



Commitments

Customer-focused solutions

We continuously push the limits of technology and innovation to offer the best solutions to our customers.

Development of new products

The market offers exciting opportunities for new customer groups and new solution formats. Our consistent platform approach to product development in hearing instruments and cochlear implants – along with our continued high investment in research and development – has allowed us to expand our product offering over the year to exploit these opportunities.

Our goal is to continue to offer the broadest range of technologically advanced hearing solutions to our customers by substantially investing in R&D and by applying for a minimum of 40 patents each year. In 2017/18, 54 new patent applications were submitted across the Sonova Group.

Innovation through collaboration

At Sonova, we consider interdisciplinary collaboration as the guarantor of progress. Especially when it comes to as complex a subject as hearing. One key area of our innovation strategy therefore lies in establishing and promoting international networks where the specific knowledge of leading research bodies, hospitals, companies and institutions is pooled together, enriched and comes to fruition in new hearing solutions.

Long-term partnership and open exchange are the hallmarks of our collaboration with around fifty top-class universities and centers of excellence and technology. The focus of this interdisciplinary work is to leverage all potential for innovation: Together, we are broadening our understanding of auditory perception and its cognitive processing, driving forward digital signal processing and the miniaturization of electronics, improving material and implantation technologies and researching the possibilities of bionics. We work especially closely with the international groups of experts from the Pediatric Advisory Board to develop hearing solutions that counteract hearing loss in early childhood and at the same time include and support the entire family.

Two examples of collaborations on research with top-class universities are around the topics of family centered care and correlation of hearing loss with other health problems.

>1500

number of active patent and design rights owned by the Sonova Group as of March 2018

In the research collaboration with the University of Queensland (Australia), we have been developing an approach to involve family members in the entire process of seeking advice on hearing rehabilitation and trying and using hearing instruments. Hearing loss affects not only the hearing impaired persons themselves but also impacts the life of their families. Support by family members is a very important contribution to successful uptake and usage of hearing rehabilitation and hearing instruments. The outcome of the research collaboration is a practical guideline for clinicians on how to successfully implement a family centered approach to hearing health care in their private audiology clinic.

In recent years several large cohort longitudinal studies have shown that the occurrence of hearing loss is strongly correlated with other health considerations in elderly people. In this research theme we have been studying various comorbidities between hearing loss and health issues such as psycho-social-health, depression, arthritis, cognitive decline, risk of falls and diabetes in collaboration with the VU University Medical Center in Amsterdam (Netherlands). This research will provide us with a new, more holistic perspective of hearing health care in the broader context of healthy aging.

Smart technologies

The digital revolution and the Internet of Things are making their way into various aspects of our lives. New, web-based business models are questioning the status quo because they promise more convenience, simplicity and freedom with smart technologies and services. We welcome this development, since maximum comfort and autonomy for the user, as well as flawless service, are also our key areas of innovation.

eSolutions today

Digital technology and connectivity make Sonova hearing solutions smart companions that have about as much in common with the conventional idea of a hearing aid as iPods¹ do with gramophones. Their sophistication is not just in terms of sound resolution and quality, speech intelligibility, form factor, or design – but also functionality: the hearing aid connects wirelessly to media players of all kinds. Music, TV sound, or phone calls can be enjoyed in excellent quality directly within the ear. Thanks to a discreet Bluetooth² microphone, hearing aid wearers can follow conversations even in noisy environments – in some cases better than a person without hearing loss. And a smartphone app lets the wearer control parameters and functions intuitively and individually.

1) The Bluetooth® word mark and logos are registered trademarks owned by the Bluetooth SIG, Inc.
2) iPod® is a registered trademark of Apple Inc., registered in the U.S. and other countries.

eSolutions for the future

Improving audiological quality and ease of operation is one thing; multiplying opportunities through networking is another: Our solutions go far beyond the individual hearing instrument, creating a digital experience that brings together, empowers, and supports the healthcare provider and the user, seamlessly and in real time, through all stages of the hearing journey. From online-based histories and customer support to remote adjustment and optimization under real-life conditions, digitally networked solutions offer users a previously undreamed-of degree of control and freedom. Wherever users might be, their audiologist can be by their side online, directly capturing data on the specific audiological situation and providing immediate assistance. Continuous data monitoring and statistical analysis of listening situations allow ever more user-specific fine tuning, as well as more targeted advice. Follow-up appointments are a thing of the past, spatial distance is no longer

>50

number of scientific
cooperations



Hearing check at home – the Hearing Check App tests hearing in two minutes

an issue: professional and personal assistance, as well as effortless instrument adjustment by the user, are only a screen tap away. People with hearing loss can enjoy complete autonomy in a fully networked world of hearing. Our promise is to use and further expand these digital channels to establish one-to-one, real-time relationships with our customers.

Product responsibility

Regulatory and standards

Sonova's medical devices are regulated by government agencies, healthcare authorities, and other regulatory bodies worldwide. These organizations verify that throughout the life cycle of our products we are fulfilling the requirements of applicable health and safety regulations. We are committed to maintaining transparent, constructive, and professional relationships with all applicable regulatory authorities on policy, product submissions, compliance, and product performance. Their requirements include design controls, marketing approvals, good manufacturing practices, vigilance systems, clinical studies, and other applicable product regulations, standards and normative documents specified by government agencies.

Our processes for identifying potential risks related to our products – and for estimating, evaluating, controlling, and monitoring these risks – are governed by the ISO 14971 standard, which specifies the application of risk management to medical devices. Initial training programs and maintenance training programs ensure the adequate training and qualification regarding the regulatory and statutory requirements.

Each national healthcare authority has specific requirements for products that are offered in its market which need to be respected e.g. in Europe our hearing instruments comply with the essential requirements and other relevant provisions of the Medical Device Directive 93/42/EEC, the Radio Equipment Directive 2014/53/EU and other applicable international standards. In the US, hearing instruments are regulated by the United States Food and Drug Administration (FDA) and classified as medical devices of the class I (hearing aids) and class II (wireless hearing aids). Both categories are exempt from the Premarket Approval (PMA) and Premarket Notification (PMN) known as 510(k) and can be introduced into commercial distribution without undergoing these processes.

Cochlear implants and their respective accessories from Advanced Bionics are classified as active implantable medical devices (Class III-AIMD), which are regulated by the EU Active Implantable Medical Devices Directive 90/385/EEC and must generally undergo a formal PMA process wherever they are launched.

All of our operation centers and major group companies are certified according to the ISO 13485 standard and fulfill the requirements for quality management systems of the US FDA Quality System Regulation, Title 21 CFR Part 820.

Sonova is carefully following the changes in the related regulatory environments worldwide to ensure the conformity of the products to any time; in particular recently published changes in medical device regulation in Europe regarding the transition from Medical Devices Directive 93/42/EEC to Medical Devices Regulation 2017/745.

Product service and labeling

The majority of products from Sonova group companies are covered by these regulations, standards, and medical classes. All of these products are continuously assessed for health and safety improvements, using such tools as our complaint handling system and process, post-market surveillance, vigilance reporting, reliability trending, and post-launch engineering.



Commitments

Access to hearing care

We provide access to hearing care and improve the quality of life for millions of people with hearing loss.

Expanding market reach

Innovation is not limited to products – it also drives the way we approach the market, both through our wholesale companies and our retail audiological service network. The industry is seeing a rise in lower-cost retailers, but also an increased emphasis on personalized care from dedicated audiologists. We address both these trends through channel partnership, vertical integration, services that generate increased customer demand, and an expanded presence in underdeveloped growth markets, such as China.

Broad product portfolio

Our declared goal is to offer the most technologically advanced hearing solutions and services available to users worldwide. The comprehensive, interdisciplinary knowledge that we acquire in the process is factored into each of our products. It also enables us to offer a broad spectrum of service and pricing levels for individual needs and different markets in both developing and developed countries. Operating through many channels multiplies the potential paths to hearing in all markets, even in parts of the world where care has been in short supply.

Customized solutions

Around 1.3 billion people around the world speak a Sinitic language such as Mandarin or Cantonese. These are tonal languages, where the basic frequencies communicate the information content of words. To better understand the specific needs of Chinese people with hearing loss, we are working with China's largest hospital, the Tongren Hospital, in Beijing. The result is a specific prescription formula for the amplification/frequency curve shapes of tonal languages – or, to put it more simply, hearing aids offering significantly better speech clarity for millions of people in Asia.

Education and training of hearing care practitioners

In China, there is a significant lack of comprehensive, practical training for qualified hearing care professionals. That is why Sonova decided to bridge the gap and build a new training center – the Global Hearing Institute in Suzhou. The center offers advanced audiology courses and practical training for optimal hearing solutions with a customer focus; it features a soundproof room for hearing tests and workstations for fitting ear-molds. The uptake of



Sonova's new training center in Suzhou (China) offers practice-oriented training courses for hearing care professionals from the entire Asia-Pacific region.

training courses by hearing care practitioners from across China has been very strong since the center opened in May 2017. After the courses, participants keep in touch with their trainers via chat and can contact them if they need advice on issues back in the workplace. In parallel, Sonova is establishing an interactive, online audiology academy. Further plans for the future include collaborations with universities, e.g. on specific certified courses or summer schools.



Practical training for optimal hearing solutions

The Hear the World Foundation

Around 665,000 children with hearing loss are born every year. 80 percent of them live in countries with low and middle incomes and have no access to audiological care. The consequences of an untreated hearing loss especially for children can be severe, as the development of speech and language is fundamentally dependent on the sense of hearing. Untreated hearing loss is also often associated with social isolation, less chances of getting an education, poor prospects for future employment and thus minimizes their chances of a life without limitations.

Through the Hear the World Foundation founded in 2006, we are working to counteract this and are committed to creating global, equal opportunities and a better standard of living for people in need with hearing loss, and particularly children. The key is prevention of hearing loss and education, but more specifically, financial and technological support of aid projects enabling people in need with hearing loss to hear better. On many voluntary missions, our engaged employees have already successfully supported ninety projects all around the world, helped thousands of children with advanced hearing solutions and actively contributed to the establishment of local audiological care infrastructures.

By 2020, we want to conduct 14,000 hours of volunteer work for our Hear the World Foundation with Sonova employees. Since 2013, Sonova employees have already conducted 8,400 hours of volunteer work.



Hear the World Foundation



Alejandro from Panama, born with a profound hearing loss, can hear the voice of his mother for the first time – thanks to his new cochlear implant donated by the Hear the World Foundation.



Access to hearing care

Sticking out your tongue at hearing loss

Who doesn't know the Rolling Stones' legendary logo of a mouth with the tongue sticking out? When more than 40,000 fans came to see the rock veterans play at Zurich's Letzigrund stadium, volunteers from Sonova were on hand to distribute hearing protection on behalf of the Hear the World Foundation and to inform concert-goers of the possible consequences of excessively loud music for their hearing.

It's as if someone has turned on a tap: an endless stream of hundreds of concert-goers files past Katrin Egli and Feifei Pilet, the two Sonova volunteers. Although the performance at Zurich's Letzigrund stadium by what must be the world's most venerable rock band is not due to begin for another three hours, people are still in a hurry to get to their seats. Even so, most still make a quick grab for one of the little blue packs of ear plugs that Egli and Pilet are handing out.

Attending regular amped-up concerts without ear protection can cause lasting hearing damage. This is why the Hear the World Foundation has launched a campaign to raise awareness about listening habits and offer tips on ways to protect your hearing.

It's Egli and Pilet's first outing as volunteers for the Hear the World Foundation. 30-year-old Katrin Egli, who works for Sonova as Project Manager Global Pricing and Lifecycle, is wearing a fiery red sweatshirt with the words "Ear Brigade" emblazoned across it. "Volunteering here is a nice change," she says cheerily, without stopping to reach into her red shoulder bag for more ear plugs to hand out. "It's fun and I'm glad I can do my bit for our foundation."

The free hearing protection is a hit with concert-goers. "I was a bit taken aback at first," says 60-year-old Thomas Berger. "But it's only logical, really." His parents had warned him about listening to loud music when he was young: "They always told me I wouldn't be able to hear a thing when I was older." Berger has taken his 22-year-old son Philipp on a special trip from Stuttgart for the concert and both father and son are glad to receive some hearing protection. There is a hint that it might indeed get loud at the Letzigrund as Mick Jagger and his bandmates take to the stage, three hours before the concert is due to begin, and play the first familiar bars of their hits as a soundcheck.

Concert-goers at the Letzigrund stadium are receptive to the foundation's campaign to raise awareness about preventative care. "If it gets too loud for me, I'm going to use the earplugs," says 47-year-old Böbu Hüssi from Solothurn, stashing the little blue package in his pants pocket.

Hüssi is also more than happy to have his picture taken. In addition to handing out ear protection, Egli and Pilet are inviting concert-goers to strike the signature Hear the World pose for conscious hearing – with their hands cupped behind their ears – for a snap taken by an automatic photo booth. Feifei Pilet presses the start button on the display to prime the camera, there's a quick countdown, then a flash. A few seconds later, Hüssi has his personal memento photo in his hands. Those who wish can also receive their picture by email. Thomas Frank, who has come down from Berlin specially for the concert, needs no second invitation; the couple link arms and grin into the camera. They are both delighted with the snap and the 45-year-old Berliner thinks the foundation's awareness campaign work is "a cool initiative". He says he thinks the topic of preventive healthcare is important: "When I go to concerts, I always take earplugs with me." A lot of his friends already have hearing problems, he remarks; when they were young, they used to listen to too much loud music without protection.

The Hear the World Foundation has been working with Swiss concert promoters abc Production since 2016. "We don't want to wag our fingers or appear patronizing – we'd rather meet visitors halfway on a friendly basis and make them aware of the preventive measures they can take," emphasizes Elena Torresani, Head of the Hear the World Initiative, adding that there are still plenty of people who are unaware that excessively loud music can result in permanent hearing damage. "We'd like to make sure that people can enjoy concerts without regretting it afterwards." This is also the reason for the photo booth, which is an opportunity for the Sonova volunteers to engage with concert-goers and raise awareness of hearing protection issues. "We want to use the photos to make sure that Hear the World's campaign sticks in the memories of the audience," explains Torresani. The foundation is also showing a short preventive health infomercial in which international stars point out the dangers of excessively loud music and recommend the use of hearing protection at music events.

André Béchir, CEO of abc Production, is delighted to be working with the Hear the World Foundation. "For a concert promoter, working with a hearing aid manufacturer and doing preventive healthcare work is a no-brainer," he says. "People coming to a concert are in a good mood and full of excitement and anticipation. That's the best moment to sensitize them to the issue and make clear to them that it is every individual's responsibility to protect their hearing."

Three hours later, Sonova volunteers Katrin Egli and Feifei Pilet have handed out almost all their earplugs. "It was a lot of fun," observes 33-year-old Pilet with a grin, as Egli pulls at her sleeve – the Rolling Stones concert is due to start in just a few minutes and they still have to find their seats. They both quickly pocket a little packet of earplugs. "Now we're ready for anything," says Egli, laughing.



Commitments

Investment in people

We offer our employees a flexible and inclusive work environment and an open culture.

Our employees are key to our success

At Sonova, our employees contribute to something greater than themselves – they transform lives. We work to enhance the quality of life for millions of people by bringing better hearing to those with hearing loss. Our shared corporate values – innovation, engagement, and responsibility – shape the culture that defines and unites us as a company across all brands and regions.

Global trends such as demographic changes, a limited availability of specialist talent, and the need to adapt quickly to shifting markets highlight the importance of a proactive staffing strategy for Sonova. We strongly believe that developing talent with the goal of ensuring internal succession is vital to sustainable success. Appointing internally to key positions while retaining and developing skilled employees helps to ensure that Sonova's specialist knowledge and intellectual property remain within the company, sustaining our competitive advantage. In 2017, we were able to fill 53% of our open leadership positions with Sonova employees¹, thereby reaching our long-term target.

Our conscientious treatment of our workforce, professional leadership culture, and proactive approach to employee retention over the past years have combined to reduce our global employee turnover to the low level of 11.9%. The average tenure of our managerial staff is 8.3 years, while the total average workforce tenure is 6.4 years. All in all, the low turnover rates and the high tenure figures confirm what is implied by our global employee satisfaction rate of above 80%.

53%

of leadership positions filled internally¹

1) excluding former AudioNova

Employee turnover rates

(in percent)

	2017/18	2016/17	2015/16
Switzerland	8.5	7.5	10.3
EMEA (excl. Switzerland)	7.6	6.2	7.2
Americas	18.4	18.0	19.1
Asia/Pacific	10.8	9.0	9.0
Total	11.9	10.8	11.9

The employee turnover rate is the percentage of the total workforce (excluding fixed-term employees and former AudioNova) leaving Sonova employment during the fiscal year; this includes continuing and discontinued operations

Personnel figures

After a significant increase in the number of employees through the AudioNova acquisition in 2016/17, the full time equivalent figures show stable growth of 1.1% in the current reporting year to 14,242 full time equivalents. The additional 153 full time equivalent employees stem mostly from our wholesale activities in Europe and from Advanced Bionics in North America.



Workforce KPIs

Employees by region

Full time equivalent (end of period)

	2017/18	2016/17	2015/16
Switzerland	1,219	1,178	1,200
EMEA (excl. Switzerland)	6,471	6,399	3,452
Americas	3,539	3,538	3,622
Asia/Pacific	3,013	2,974	2,620
Total	14,242	14,089	10,894

Employee numbers do not show any seasonal or other temporary fluctuation

Human resource organization

The majority of our employees are directly supported by a local human resources manager. At our corporate headquarters in Switzerland, we develop – in collaboration with our group companies – and monitor a comprehensive set of global human resource processes, standards, and policies, which are implemented locally in line with country-specific regulations and customs. We assess the impact of all our activities through a set of key performance indicators such as turnover, internal leadership recruitment rate, and depth of available in-house talent. Regular audits ensure compliance with internal regulations and local labor law, with the objective to provide excellent working conditions and monitor progress in all our locations. Around 7% of Sonova's global workforce is covered by collective bargaining agreements.

Career development

We offer a flexible and inclusive work environment and an open culture that inspires personal growth and professional development. By regularly reviewing the competencies, performance, potential, and career plans of our employees, we invest in the development of each individual's strengths. Our global Succession Planning process allows us to mitigate the risk of losing expertise in key positions while identifying and developing promising candidates for internal succession.

The Sonova Academy is our group-wide education platform. In close collaboration with selected external partners (such as the University of St. Gallen and INSEAD in Paris), our Academy offers targeted programs and provides an opportunity for our leaders, managers, and best-performing talents to enhance their skills and competencies. The Sonova Academy also serves as a cross-business learning network that provides consistency and supports change throughout our organization. The structure of our Academy reflects the Group's global structure. International programs address themes that are relevant across national and organizational boundaries. The programs are available to participants from around the world and all Sonova business units. Regional programs, while sharing similar concepts, emphasize regional and brand-specific content.

External providers	NEW Executive Leadership Program Custom made program for the Management Board.	Target group MB Cohort: 9
	Senior Leadership Program 4.5 days Leading the organization 2	MDs and functional heads Cohort: 100
	High Potential Program 3x5 days Leading the organization 1	Cohort numbers estimated Potential MDs and functional heads Cohort: 50
Sonova L&D delivers	Leadership Advanced 3 days Leading your department	Senior leaders (5 years experience, manager of managers) Cohort: 200
	Leadership Essentials 4 days Leading your team	Managers with at least one direct report Cohort: 600
	NEW Aspiring Leaders 2 days Leading yourself	Individual contributors who want to lead one day
	NEW Leadership Onboarding Online + 1 hour face to face Introduction to LS @ Sonova	All new Sonova employees

The portfolio of leadership development programs consists of different modules. The Aspiring Leaders program is a newly introduced two-day course that encourages participants to start thinking about their leadership brand, and about how they can best fulfill and contribute to Sonova's future. The Leadership Advanced program lasts three days and builds on the Leadership Essentials syllabus, focusing on more advanced topics to equip Sonova's

INVESTMENT IN PEOPLE

managers with the strategic tools and approaches they need to drive change and shape the company's future. Through intensive feedback, coaching, and experiential exercises, the program gives participants the chance to reflect on their personal style, to understand and to increase the impact they have on their company's performance, and to plan how they will continue to develop as leaders at Sonova.

Success of the career development program is measured in two ways: Development planning and employee progress are the responsibility of each individual line manager. Sonova also tracks the internal promotion rate and participation in the High Potential Program.

Young talent wanted

Sonova has an excellent network of research collaboration with various leading universities around the world, where students can participate in joint studies and other activities. We offer them the opportunity to work in our organization as a member of one of our Research and Development teams, either in an internship, or as part of their Bachelor's, Master's, or PhD thesis work.

Our talent acquisition process also targets the most sought-after group of professionals in our industry: experts in audiology. To support our constant need for top audiologists, we offer an international Audiological Traineeship program, with training placements in the US, Canada, and Switzerland. This program is an opportunity for ambitious audiology graduates to benefit from a one-year formal development and rotation experience, where they will have the opportunity to work with our talented audiologists in various business units (Audiology, Marketing, Customer Training, Sales, and Research) before starting on their career path with Sonova.

At Sonova we conscientiously support and invest in Switzerland's effective dual training system, which links formal education with technical apprenticeships. The number of our apprentices has doubled since 2013. We train more than 40 apprentices at our headquarters, two of whom have disabilities. The range of Sonova apprenticeships is highly diverse, offering training in twelve professions, from polymechanics and logistics to cooking.

Diversity and inclusion

Sonova is currently present in over 100 countries around the globe and has a workforce of over 14,000 dedicated employees with a broad mix of experiences and backgrounds. We consider this diversity to be key to our success, since it represents our global customer base and fosters innovation. All facets of diversity are important to us; we strive to create an inclusive environment where everyone – regardless of age, gender, language, ethnic origin, religion, culture, sexual orientation, or health status – can contribute and realize their full potential. Our commitment to diversity is recorded in our Code of Conduct and is binding for all our employees.

As the world's largest hearing care provider, Sonova campaigns for equal opportunities and a better quality of life for people with hearing loss. It is our vision to create a world where everyone enjoys the delight of hearing and lives a life without limitations. By offering the most comprehensive range of solutions to treat all major forms of hearing loss, we aim for our customers to feel fully included in society. To help us reach this challenging goal, our workforce and work culture need to reflect the values of diversity and inclusion.



Internship and Thesis



> 14,000

dedicated employees

Building a diverse workforce

We realize that one of the most effective ways to understand and meet the needs and desires of our diverse customers is to have a workforce that reflects this diversity. We therefore make it a priority to recruit a wide range of people who share our passion and bring in new skills and experiences. To guarantee a balanced mix, we have a special focus on recruiting and promoting women and employees from different cultures in leadership and executive positions.

We actively support the compatibility of having a career and a family by promoting flexible working models for both men and women, such as home office, flexible working hours, and part time work in leadership positions. Since April 2017, new terms of employment guarantee our employees in Switzerland a number of additional family related benefits, including 16 weeks of maternity leave, two weeks of paternity leave, and the possibility to purchase additional vacations. In all our production sites, where shift work is standard, employees returning from maternity leave can choose to work at between 50% and 100% of their previous level during their first year back. We operate our own day care center at our headquarters in Stäfa and financially support lower-salary employees in Stäfa and in our production center in Vietnam to help pay for day care. Thanks to various family policy measures and a commitment to promote equal opportunities, we are pleased to report that women now fill 48% of our leadership positions.

Sonova also provides reasonable accommodation in its job application procedures for qualified individuals with disabilities, or to enable otherwise qualified individuals with disabilities to perform essential job functions.

Advancing our culture of inclusion and innovation

Inclusion as a foundation of corporate culture is an integral part of how we benefit from the diversity of our workforce: by embracing the differences that make each of our employees exceptional. We are committed to creating a safe, positive, and nurturing work environment where all people feel valued, respected, and heard. We are convinced that this promotes thoughtful and valuable dialog and fosters innovation. We actively include diversity topics in our employee communication and leadership programs to raise awareness and continuously advance our culture of inclusion.

48%

women in leadership positions

Employment numbers by gender – Women

As percentage of employees

	2017/18	2016/17	2015/16
Share of total workforce (% of headcount)	66.0	66.0	63.5
Part-time employees (% of headcount)	19.0	18.1	8.5
Turnover rate ¹ (% of FTE)	12.1	10.3	12.1

¹ excluding former AudioNova employees

Employment numbers by gender – Men

As percentage of employees

	2017/18	2016/17	2015/16
Share of total workforce (% of headcount)	34.0	34.0	36.5
Part-time employees (% of headcount)	6.0	4.9	2.7
Turnover rate ¹ (% of FTE)	11.9	11.2	11.3

¹ excluding former AudioNova employees

Ratio women in leadership positions

As percentage of Manager headcount

	2017/18	2016/17	2015/16
Switzerland	21.0	21.0	21.6
EMEA (excl. Switzerland)	53.0	50.6	37.4
Americas	45.0	45.0	45.0
Asia/Pacific	49.0	48.8	47.1
Total	48.0	46.0	39.0

Ratio women in executive positions

As percentage of Executive headcount

	2017/18	2016/17	2015/16
Switzerland	13.0	11.5	10.0
EMEA (excl. Switzerland)	26.0	25.4	21.2
Americas	33.0	33.9	34.4
Asia/Pacific	30.0	26.8	23.2
Total	24.0	23.1	21.5

The ratio of women in executive positions is based on those positions eligible for the Executive Equity Award Plan

Employee wellbeing

Sonova group companies and operation centers take specific prevention and health promotion measures to help maintain and enhance each employee's capacity for productive and fulfilling work. In 2016, Sonova launched its global Body & Mind initiative to align and support its various current prevention measures. This health initiative rests on four main pillars:

- Sound and well-balanced nutrition
- Physical and mental harmony through exercise
- Re-energizing through active relaxation
- Medical care through regular check-ups and vaccinations

Our group companies are responsible for implementing Body & Mind measures locally and for continuously refining programs in all four of its areas. Among examples of best practice are health coaches, who lead employees at our operation centers in three-minute break-time exercises to reduce muscle tension. In 2017, we also conducted a stress management training with selected members of our leadership team at headquarters in Stäfa.



Body & Mind initiative at Sonova headquarters in Stäfa



Three-minute break-time exercises at our operation centers to reduce muscle tension.

Occupational health and safety

Sonova has established an effective occupational health and safety culture that supports and protects our employees. We regularly monitor and analyze the potential health and safety risks of our operations and implement both legally-required and voluntary occupational health and safety programs.

Sonova's operations have a relatively low exposure to health and safety risk, but we are committed to continuous improvement here as elsewhere. We therefore investigate each incident to determine its cause and take steps to prevent any reoccurrence. Our low exposure to health and safety risk is once again reflected in the figures for this financial year. Any incident that requires external medical health care is considered as a work-related injury and is reported in the table below. In general, such injuries and lost work days are not caused by the manufacturing processes; they are more likely to be sustained during activities such as movement of goods. The injury rate (IR), which covers the Sonova headquarters in Stäfa and the manufacturing sites in Asia, is at the very low level of 0.44.

Injury and lost day rate

	2017/18	2016/17	2015/16
Injury rate (IR)	0.44	0.44	0.43
Lost day rate (LDR)	1.36	2.69	1.45

The injury rate equals the total number of injuries/total hours worked x 200,000. The lost day rate equals the total number of lost days/total hours worked x 200,000.



Investment in people

Body & Mind initiative – for physical and mental wellbeing

Sonova has a sustainable preventive healthcare program for its staff called the Body & Mind initiative: sport and activity, yoga and relaxation, a healthy, balanced diet and regular medical check-ups are all part of a healthy work environment and ensure high levels of satisfaction within the company.

It's a little after nine in the morning, and 32-year-old Corporate Sustainability Manager Mevina Caviezel is in good spirits as she stands at the breakfast buffet in the Bistromax, Sonova's staff restaurant in Stäfa. The wide selection of fruit and muesli on offer (with every imaginable kind of cereal, all of which can be freshly ground) means that she is spoiled for choice. Caviezel eventually plumps for dried blueberries with almond milk, freshly ground buckwheat, and chia pudding. "I love the choice here," she says, "it's much better than at home." She sets great store by a healthy diet. "I'm glad I can get such a wide variety of things to eat at work."

The Bistromax is already bustling at around 9am – the cozy staff restaurant is popular with the many staff members who like to combine a healthy mid-morning snack with their first meetings of the day. "A balanced diet is the key to a happy and healthy workforce," says Caviezel. As Corporate Sustainability Manager, the Body & Mind initiative, which promotes sustainable preventive healthcare and wellbeing for Sonova employees around the world, falls within her remit. The initiative is based on several guiding principles: a balanced diet for every member of staff, opportunities for sport and relaxation at the workplace, and regular medical check-ups for employees. "We want our employees to be healthy and happy, so they stay motivated over the long term. The Body & Mind initiative is a strategic priority for Sonova," explains Caviezel.

There is already a hive of activity in the kitchen as lunch is prepared, and commis chef Yousif Diler is getting warm falafel, vegetable parcels and hummus ready for the salad buffet. Chef Kumar Subramaniam is frying off 40 kg of mince for the spaghetti Bolognese while Amely Schmitt, a budding cook in the third year of her apprenticeship, stands beside him flipping 240 veal hamburgers, one after another, in a giant frying pan.

650 to 700 lunches are prepared here every day but there is no sign of the stress and commotion to be seen in other commercial kitchens. "The whole operation runs like a well-oiled machine," explains Thomas Leu, the 49-year-old chef and staff restaurant manager, who has given up his place in the kitchen to concentrate on strategy, purchasing and planning.

“It’s like on a cruise ship,” he continues, with a grin. “Good food creates a good atmosphere.” He prefers to buy local and sustainable produce – organic and low-fat if possible – and he is more concerned with providing a balanced spread than an embarrassment of choice. “We understand our clientele, which means we try to offer an eclectic range of food with plenty of colors on the plate, so there’s something for everyone.” For their midday meal, diners can choose between some 30 salads, a generous buffet of vegetable dishes and three set menus.

In addition to a healthy diet, sport and relaxation are two key priorities for the Body & Mind initiative. “This means that we integrate athletic activities and relaxation (such as yoga and Pilates) into the working day,” says Caviezel – Sonova staff are free to spend their lunch breaks attending one of the many athletics clubs to play any number of sports from volleyball to squash. There is even a swimming pool and a sauna on the roof of the main building. “There’s a real need to get people moving regularly, not least because a lot of our staff work at desks – and it’s important for me personally as well,” emphasizes Caviezel, who frequently joins her team colleagues for a lunchtime jog in the woods nearby.

Thomas Bernhardsgrütter, Director Investor Relations, has also joined an eight-strong running group, and members take to the streets two to three times a week to jog 7 or sometimes even 11 km. “I find it an important counterbalance to desk work and a good opportunity to clear my head. I feel fitter and more productive in the afternoons,” says 46-year-old Bernhardsgrütter. He goes on to explain that, as he often has to work late in the evenings, it is practically his only opportunity to do sports and stay active. It means his lunch break may be a little shorter, but that’s a trade-off he says he is happy to make. “I’m extremely glad that Sonova has got behind sporting activities. It’s a big plus.” He is also a fan of the way his running group share tips and compare notes. “As we all work in different departments, it’s interesting to find out what’s currently going on elsewhere in the company,” he says.

“Badminton at lunchtime is one of the few moments when I’m not thinking about business,” says 39-year-old Sascha Stocker, who works as an Associate General Counsel in the legal department. He and a few colleagues from his unit joined the badminton group about four years ago and they get to use the nearby indoor gym hall for matches twice a week. Sonova has organized a special minibus shuttle for all the athletes. “Sport is an important extra shot of energy for me – I get sluggish if I don’t play badminton regularly,” says Stocker. He is also highly appreciative of how Sonova allows him to configure his work flexibly and encourages staff to play sport during their lunch breaks: “The benefits are tangible.”

His eyes lighting up at the mere thought of soccer, Systems Manager Corporate HR Oliver Appelshäuser heads to the gym every Wednesday lunchtime for kick-off. “It’s a sacrosanct time slot for us all,” says the 39-year-old and laughs. The “all” to which he is referring are a group of between 10 and 16 soccer fans that includes members of the Management Board. “But work hierarchies are left on the touchline, of course.” Appelshäuser no longer has enough time to commit to turning out for a club side, so he is doubly delighted to be able to play his favorite sport at work.

At the same time Appelshäuser is chasing the ball in the gym, the yoga enthusiasts are gathering in Audimax 1 for their weekly session. The leader of the group Philipp Schneider, Director eSolutions Development, guides 20 employees through a demanding program – in English, no less, so that even those who speak little or no German can take part. The “Crow”, a difficult pose in which the hands are placed on the mat a span apart and the hips and knees are extended to one side, pushes the yoga devotees to their limits. The weight of the torso is taken on the arms while the legs are stretched out sideways in the air. There is laughter as a couple of participants come tumbling down onto their mats. “No problem,” says 49-year-old Schneider. “It’s important to laugh.” He has been doing yoga for 14 years. “I make an effort to teach in such a way that everyone can follow what I’m doing, however long they have been doing yoga,” he says, adding that it doesn’t matter how an exercise looks – what is important is how it feels.

The yoga lesson ends with “savasana” – lying calmly on the mat – which is intended to bring about deep relaxation, and tranquil faces are indeed to be seen everywhere. For Fabia Müller, a Product Manager for Sonova’s Phonak brand, the yoga lesson is the highlight of the week: “It’s a valuable time-out for body, mind and spirit.” 33-year-old Müller has been practicing yoga since she was young, but only started at Sonova this month. “I’m so glad there’s a yoga class here,” she says, adding: “What Philipp does is super, it’s a really good thing to have available.” As she takes her leave, she says that she is looking forward to going into her next meeting – and indeed her whole afternoon – completely relaxed and full of energy.

The time and effort required to organize the sports groups is minimal as the classes all coordinate their bookings and activities themselves. If necessary, Sonova’s HR department will also help out staff with financial support to buy sports equipment. “Working with us should be fun and we are extremely pleased that so many people are getting involved,” says Mevina Caviezel. “In addition to the positive effects on people’s fitness and health, sports help to build a sense of solidarity.”



Commitments

Safeguarding the environment

We ensure eco-efficient practices across all our business activities.

Environmentally friendly practices

Sonova makes an explicit commitment to continuously promote and pursue environmentally friendly practices throughout the entire lifecycle of its products and across all its business activities. We set the priorities and provide the resources needed to reduce our environmental impact through responsible, efficient management of our buildings and infrastructure, processes, products, and services. The environmental policy supports Sonova’s commitment to behave proactively and describes the company’s environmental performance management organization and responsibilities, along with their relevant environmental aspects and other management approaches.



[Environmental policy](#)

Sonova’s environmental program sets clearly defined targets, of which the three most important are: a 10% reduction from 2013/14 levels of production-related carbon emissions intensity by 2018/19, a 10% reduction from 2013/14 levels of air travel-related carbon emissions intensity by 2018/19, and ensuring that 100% of purchase volume comes from suppliers having environmental friendly practices in place by 2018/19. We continuously monitor and optimize environmental objectives and performance across the Group.



[Targets and performance](#)

As part of this continuous improvement in operations, Sonova has committed to establish ISO 14001-certified environmental management systems at all its key manufacturing and distribution centers; these require employees to make sound environmental decisions when designing, manufacturing, and servicing products. For non-manufacturing sites, Sonova has implemented an adapted environmental management system to ensure integration of environmental factors in decision-making and improvement in environmental performance. The following Sonova facilities are currently certified to the ISO 14001 standard: Sonova AG and Advanced Bionics AG (Stäfa, Switzerland), Phonak Communications AG (Murten, Switzerland), Advanced Bionics LLC (Valencia, USA), Phonak Operation Center Vietnam Co., Ltd (Binh Duong, Vietnam), Unitron Hearing (Suzhou) Co., Ltd (Suzhou, China), Phonak LLC manufacturing and distribution centers in Warrenville/ Aurora (USA).

We insist on environmentally friendly business practices throughout our supply chain: we do not restrict our environmental standards to our own operations, but consider them equally crucial in selecting our suppliers. The Sonova Group Supplier Principles recommend that

suppliers use the international ISO 14001 standard as the starting point and basis for their work. In 2017, 95.5% of purchase volume came from suppliers having environmental friendly practices in place. This assessment was made based on internal or external audits.

Thanks to Sonova's low risk exposure to environmental issues and its strict group-wide environmental management, no fines or non-monetary sanctions were levied against Sonova in 2017 (or in previous years) for noncompliance with environmental laws or regulations.

Climate protection and energy reduction

Climate change is one of the biggest challenges of our time: it requires prompt, effective action from governments, industries, and individuals. Sonova is committed to reducing the carbon footprint attributable to its direct and indirect energy consumption, including energy used in transportation and distribution. The company's strategy requires a steady increase in the energy efficiency of its operations, integrating environmentally friendly energy purchase and generation, and optimizing transportation and distribution logistics. Sonova has set up implementation initiatives that concentrate on its most energy-intensive facilities, while considering other sites that show realistic potential for improvement. From a risk perspective, Sonova's business has a low exposure to climate change and hence anticipates no financial implications for the organization's activities from this source.

In 2017, the total energy consumption of the Sonova Group amounted to 97,890 megawatt-hours (MWh). 42,276 MWh can be attributed to the wholesale business and 55,614 MWh to the retail business. The wholesale business accounts for a higher proportion of electricity consumption because of air conditioning systems in operation centers in China, Vietnam and the US. On the other hand, the retail business accounts for a higher proportion of heating because of a stronger retail presence in Europe, where cold winters make heating more relevant. A total of 5,520 MWh of electricity consumption stems from renewable energy sources.

As a result of the acquisition of AudioNova, the retail business was included in the 2017/18 reporting for the first time. The values for the retail business are based on extrapolations and not actual data. Due to additional changes in the reporting scope, the values are not comparable to the previous years.

Energy consumption

In MWh

	2017		2016	2015
	Retail ¹	Wholesale	Wholesale	Wholesale
Heating	36,926	7,812	8,033	8,195
Electricity	18,688	34,465	30,629	28,892
Total	55,614	42,276	38,661	37,087

¹ extrapolation, no actual data

Restatement

The energy and carbon emissions values published in the CSR Report 2016/17 for Scope 1 and 2 were restated for the year 2015 and 2016 due to data quality improvements and changes in the data collection methodology.

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Sonova Group's absolute carbon footprint of Scope 1 and 2 emissions amounts to 38,701 metric tons of CO₂ equivalents (t CO₂eq). The figure is not comparable to those of previous years because of changes in emission factors and reporting scope. The emissions values for the retail business are based on extrapolations and not actual data.

In 2017, we estimated Scope 3 emissions for three categories: upstream transportation and distribution (11,543 t CO₂eq), business travel (10,441 t CO₂eq), and employee commuting (21,558 t CO₂eq), which adds to a total of 43,542 t CO₂eq of Scope 3 emissions.

Greenhouse gas (GHG) emissions – Scope 1&2

In t CO₂ eq

	2017		2016	2015
	Retail ¹	Wholesale ²		
Scope 1	11,048	5,446	6,646	5,738
Scope 2	9,528	12,679	22,462	20,666
Total	20,576	18,125	29,108	26,404

¹ extrapolation, no actual data

² values not comparable to previous years due to changes in emission factors and reporting scope

Restatement

The energy and carbon emissions values published in the CSR Report 2016/17 for Scope 1 and 2 were restated for the year 2015 and 2016 due to data quality improvements and changes in the data collection methodology.

Greenhouse gas (GHG) emissions – Scope 3 estimates

In t CO₂ eq

	2017
Upstream transportation and distribution	11,543
Business travel	10,441
Employee commuting	21,558
Total	43,542

Sonova aims to achieve a 10% reduction from 2013/14 levels of production-related carbon emissions intensity by 2018/19. One example of how we are working to achieve this goal comes from Sonova Germany in Fellbach, where we replaced conventional lighting with LED technology; we also installed motion-detecting light switches in corridors, stairways and non-regularly used areas to save energy. A 5,000 square meter solar panel system in Suzhou, China, which was put into operation in 2015, will help us reduce our CO₂ footprint in upcoming years by substituting solar power for coal-derived electricity. In 2017, the new photovoltaic system produced 500,000 kWh of green energy. Despite our efforts to improve energy efficiency in our infrastructure and production processes, the company recorded a higher CO₂eq emission value per unit produced. The increased production volume could not offset the additional CO₂eq emission caused by our buildings in China and Vietnam. The main reasons are adjusted emission factors as well as a shift of production from Switzerland to China and Vietnam, where electricity consumed has a higher carbon intensity. This makes reaching the ambitious 10% reduction target extremely difficult.

Monitoring transportation and distribution

Sonova is a global company: business-related air travel is essential to maintain and improve operations, and to collaborate with internal and external stakeholders. We estimate, however, that we could reduce our carbon emissions by at least 10% by systematically using information and communications technology to substitute for air travel. In 2017, the carbon emissions from business-related air travel activities on a group-wide basis were 10,441 t CO₂eq, of which 32% originated from the flights of Sonova employees in Switzerland. Carbon emission intensity (expressed as t CO₂eq/million CHF sales) decreased to 3.95 in 2017 (previous year: 4.30), which leads to a total reduction in air travel carbon emission intensity since 2013/14 of 20.0%. Despite strict travel policies and the increased use of web-conferencing tools, carbon emissions from business flights increased slightly in absolute terms by 1.3% compared to the previous year due to the growth of the group.

Sonova also estimated the carbon footprint of its corporate car fleet in 2017. All vehicles purchased, leased, or rented by Sonova Group companies were taken into account. The estimated total carbon footprint of Sonova's corporate car fleet is around 7,328 t CO₂eq per year. The average carbon emissions per single vehicle were evaluated at 134.5 grams CO₂/km. The long-term goal to achieve average carbon emissions of 140 grams CO₂/km or below has not only been reached, but even improved from the previous year's average carbon emissions per single vehicle of 139 grams CO₂/km.

Because the availability of public transport differs across countries, Sonova's initiatives to promote environmentally friendly commuting are influenced by the local infrastructure. The headquarters in Stäfa established an integral mobility program which provides incentives to use public transport, accompanied by targeted awareness campaigns. This initiative increased the proportion of employees who commute using public transportation from 40% to 60% over the last 10 years. 2017 was the first year in which Sonova conducted a worldwide survey to estimate its carbon footprint from employee commuting; this amounts to 21,558 t CO₂eq.

In terms of product distribution, air freight is clearly the dominant contributor to Sonova's carbon footprint, accounting for around 98% of relevant CO₂ emissions. Based on a study conducted in 2017, the carbon emissions for the hearing instruments segment are estimated at 10,708 t CO₂eq (2014: 7,000 t CO₂eq) in absolute terms and 7.2 kg CO₂eq per kg transported (2014: 6.6 kg CO₂eq) in relative terms. The equivalent carbon emissions for the cochlear implant segment were estimated at 835 t CO₂eq (2014: 1,100 t CO₂eq) and 4.0 kg CO₂eq per kg transported (2014: 5.4 kg CO₂eq), respectively.

20%

reduction of air travel-related carbon emissions intensity since 2013/14



Sonova headquarters in Stäfa established an integral mobility program which provides incentives to use public transport, accompanied by targeted awareness campaigns.

Materials

As a medical device manufacturer, the Sonova Group takes a proactive approach to evaluating materials in its products and components to assess environmental, health, or safety risks. Sonova may restrict substances because of customer or legal requirements, or because the company believes it is appropriate, based on a precautionary approach. Evaluating alternative materials is a continuous process, relevant to all stages of the production.

The main materials used in Sonova products are polymers (e.g. nylon, silicone, acrylonitrile-butadiene-styrene, acrylic polymers), metals (steel, titanium, tin), and semimetals (e.g. silicon). Sonova complies with the EU directive on Restriction of Hazardous Substances (RoHS), which governs the use of heavy metals and halogenated compounds in electrical and electronic equipment, and with the EU's regulation on the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) for the safe manufacture and use of



RoHS EU directive (2011/65/EU)

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chemical substances throughout their lifecycle. Sonova’s suppliers are also required to prove their compliance with RoHS directive and the REACH regulations in their respective processes and supply chains.

In accordance with REACH regulation, Sonova continuously updates the list of substances of very high concern (SVHC) that may be present in its products above the threshold level of 0.1% by weight of the article. This list is made publicly available on the Phonak website. By the end of the 2017/18 financial year, DEHP was the only SVHC substance requiring communication in accordance with the REACH regulation.

Other substances classified as hazardous – but excluded from the RoHS directive – include solder paste and wire, paint, organic solvents, oil emulsions, mineral oil, and water-based cleaning solution. Employees who work with chemicals and hazardous substances, or come into contact with them, are regularly trained in their safe handling.



[REACH EU regulation \(EC 1907/2006\)](#)



[Phonak Material Declarations](#)

Waste

For Sonova, dealing with materials sustainably means avoiding or reducing waste wherever possible, collecting recyclables separately and disposing of hazardous waste in environmentally compatible ways. Thanks to various initiatives in Group companies, such as double-sided printing by default, Sonova was able to increase its recycling rate from 46% in 2016 to 47% in 2017. In the future, Sonova aims to further increase the recycling rate to 50%.

In the volume of solid waste sent to disposal, such as municipal solid waste or material left over from manufacturing processes, there was a decrease by 9.8% to 1,030 metric tons (previous year: 1,142 metric tons).

Sonova complies with legal requirements to transport and dispose of hazardous waste solely through officially authorized disposal agents. The main categories of hazardous waste substances are solvents, oil emulsions, paints, adhesives, soldering paste, filters, petroleum, and washing fluids. In line with the increase in group-wide production volume in 2017, the amount of hazardous waste rose to 56 metric tons.

Waste

In metric tons

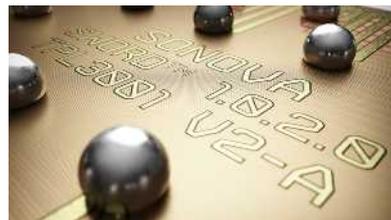
	2017	2016	2015
Non-hazardous	1,030	1,142	1,122
Hazardous	56	36	33
Recycling	958	1,018	834
Total	2,043	2,196	1,989

Product stewardship

Sonova performs a Life Cycle Assessment (LCA) as part of each product’s research and development phase. The aim is to reduce the use of hazardous substances, avoid other environmental risks, minimize consumption of resources, and design for recycling and easy end-of-life treatment.

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Introduced in 2017, the new wireless chip SWORD™ (Sonova Wireless One Radio Digital) is the world’s first Bluetooth® Classic chip compatible with small hearing aid batteries. SWORD is a low voltage radio chip with the lowest power consumption of any hearing aid using Bluetooth® Classic.



Sonova's new wireless chip SWORD™ is a low voltage radio chip with the lowest power consumption of any hearing aid using Bluetooth® Classic.

Sonova has been advancing the industrial use of 3D printing technology for many years: at the beginning of the millennium, Sonova was one of the first companies to start digitally producing custom shells for in-the-ear hearing aids and earpieces. Today, the company “prints” hundreds of thousands of custom-made products every year, such as the Virto™ B-Titanium, combining the strength and lightness of titanium with the versatility of 3D printing to produce the smallest custom instrument in the company’s history, and saving material with a shell twice as thin as traditional custom shells.

Sonova’s technology development aims to build improved energy efficiency into each new product. Launched during 2017/18, the Phonak Naída™ B-R RIC is the most feature-rich rechargeable hearing aid from Phonak, designed for people with severe to profound hearing loss. With 40% more capacity than conventional rechargeable batteries, our proven built-in lithium-ion technology is reliable and fully supports the superior performance of Naída™ B-R RIC. Sales of rechargeable products based on the Phonak Belong™ platform continue to grow strongly.



Phonak Products

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. We provide a broad range of repair and refurbishment services to lengthen the life cycle of our products and their components.



WEEE EU directive

Several Group companies also offer a battery collection program, in which customers take home the box, collect their hearing aid batteries and bring them back to the store for recycling. The batteries collected are forwarded and disposed of through officially authorized disposal agents. One such example is the battery collection initiative of Connect Hearing Canada, where clients can collect their used hearing aid batteries in “The Little Green Box” and return them to the clinic for recycling once the box is full. In 2017, Connect Hearing Canada was able to collect more than 90,000 batteries, amounting almost to one tonne.



At Connect Hearing Canada, clients can collect and return their used hearing aid batteries in “The Little Green Box”.

1) The Bluetooth® word mark and logos are registered trademarks owned by the Bluetooth SIG, Inc.

Air emissions

Sonova has low atmospheric pollutant emissions from volatile organic compounds (VOCs) in paints and adhesives, in coatings, and for surface cleaning. Group-wide levels of VOCs evaporated to air increased in 2017 by 11.1% from 4,191 liters to 4,655 liters due to the increase in production volume.

Sonova has experienced no spill-related atmospheric pollution. We have not used ozone-depleting chlorofluorocarbons (CFCs) in our production processes since 1992.

Volatile organic compounds

In liters

	2017	2016	2015
VOC	4,655	4,191	3,893

Water

Sonova uses water provided by utilities primarily for sanitary services and kitchen and garden areas. Our manufacturing processes do not require significant amounts of water. In our environmental program we therefore mainly focus on conserving water in our office buildings, e.g. with low-volume water equipment in restrooms. Water consumption at Group level decreased by 1.1% from 133,972 m³ to 132,506 m³ compared to the previous year. Relative water consumption decreased from 20.1 m³ to 18.2 m³ per employee. Sonova returns water to the sewage system without contamination. The company has experienced no spills from operating processes or other instances of water contamination.

Water use

In m³

	2017	2016	2015
Municipal water supply	132,505	133,972	124,451

Environmental reporting and system boundaries

Sonova’s environmental data monitoring and reporting includes energy consumption, carbon footprint, materials, waste disposal, water consumption, and emissions of volatile organic compounds. The company reports and discusses environmental performance to the limits of the available data. Data from the AudioNova Group companies acquired in September 2016, are included for the first time in the environmental reporting of this CSR report.

The tables above show environmental data from Sonova Group companies that operate as headquarters, manufacturing sites, or wholesale distributors, and Group companies with retail activities only. In 2017, due to the new inclusion of companies with retail activities, all entities are covered in the environmental data reporting. For the energy consumption, car fleet and air flight data, actual data was collected. For VOC emissions, water, waste and recycling, actual data was collected when feasible, and estimated if data collection was not feasible given the decentralized organizational structure of these businesses and their small, often rented facilities.

Sonova’s environmental management system monitors greenhouse gas emissions due to its electricity, heating oil, and natural gas consumption. The company measures its carbon footprint using country-specific grid emission factors and, if available, specific emission factors provided by energy utilities. The measurement methodology and reporting format for the carbon footprint are based on the standards and guidance of the Greenhouse Gas Protocol.



GHG Protocol

Sonova differentiates between direct emissions (Scope 1) from sources such as burning natural gas, indirect emissions (Scope 2) from sources such as using electricity, and, since 2017, indirect emissions (Scope 3) from upstream transportation and distribution, business travel, and employee commuting. Since 2014, we have also investigated the environmental impact of our corporate car fleet – a further Scope 1 emission source. For the car fleet and air flight data, all Sonova Group companies were taken into account.

Sonova strives to be trustworthy and transparent with all its stakeholders; it therefore participates in the Carbon Disclosure Project (CDP) and makes the results publicly available.



CDP Climate Change Feedback Chart