
Total (A.1+A.2)		**83.9**	**41%**	**28%**	**0%**	**0%**	**0%**	**12%**	**0%**								**44%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CAPEX of Taxonomy-non-eligible activities		**122.7**	**59%**																
Total (A+B)		**206.7**	**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

OPEX

Economic activities	Code	Absolute OPEX 2024/25	Proportion of OPEX 2024/25	Substantial Contribution Criteria: Climate change mitigation	Substantial Contribution Criteria: Climate change adaptation	Substantial Contribution Criteria: Water	Substantial Contribution Criteria: Pollution	Substantial Contribution Criteria: Circular economy	Substantial Contribution Criteria: Biodiversity and ecosystems	DNSH criteria ('Does Not Significantly Harm'): Climate change mitigation	DNSH criteria ('Does Not Significantly Harm'): Climate change adaptation	DNSH criteria ('Does Not Significantly Harm'): Water	DNSH criteria ('Does Not Significantly Harm'): Pollution	DNSH criteria ('Does Not Significantly Harm'): Circular economy	DNSH criteria ('Does Not Significantly Harm'): Biodiversity	Minimum safeguards	Taxonomy aligned or eligible proportion of total OPEX, 2023/24	Category (enabling activity)	Category (transi-tional activity)
		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*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*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	0%	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	0%	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	0%	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	0%	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	188.5	81%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								38%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**188.5**	**81%**	0%	0%	0%	0%	81%	0%								**38%**		
Total (A.1+A.2)		**188.5**	**81%**	**0%**	**0%**	**0%**	**0%**	**81%**	**0%**								**38%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OPEX of Taxonomy-non-eligible activities		**44.4**	**19%**																
Total (A+B)		**232.9**	**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

Sustainability notes

The sustainability notes provide detailed information on environmental, social and governance (ESG) performance metrics disclosed in the report, including definitions, methodology, assumptions (specifically in the area of environmental metrics) and if applicable, restatements.

GRI 2-4

While we are dedicated to maintaining consistency in the definition and calculation of our sustainability metrics over time, we recognize that there may be instances where metrics or targets evolve to better reflect our strategic goals or industry standards. If such cases occur, or in case of material prior year errors, we will restate comparative figures. Thresholds for restatements have been assessed on a case-by-case basis, taking into account an overall assessment and judgement on the impact on the report. In case of material restatements these are further explained in the respective sustainability notes.

The calculated performance metrics are in accordance with Sonova's financial year. Unless stated otherwise, environmental performance metrics for 2024/25 are based on actual data from April to December 2024 and estimated data from January to March 2025.

Sustainability note 1 - Climate change

Sonova's GHG emissions are calculated and reported according to the Greenhouse Gas (GHG) Protocol under the financial control consolidation approach for organizational boundaries. Global warming potentials (GWP) from the IPCC's fourth assessment report (AR4) are applied to calculate CO_2 equivalents. While all greenhouse gases from the Kyoto Protocol (CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3) are considered, only CO_2, CH_4, and N_2O are relevant. Out of the 15 scope 3 categories outlined by the GHG Protocol, 12 are applicable to Sonova, and those not applicable are: processing of sold products (cat. 10), downstream leased assets (cat. 13) and franchises (cat. 14). These are not included as Sonova does not have any GHG emissions from downstream leased assets and does not operate any franchises. The emissions in category 10 were excluded as they were deemed negligible (<0.1% of 2019 base year emissions).

GHG emissions from joint ventures 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.

Topic	Performance metrics	Methodology, data sources and restatements
Climate change	**Scope 1** **Mobile combustion**	**Definition and methodology** Includes emissions from the use of company-owned or leased cars and shuttle buses. **Data sources** Data on vehicle type, fuel consumption and distance driven was provided from all Group companies. Emissions calculated using actual data in the financial year 2024/25: 51%. **Calculation methodology and significant assumptions** Calculations followed the average-data (fuel consumption) method. For Group companies not able to provide actual data, emissions were calculated using fleet average emissions for electric and non-electric vehicles. When the fuel type was unknown, gasoline was assumed. Emissions calculated with emissions factors (EFs) from suppliers in the financial year 2024/25: 0%. **Emission factor sources** Fuel and average passenger cars: Department for Energy Security and Net Zero (DESNZ, previously BEIS) 2024; Electric vehicles (reported under Scope 2 - location based): International Energy Agency (IEA) 2024.
	Scope 1 **Stationary combustion**	**Definition and methodology** Includes emissions arising from owned or controlled heating facilities. **Data sources** Data on fuel oil, natural gas, biogas, liquified petroleum gas, coal and coal products, and renewable hydrogen consumption is provided from Group companies representing 90% of total full-time equivalent employees (FTEs) as of December 31, 2024. Emissions calculated using actual data in the financial year 2024/25: 30%.

		Calculation methodology and significant assumptions Calculations followed the average-data method. Desk research was conducted for countries in which no information regarding the presence of heating was available. Where the heating source is not clearly identified, natural gas was assumed. For Group companies without actual data and where heating is deemed present, emissions were estimated using the average heating consumption per area, from similar sites (offices/storage/production facilities/Audiological Care stores). Emissions calculated with EFs from suppliers in the financial year 2024/25: 0%. **Emission factor sources** DESNZ, net calorific value (CV) 2024.
	Scope 1 **Refrigerant Gases**	**Definition and methodology** Fugitive emissions arising from leakage in air-conditioning installations. **Data sources** Data on quantities of refilled refrigerants in equipment and/or air-conditioning units, provided from Group companies representing 80% of total FTEs as of December 31, 2024. Emissions calculated using actual data in the financial year 2024/25: 15%. **Calculation methodology and significant assumptions** Calculations followed the average-data method. For Group companies where actual data were not available, average consumption was extrapolated based on average consumption of similar sites (offices/storage/production facilities/Audiological Care stores). Emissions calculated with EFs from suppliers in the financial year 2024/25: 0%. **Emission factor sources** DESNZ, net CV 2024.
	Scope 2 **Purchased electricity, steam, heating and cooling for own use**	**Definition and methodology** Emissions deriving from the consumption of purchased electricity and district heating. **Data sources** Data on electricity and district heating consumption collected from Group companies representing 90% of total FTEs as of December 31, 2024. Emissions calculated using actual data in the financial year 2024/25: 47%. **Calculation methodology and significant assumptions** Calculations followed an average-data method. For Group companies with no available actual data, emissions were estimated based on the average electricity consumption per area from similar sites (offices/storage/production facilities/Audiological Care stores). All extrapolated electricity consumption was assumed to be grid electricity unless documented evidence of certified renewable electricity was provided. Market-based emissions were calculated under the following conditions: if contractual agreements (e.g., green tariffs, energy attribute certificates) were in place, specific EFs were used; if no agreements exist, the residual factor was applied; if no residual factors were available, the location-based value was used. Emissions calculated with EFs from suppliers in the financial year 2024/25: 92% (market-based). **Emission factor sources** *Market-based*: Association of Issuing Bodies (AIB) - European Residual Mix 2023; Environmental Protection Agency (EPA) - eGrid 2023; Environment and Climate Change Canada (ECCC) 2022; IEA 2024 where CH_4, N_2O and corrections for trade-induced emissions were considered. *Location-based*: IEA 2024, EPA - eGRid 2023; ECCC 2022. *District heating*: DESNZ 2024.
	Scope 3 - category 1 **Purchased goods and services**	**Definition and methodology** This category includes all upstream (i.e., cradle-to-gate) emissions from the production of materials and components, and non-production-related products and services purchased by Sonova from third-parties during the reporting year. **Data sources** For our Hearing Instruments business, total purchased quantities and weights are collected through ERP systems. For our Consumer Hearing business, we categorize our diverse range of products by grouping them with a reference product, which is the best-selling item in each category. Non-production-related products and services data are collected through finance reports. Food and beverages consumption is provided by Group companies where we operate a canteen; water withdrawal and discharge data are collected from Group companies representing 73% of total FTEs as of December 31, 2024. Emissions calculated using actual data in the financial year 2024/25: 99%. **Calculation methodology and significant assumptions** Emissions from materials and components from the Hearing Instruments business were calculated based on combined total weight of received materials and components, with EFs assigned based on raw materials and/or nature of the components. Where reliable Product Carbon Footprints (PCFs) are available, these were used instead. For the Consumer Hearing business, emissions were calculated using an average-data method that combines the total sold quantities of clustered products with the EFs based on a high-level raw material composition of the respec-

		tive reference product of the cluster. Emissions not related to production materials and services were calculated using a spend-based method, adjusting inflation rates at country level. Food and beverage emissions were also calculated using the average-based method, considering total quantities consumed. Water withdrawal and discharge emissions were calculated using the average-data method (see Sustainability note 2 - Other environmental topics). Emissions calculated with EFs from suppliers in the financial year 2024/25: 1%. **Emission factor sources** *Production-related products*: EcoInvent, version 3.9.1; DESNZ 2024; Sonova internally developed LCA; *Non-production-related products*: Exiobase, version 3.3.18; *Food & Beverage*: Agribalyse, version 3.1.1; *Water withdrawal and discharge*: DESNZ 2024. **Restatements** Restatements due to data quality and methodological improvements in materials and components purchased include master data corrections, more precise EF material allocations and the use of supplier PCFs for financial years 2019/20 to 2023/24. The differences in newly reported figures compared to previous reports are as follows: -7.4% (-9,688 tCO_2e) for 2023/24; -7.8% (-12,162 tCO_2e) for 2022/23; -6.3% (-10,330 tCO_2e) for 2021/22; -5.2% (-6,922 tCO_2e) for 2020/21; and -4% (-6,799 tCO_2e) for 2019/20.
	Scope 3 - category 2 Capital goods	**Definition and methodology** Includes IT hardware related cradle-to-gate emissions. **Data sources** Purchased IT hardware quantities are collected from supplier. Emissions calculated using actual data in the financial year 2024/25: 100%. **Calculation methodology and significant assumptions** Collected data were clustered in material equipment classes (e.g., laptop, monitors, etc.). The entire lifespan of the purchased items was considered. Average emission factors per product cluster were derived from the vendor's PCFs. Emissions calculated with EFs from suppliers in the financial year 2024/25: 100%. **Emission factor sources** Supplier PCFs 2022.
	Scope 3 - category 3 Fuel- and energy-related activities	**Definition and methodology** Includes location-based emissions related to the production of fuels and energy purchased and consumed that are not included in scope 1 or scope 2. **Data sources** See scope 1 - mobile combustion, scope 1 - stationary combustion, and scope 2 data sources description. Emissions calculated using actual data in the financial year 2024/25: 62%. **Calculation methodology and significant assumptions** Well-to-tank and transmission and distribution emissions were calculated for all energy consumed (excluding on-site generated) using the average-data method combined with country-level EFs. Emissions calculated with EFs from suppliers in the financial year 2024/25: 0% **Emission factor sources** AIB - European Residual Mix 2022, Our World in Data (OWID) 2024, eGRID 2022.
	Scope 3 - categories 4 and 9 Transportation and distribution	**Definition and methodology** Includes transport emissions from tier 1 suppliers to Sonova sites (provided that Sonova is responsible for the shipments), intercompany and outbound shipments of products to customers or end-users, in vehicles not owned or operated by Sonova. Relevant facilities-related scope 1 and 2 from warehouses not owned from Sonova are also included. **Data sources** Shipment data (e.g., origin, destination, actual weight, mode of transport) are provided from carriers. Emissions calculated using actual data in the financial year 2024/25: 98%. **Calculation methodology and significant assumptions** For suppliers providing carrier-specific emissions, the supplier-specific method was used. For suppliers only providing shipment data, average EFs were considered based on type of freight used and distance travelled. Where mode of transport was not explicit, air freight was assumed to be conservative. A radiative forcing index of 1.9 was applied to account for all climatic impacts from air travel. Facility-related scope 1 and 2 emissions of warehouses not owned by Sonova were estimated based on the area utilized by Sonova. Emissions calculated with EF from suppliers in the financial year 2024/25: 55%. **Emission factor sources** DESNZ 2022, IEA 2024, carriers EFs 2024. **Restatements** Figures for the financial year 2023/24 were restated due to improved data quality and the inclu-

		sion of additional carrier data. This resulted in a 6.2% increase (+2,993 tCO_2e) compared to the previously reported figures.
	Scope 3 - category 5 Waste generated in operations	**Definition and methodology** Includes emissions from third-party disposal and treatment of waste generated in Sonova's owned or controlled operations. **Data sources** See sustainability note 2 - operational waste. Emissions calculated using actual data in the financial year 2024/25: 32%. **Calculation methodology and significant assumptions** For Group companies without actual data on non-hazardous waste, emissions were extrapolated based on the average non-hazardous waste production per full-time employee (kg/FTE) from similar sites (offices/storage/production facilities/Audiological Care stores). Hazardous waste production was extrapolated similarly, excluding Audiological Care stores for which no extrapolation was applied as they typically do not generate hazardous waste. If disposal method information was unavailable, the most common disposal method for each waste type at the country level was assumed. Emissions calculated with EF from suppliers in the financial year 2024/25: 0%. **Emission factor sources** DESNZ 2024.
	Scope 3 - category 6 Business travel	**Definition and methodology** Includes emissions from business flights and personal car allowances. **Data sources** Data on flights (departure and destination airport, cabin class, number of travelers and cost) is provided by Sonova's travel management providers or from Sonova Group companies. Allowances provided to employees for the use of their personal vehicles for business purposes are provided from Group companies (vehicle make, model, fuel type, fuel consumption and distance driven). Emissions calculated using actual data in the financial year 2024/25: 99%. **Calculation methodology and significant assumptions** Flight emissions were calculated based on the distance travelled between departure and arrival airports and the flight class, using the average-data method. Where relevant flight data was unavailable but costs were provided, emissions were estimated by CO_2e/CHF based on reliable data provided from other entities. If cost was not available, then the average tCO_2e per FTE was used as proxy. A radiative forcing index of 1.9 was applied to account for all climatic impacts from air travel. See scope 1 - mobile combustion for car allowances emissions calculation methodology. Emissions calculated with EF from suppliers in the financial year 2024/25: 0%. **Emission factor sources** DESNZ 2022. **Restatements** Figures for the financial years 2020/21 to 2023/24 have been restated due to data quality and methodological improvements. The amendments to previously reported figures are as follows: +11.2% (+1,300 tCO_2e) for 2023/24; -13.8% (-1,683 tCO_2e) for 2022/23; -33.6% (-1,467 tCO_2e) for 2021/22; and -43.5% (-2,558 tCO_2e) for 2020/21.
	Scope 3 - category 7 Employee commuting	**Definition and methodology** Includes emissions from the commuting of employees from their homes to their workplace. **Data sources** An employee commuting survey is conducted every two years to collect activity data (number of days an employee goes to the office on average, commuting distance, modes of commute, type of vehicles) across Sonova Group companies. Emissions calculated using actual data in the financial year 2024/25: 0%. **Calculation methodology and significant assumptions** Emissions were calculated combining estimated total kilometers commuted per mode of commute and related average emission per kilometer, using the average-data method. In the financial year 2024/25, the survey had been distributed only to Group companies not included in the financial year 2023/24 survey (as they were newly established in the financial year 2024/25). For Group companies with available prior year results, these were used to extrapolate financial year results based on updated FTE figures. Emissions calculated with EF from suppliers in the financial year 2024/25: 0%. **Emission factor sources** DESNZ 2024, IEA - Energy Efficiency Indicators 2024.
	Scope 3 - category 8 Upstream leased assets	**Definition and methodology** Includes emissions of spaces leased by Sonova where the Group has no operational control (e.g shop-in-shops).

		Data sources See scope 1 - stationary combustion, scope 1 - refrigerants, scope 2. Emissions calculated using actual data in the financial year 2024/25: 0%. **Calculation methodology and significant assumptions** Emissions include: stationary combustion, electricity consumption (location-based), water withdrawal and discharge, operational waste. Please refer to the respective sections. Emissions calculated with EF from suppliers in the financial year 2024/25: 0%. **Emission factor sources** AIB - European Residual Mix 2023, DESNZ 2024, IEA 2024. **Restatements** Financial year 2023/24 values restated due to data quality improvement, resulting in an increase of 21.9% (+96 tCO_2e) compared to previously reported figures.
	Scope 3 - category 11 Use of sold products	**Definition and methodology** Includes direct emissions from the use of goods sold by Sonova, throughout their entire life cycle. Indirect use-phase emissions are excluded as they are excluded from SBTi's minimum boundary. **Data sources** Collected data represents sales figures per country. Returned units are not removed from the totals considered. Energy consumption is calculated considering the technical properties of the sold products. Emissions calculated using actual data in the financial year 2024/25: 100%. **Calculation methodology and significant assumptions** Emissions were calculated using the average-data method, considering the total energy consumption of hearing aids, selected hearing instrument accessories, cochlear implants and consumer hearing products. The average lifetime for hearing aids and cochlear implant sound processors was assumed to be 5 years and for cochlear implants 20 years. For consumer hearing products, energy consumption for each reference product was calculated based on its technical properties and used for all sold products allocated to the reference product. Emissions calculated with EF from suppliers in the financial year 2024/25: 0%. **Emission factor sources** IEA 2024, ECCC (Consumption intensity) 2022, eGRID 2023. **Restatements** To integrate the findings of recently completed life cycle assessment (LCA) studies, idle power consumption was added to category 11 emissions calculations. The adjusted figures differ from previously reported ones as follows: +33.6% (+928 tCO_2e) for financial year 2023/24; +30.5% (+926 tCO_2e) for 2022/23; +28.3% (+1,049tCO_2e) for 2021/22; +92.1% (+2,149 tCO_2e) for 2020/21; and +59.7% (+1,505 tCO_2e) for 2019/20.
	Scope 3 - category 12 End-of-life of sold products	**Definition and methodology** Includes emissions from the waste disposal and treatment of packaging (products and transport) at the end of its life-cycle. End-of-life emissions from sold products are excluded because deemed negligible. **Data sources** For the Hearing Instruments business, data on received and used product and transport packaging is collected through internal ERP systems. For the Consumer Hearing business, sales quantities are used for the calculation of emissions related to end-of-life of our packaging and batteries. Emissions calculated using actual data in the financial year 2024/25: 100%. **Calculation methodology and significant assumptions** Emissions were calculated based on average-data methodology, considering total quantities of product and transport packaging in scope. Landfill was chosen as the assumed end-of-life treatment for all packaging, representing the most conservative scenario. Emissions calculated with EF from suppliers in the financial year 2024/25: 0%. **Emission factor sources** DESNZ 2024. **Restatements** Emissions from waste disposal of packaging were restated for financial years 2019/20 to 2023/24 due to data quality and methodological improvements, including master data corrections and enhanced EF allocation. The newly reported figures differ from previous ones as follows: -17.4% (-479 tCO_2e) for 2023/24; -12.4% (-323 tCO_2e) for 2022/23; -12.1% (-323 tCO_2e) for 2021/22; -14.5% (-337 tCO_2e) for 2020/21; and -18.4% (-463 tCO_2e) for 2019/20.

	Scope 3 - category 15 Investments	**Definition and methodology** Emissions associated with Sonova's investments in the reporting year. **Data sources** List of Sonova's equity investments as per September 30, 2024. Emissions calculated using actual data in the financial year 2024/25: 100%. **Calculation methodology and significant assumptions** Turnover of equity investments was extrapolated to 12 months. Emissions calculations followed equity investments methodology, considering Sonova's proportional share of investment in the investees in the reporting year. Emissions calculated with EF from suppliers in the financial year 2024/25: 0%. **Emission factor sources** Bloomberg, CDP 2021.
	Energy consumption	**Definition and methodology** Includes energy consumption within the boundaries of scope 1 and 2. **Data sources** See scope 1 - mobile and stationary combustion, and scope 2. **Restatements** Energy consumption in the financial year 2023/24 and 2022/23 was restated due to data quality improvement and alignment with ESRS boundaries, resulting in a <1% decrease in financial year 2023/24, and -1% (-632 MWh) in financial year 2022/23 compared to previously reported figures.
	Energy intensity relative to revenues	**Definition and methodology** Total energy consumption divided by net revenue. **Restatements** See energy consumption - restatements
	Energy intensity relative to FTE	**Definition and methodology** Energy consumption divided by FTEs as of December 31, 2024. **Restatements** See energy consumption - restatements

The conversion factors applied for each input unit in this ESG Report are presented below and sourced from the UK Government Department for Energy Security and Net Zero.

	Factor	Unit
Energy		
Bioethanol (kg)	0.0074	MWh
Diesel (kg)	0.0118	MWh
Diesel (m3)	9.9831	MWh
Fuel oil (L)	0.01	MWh
Gigajoule (GJ)	0.2778	MWh
LPG (kg)	0.0128	MWh
LPG (m3)	6.7607	MWh
Natural gas (m3)	0.0103	MWh
Petrol (kg)	0.0122	MWh
Petrol (m3)	9.0543	MWh
Therm	0.0293	MWh

	Factor	Unit
Distance		
Mile	1.6093	km
Mass		
Pound (lb)	0.4535	kg
Volume		
Imperial gallon	4.5461	L
Megaliter	10,000	L
US gallon	3.7854	L

Sustainability note 2 - Other environmental topics

The note covers the topics circular economy, water and biodiversity.

Topic	Performance metrics	Methodology, data sources and restatements
Circular economy	**Packaging waste**	**Definition and methodology** Packaging waste was calculated based on the total packaging received during the financial year. It includes product packaging from the Hearing Instruments business as well as transport packaging that may also be used by other business units. Product packaging purchased by our Cochlear Implant and Consumer Hearing businesses are excluded. This KPI considered actual financial year quantities, no proxy is used.

		The 2023/24 figures are not comparable with the reported figures in the 2023/24 ESG Report due to the change of reporting period for the packaging waste target from calendar year to financial year. **Data sources** Received quantities per packaging article is used. For transportation packaging used by our external distribution center, total weight of used packaging boxes is considered.
	Operational waste	**Definition, methodology and data sources** Quantity of waste generated in Sonova's owned or controlled operations. **Data sources** Data on waste generated (hazardous and non-hazardous waste, including recycling) is collected from Group companies representing 80% of total FTEs as of December 31, 2024. Where actual data is not available, waste generated is estimated based on Group averages and FTE figures. **Restatements** Total operational waste figures were restated due to data quality improvement and boundaries realignment (applying scope 1 and 2 boundaries and excluding scope 3, category 8). Reported figures decreased respectively by 5% (-195 t) and 3% (-123 t) for the financial years 2023/24 and 2022/23 as compared to figures previously reported.
	Total waste per FTE	**Definition and methodology** Operational waste divided by the number of FTEs as of December 31, 2024. **Restatements** See Operational waste - restatements.
Water	**Water withdrawal**	**Definition and methodology** Sum of freshwater withdrawn from ground or surface water sources across Sonova's sites. **Data sources** Water withdrawal data is collected from Group companies representing 73% of total FTEs as of December 31, 2024. For offices where no actual data is available, water withdrawal is estimated based on available Group averages and FTE figures; for stores where no actual data is available, an average factor of 10m^3/FTE is considered. **Restatements** Total waste in operation figures were restated due to data quality improvement, and boundaries alignment (applying scope 1 and 2 boundaries and excluding scope 3, category 8). Reported figures decreased respectively of 7% (-18,605 m^3) and 5% (-11,878 m^3) for the financial year 2023/24 and 2022/23 as compared to figures previously reported.
	Water withdrawal per FTE	**Definition and methodology** Water withdrawal divided by the number of FTEs as of December 31, 2024. **Restatements** See Water withdrawal - restatements.
	Water withdrawal in water-stress areas	**Definition and methodology** To identify water risk scarcity across Sonova's sites, the risk category 1 "water scarcity", containing the sub-topics aridity index, water depletion, baseline water stress, blue water scarcity, available water remaining (AWARE), drought frequency probability, and projected change in drought occurrence were considered, as recommended by the WWF Risk Filter. All sites that contain a value $3.4 < x \leq 4.2$ in risk category 1 were deemed to have a high water scarcity risk and sites with a value of $4.2 < x \leq 5.0$ are deemed at very high risk. Sonova reports the water withdrawal from these sites in water stressed areas. **Restatements** See Water withdrawal - restatements.
Biodiversity	**Biodiversity risk**	**Definition and methodology** To identify the biodiversity risks based on biodiversity dependencies and impacts, Sonova uses the WWF Biodiversity Risk Filter. Specifically, the SCAPE Physical Risks (Categories 1 – 5) that contain a focus on provisioning services, regulating and supporting services, regulation services – mitigation, pressures on biodiversity, as well as environmental factors (Category 6), containing the sub-topics protected/conserved areas, key biodiversity areas, other important delineated areas, ecosystem condition, and range rarity. All sites that contain a value $3.4 < x \leq 4.2$ are deemed to have a high risk and sites with a value of $4.2 < x \leq 5.0$ are deemed at very high risk. Sonova reports biodiversity risk from the sites in high and very high risks areas.

Sustainability note 3 - Employees

The note covers the section our employees and the topics talent management, working conditions, diversity and inclusion, and occupational health and safety. Employee related data is reported based on headcount and/or FTE data, highlighted in each table and sourced from the central HR system. Employee numbers (FTE and HC) do not show material seasonal or temporary fluctuations.

Topic	Performance metrics	Definition and methodology
Our employees	**Full-time equivalent (FTE)**	Number of individuals employed, expressed as the equivalent of full-time employees. FTE based performance metrics cover permanent, temporary, and non-guaranteed hours employees and exclude employees on long-term leave (such as maternity or long-term sick leave) and interns.
	Headcount (HC)	Number of individuals employed, regardless of whether they are full-time or part-time employees. HC based performance metrics cover permanent, temporary, non-guaranteed hours employees, and exclude employees on long-term leave (such as maternity or long-term sick leave).
	Employees by employment contract and by gender	Categorized as follows: • Permanent: employees with an unlimited contract • Temporary: employees with a fixed-term contract (includes interns: employees to gain work experience and/or participate in structured training programs and apprentices) • Non-guaranteed hours: employees without a guarantee of a minimum or fixed number of working hours. For employees by gender, the gender category "other" is not applicable.
	Employee turnover rate by gender and age group	Percentage of employees who left Sonova during the financial year including continuing and discontinued operations (excluding leaves following company sale).
	Employee voluntary turnover rate by gender and age group	Percentage of employees who left Sonova voluntarily during the financial year.
	Non-employees	External contractors, agency temps, and contingent workers.
Talent management	**Employee engagement survey participation rate**	Percentage of eligible employees who participated in the annual employee survey out of the total number of eligible employees. The survey and data are handled by an external provider. Employees eligible to take the survey are defined as: Permanent and temporary 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, 17,279 employees (this relates to the date that the HearMe process was started and not to the end of the 2024/25 financial year) were eligible to take the survey in the 2024/25 financial year.
	Employee engagement rate	Percentage of favorable responses on three questions (average) relating to employee engagement, collected through the annual HearMe engagement survey.
	Internal leadership recruitment rate (ILRR)	Percentage of leaders (people managers or project managers) hired internally among all hires on to leadership positions.
	New hire rate by gender and age group	Ratio by gender or age group of new hires (relates to permanent and temporary employees) in relation to the total of new hires in the financial year.
	Development plan rate	Number of eligible employees with a development plan documented in the HR system. Eligible employees are permanent and temporary employees who have worked at Sonova for more than six months. Ineligible employees are employees on long-term leave, non-employees, interns, and employees in production/assembly for whom other skill-related growth paths are established. More than 12,500 employees were eligible in the 2024/25 financial year.
Working conditions	**Number of people leaders trained in Mental Health First Aid conversations for Managers**	Includes people leader trained as part of this program (launched in 2022/23), including people leaders who left Sonova after the completion of the training.
Diversity and inclusion	**Women in management positions**	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. This performance metric calculates the percentage of women in relation to the total HC (including HC on paid/unpaid leave) in the respective management categories.
	Share of women in STEM-related positions	Percentage of women in functions where the primary skills required are related to science, technology, engineering, or mathematics.
	Share of women in revenue-generating positions and as people leaders	Percentage of women in all positions and people leaders, excluding support functions such as HR, IT, legal, finance, and facilities management.
	Employees and people leaders by nationality	The data for total number of nationalities, top five nationalities for all employees, and top five nationalities for people leaders covers more than 51% of all employees in 2024/25.
Occupational health and safety	**Overall approach**	Occupational health and safety performance metrics are reported for our operation and distribution centers and cover Sonova’s own employees (permanent and temporary).

	Number of work-related injuries	Total number of injuries that occurred at work and where the employee was not able to return to work for the next scheduled workday/shift.
	Number of hours worked	Total hours worked for the employees in scope.
	Lost day rate	Total number of lost days (working days, not calendar days, from the first working day/shift where the employee cannot work) due to injuries/total hours worked times 1,000,000.
	Lost-time injury frequency rate	Total number of lost-time injuries per total hours worked times 1,000,000.
	Work-related fatalities	Death arising from an injury sustained while performing work.

Sustainability note 4 - Other social topics

The note covers the topics access to hearing care, and product quality, reliability and safety.

Topic	Performance metrics	Definition and methodology
Access to hearing care	**Increase in number of hearing instruments (HI) sold in low-and middle-income countries**	Percentage calculated by dividing the number of hearing instruments sold in low- and middle-income countries (applying the World Bank country classification by income level in 2024) in the 2024/25 financial year by the respective units sold in the 2018/19 financial year.
	SIHA graduates in low- and middle-income countries	The definition of low- and middle-income countries, applies the World Bank country classification by income level in 2024.
Product quality, reliability and safety	**Improvement of hearing instrument (HI) product reliability rate**	The hearing instrument product reliability rate calculates 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. This performance metric measures the year-over-year improvement of the reliability rate.
	Improvement of cochlear implant (CI) reliability rate (externals/processors)	The cochlear implant product reliability rate calculates the ratio between the annualized three-month rolling average of Naìda pediatric and adult system product returns, divided by the number of registered processors used by pediatric and adult recipients. This performance metric measures the year-over-year improvement of the reliability rate.
	Product safety indicators	Product safety data for all years are reported for medical devices, e.g., cochlear implants and hearing instruments, based on the Sustainability Accounting Standards Board (SASB) standards. Products listed in any public medical product safety or adverse event alert database are defined in relation to listings that indicate potentially serious risks or product safety issues. The definition 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. Regulatory inspections performed by competent authorities, regulators or notified bodies at Sonova sites, include e.g., ISO 13485, MDSAP, ISO 14001, MDR 2017/745, NMPA China, or US FDA audits.

Sustainability note 5 - Business ethics

Topic	Performance metrics	Definition and methodology
Business ethics	**On-time completion rate of Code of Conduct training**	Percentage of employees assigned Code of Conduct training (15,665 employees at the time of assignment of the training) who completed it on-time. Employees who work with computers in their daily work complete the training on the SonovaLearning platform. Employees who do not work with a computer in their daily work complete their training in classroom sessions.
	SpeakUp complaints (substantiated)	The number of total complaints relates to all complaints that have been raised through the global Sonova SpeakUp platform. Substantiated claims relates to the total number of claims that were substantiated and lead to appropriate actions.

Sustainability note 6 - Salient human rights issues

Sonova is committed to respecting internationally recognized human rights and does not attribute more importance to one human right than to another. We do, however, assign priority to those rights that could be most salient to our business, as determined by the human rights risk assessment. These issues are listed in the table below. In prioritizing key human rights issues according to their scale, scope and remediability, Sonova recognizes that negative impacts on human rights may be particularly severe for some people due to their vulnerability or marginalization.

Human rights issue	Definitions per human rights risk assessment (conducted in the financial year 2022/23)
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.

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

The ESG Report 2024/25 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, multiple sections related to human rights are included. The sections include policies, measures taken to implement the policies and effectiveness of those measures, main risks and performance indicators.

Art. 964b content requirement	Reference	Page
General information required to understand our business	Basis for preparation	202
	Our product and service offering and Strategy and businesses	7 - 16
Business model	Basis for preparation	202
	Our product and service offering and Strategy and businesses	7 - 16
Environmental matters (including CO_2 goals)	Climate change	212 - 219
Social issues	Access to hearing care	237 - 240
	Ethical marketing and sales practices	244 - 245
	Data privacy and digital ethics	245 - 247
	Product quality, reliability and safety	241 - 244
Employee-related issues	Working conditions	230 - 232
	Talent management	227 - 230
Respect for human rights	Our employees	223 - 226
	Working conditions	230 - 232
	Working conditions in the value chain and affected communities' rights	235
	Our consumers	236 - 237
Combating corruption	Business ethics	248 - 251
Material risks	Double materiality assessment	205 - 207
References to national, European or international regulations	Basis for preparation	202
Coverage of subsidiaries	Basis for preparation	202

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).

We have determined that we are exempt from the obligations of the Swiss Code of Obligation Art. 964j Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas. We have established a process to regularly review potential purchases of minerals and metals from conflicted-areas, and Sonova falls below the thresholds stipulated by the Swiss Code of Obligation Art. 964j-l.

Climate-related financial disclosure index (Swiss Climate Ordinance - TCFD)

In accordance with Article 3 of the Swiss Ordinance on Climate Disclosures, the Sonova ESG report 2024/25 report covers climate disclosures based on the report Recommendations of the Task Force on Climate-related Financial Disclosures published June 2017, and the annex Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures published October 2021.

Please find below a table with the disclosure descriptions and the links to the relevant sections in ESG report 2024/25.

TCFD disclosure	TCFD code	Disclosure description	Page
Governance	TCFD-GOV-a	Describe the board's oversight of climate-related risks and opportunities	212
	TCFD-GOV-b	Describe management's role in assessing and managing climate-related risks and opportunities	212
Strategy	TCFD-STR-a	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	213- 214
	TCFD-STR-b	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	214 - 215
	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	214 - 215
Risk management	TCFD-RMA-a	Describe the organization's processes for identifying and assessing climate-related risks	213 - 214
	TCFD-RMA-b	Describe the organization's processes for managing climate-related risks	213 - 214
	TCFD-RMA-c	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	213
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	217
	TCFD-MET-b	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks	217
	TCFD-MET-c	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	217

GRI content index

GRI content index	
Statement of use	Sonova has reported in accordance with the GRI Standards for the period April 1, 2024 to March 31, 2025.
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	Basis for preparation		No
	2-2 Entities included in the organization's sustainability reporting	Basis for preparation		No
	2-3 Reporting period, frequency and contact point	Basis for preparation		No
	2-4 Restatements of information	Sustainability notes		No
	2-5 External assurance	Basis for preparation		No
	2-6 Activities, value chain and other business relationships	Strategy and businesses		No
	2-7 Employees 2-8 Workers who are not employees	Our employees	Information unavailable/incomplete as information is reported using ESRS S1-6 and S1-7, see ESRS index.	
	2-9 Governance structure and composition	Corporate governance report		No
	2-10 Nomination and selection of the highest governance body	Corporate governance report		No
	2-11 Chair of the highest governance body	Corporate governance report		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 report		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 report		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. 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		No
	2-24 Embedding policy commitments	Business ethics		No
	2-25 Processes to remediate negative impacts	Business ethics		No
	2-26 Mechanisms for seeking advice and raising concerns	Business ethics		Yes
	2-27 Compliance with laws and regulations	Business ethics		No

	2-28 Membership associations	Public affairs		No
	2-29 Approach to stakeholder engagement	Stakeholder engagement		No
	2-30 Collective bargaining agreements	Working conditions		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		No
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Business ethics		No
	Anti-competitive behavior			
GRI 3: Material Topics 2021	3-3 Management of material topics	Business ethics		No
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Business ethics		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	Information unavailable/incomplete as information is reported using ESRS E1-5, see ESRS index.	
	302-3 Energy intensity			
	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	Information unavailable/incomplete as information is reported using ESRS E1-6, see ESRS index.	
	305-2 Energy indirect (Scope 2) GHG emissions			
	305-3 Other indirect (Scope 3) GHG emissions			
	305-4 GHG emissions intensity			
	Employment			
GRI 3: Material Topics 2021	3-3 Management of material topics	Talent management		No
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Talent management	Information unavailable/incomplete, turnover is reported using ESRS S1-6, see ESRS index.	Yes
	Training and education			
GRI 3: Material Topics 2021	3-3 Management of material topics	Talent management		No
GRI 404: Training and Education 2016	404-3 Percentage of employees receiving regular performance and career development reviews	Talent management	Information unavailable/incomplete. Employee category not reported.	Yes
	Customer health and safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	Product quality, reliability and safety		No
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Product quality, reliability and 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		Yes
	Material topics without GRI topic standard			

	Working conditions			
GRI 3: Material Topics 2021	3-3 Management of material topics	Working conditions		No
	Access to hearing care			
GRI 3: Material Topics 2021	3-3 Management of material topics	Access to hearing care		No
	Ethical marketing and sales practices			
GRI 3: Material Topics 2021	3-3 Management of material topics	Ethical marketing and sales practices		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 306: Waste 2020	306-2 Management of significant waste-related impacts	Circular economy		No
	306-3 Waste generated	Circular economy		Yes
GRI 308: Supplier Environmental Assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	Supplier relations		No
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		No
	403-9 Work-related injuries	Occupational health and safety	Information unavailable/incomplete. Data on non-employees unavailable.	Yes
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Diversity and inclusion		Yes
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Working conditions in the value chain and affected communities' rights		No
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Working conditions in the value chain and affected communities' rights		No
GRI 414: Supplier Social Assessment 2016	414-2 Negative social impacts in the supply chain and actions taken	Working conditions in the value chain and affected communities' rights Supplier relations		No
GRI 415: Public Policy 2016	415-1 Political contributions	Public affairs		No

ESRS content index

Sonova has reported certain performance metrics in accordance with European Sustainability Reporting Standards (ESRS) for the period April 1, 2024 to March 31, 2025.

ESRS Standard	Disclosure	Reference	External assurance
ESRS E1 - Climate change	E1-5: Energy consumption and mix	Climate change	Yes
	E1-6: Gross scopes 1, 2, 3 and total GHG emissions	Climate change	Yes
	E1-7: GHG removals and GHG mitigation projects financed through carbon credits	Climate change	Yes
ESRS S1 - Own workforce	S1-6: Characteristics of the undertaking's employees	Our employees	Yes
	S1-7: Characteristics of non-employees in the undertaking's own workforce	Our employees	Yes
	S1-9: Diversity metrics	Diversity and inclusion	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 quality, reliability and safety	Yes
HC-MS-250a.2	Products listed in any public medical product safety or adverse event alert database	Full	Product quality, reliability and safety	Yes
HC-MS-250a.3	Number of fatalities associated with products	Full	Product quality, reliability and 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 quality, reliability and 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	Pollution and substances of concern	No
			Product quality, reliability and safety	No
			Animal welfare	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 quality, reliability and safety	No
			Supplier relations	No
HC-MS-430a.2	Description of efforts to maintain traceability within the distribution chain	Partial	Product quality, reliability and safety	No
HC-MS-430a.3	Description of the management of risks associated with the use of critical materials	Partial	Pollution and substances of concern	No
			Product quality, reliability and safety	No
			Supplier relations	No
HC-MS-510a.1	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Full	Business ethics	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	Omission	-	-

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.

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
			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."	Our employees Working conditions Working conditions in the value chain and affected communities' 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."	Working conditions Working conditions in the value chain and affected communities' 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."	Our employees
				Diversity and inclusion
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."	Pollution and substances of concern
				Circular economy
			12.5: "By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse."	Circular economy
			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 change
SDG 16	Peace, justice and strong institutions	low	**16.5:** "Substantially reduce corruption and bribery in all their forms."	Business ethics
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;	Working conditions
			Working conditions in the value chain and affected communities' rights
	2	Make sure that they are not complicit in human rights abuses.	Working conditions
			Working conditions in the value chain and affected communities' rights
Labour	3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Working conditions
			Working conditions in the value chain and affected communities' rights
	4	The elimination of all forms of forced and compulsory labour;	Working conditions
			Working conditions in the value chain and affected communities' rights
	5	The effective abolition of child labour;	Working conditions
			Working conditions in the value chain and affected communities' rights
	6	The elimination of discrimination in respect of employment and occupation.	Diversity and inclusion
			Business ethics
Environment	7	Businesses should support a precautionary approach to environmental challenges;	Climate change
	8	Undertake initiatives to promote greater environmental responsibility;	Environmental information
	9	Encourage the development and diffusion of environmentally friendly technologies.	Environmental information
Anti-Corruption	10	Businesses should work against corruption in all its forms, including extortion and bribery.	Business ethics

Shape the future
with confidence

Independent assurance report

on selected indicators in the ESG Report 2024/25 to the Board of Directors of Sonova Holding AG, Stäfa.

Zurich, May 8, 2025

GRI 2-5

We have been engaged to perform assurance procedures to provide limited assurance on selected indicators (including GHG emissions) included in Sonova Holding AG's and its consolidated subsidiaries' (the Group's) ESG Report 2024/25 for the reporting period from 1 April 2024 to 31 March 2025 (the Report).

Our limited assurance engagement focused on selected indicators (including GHG emissions) marked with " ✓ Data externally assured (limited assurance)"in the Report.

We did not perform assurance procedures on other information included in the Report, other than as described in the preceding paragraph, and accordingly, we do not express a conclusion on that information.

Applicable criteria

The Group defined as applicable criteria (the 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.
- ESRS Standards. The criteria and calculation principles are presented on the EFRAG website.
- The Group's own methodology available in the relevant sections of the Report and in the chapter "Sustainability notes".

Inherent limitations

The accuracy and completeness of selected indicators (including GHG emissions) are subject to inherent limitations given their nature and methods for determining, calculating and estimating such data. In addition, the quantification of the selected indicators is subject to inherent uncertainty because of incomplete scientific knowledge used to determine factors related to the emissions factors and the values needed to combine e.g., emissions of different gases. 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 assurance report should therefore be read in connection with the Group's "Sustainability notes" chapter including its definitions and procedures on non-financial matters reporting therein.

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 selected indicators (including GHG emissions) in accordance with the Applicable Criteria. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation of the Report 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 selected indicators (including GHG emissions) based on the evidence we have obtained. We conducted our limited assurance engagement in accordance with 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 selected indicators (including GHG emissions) are free from material misstatement, whether due to fraud or error.

Summary of work performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent 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 a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

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

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

- Assessment of the suitability of the Applicable 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 or non-financial reporting system during the reporting period, including the process for collecting, collating and reporting the indicators and non-financial information
- 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 performed

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

Conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the selected indicators (including GHG emissions) in the Report of Sonova Holding AG for the reporting period from 1 April 2024 to 31 March 2025 have not been prepared, in all material respects, in accordance with the Applicable Criteria.

Ernst & Young Ltd

Roger Müller	**Martin Mattes**
Executive in charge	Partner

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Disclaimer

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