

# **Cochlear Europe Limited**

## **Carbon Reduction Plan (PPN 06/21)**

**August 2025**

## Our story

Graeme Clark, an Australian ear surgeon, saw first-hand the isolation and frustration that comes from living in a world of silence as his father struggled with hearing difficulties. On holiday in 1977, inspired by a shell and a blade of grass, Graeme realised there was a safe way to insert electrodes into the inner ear. It was Graeme's determination to help others that realised our first implantable solution, reconnecting Rod Saunders to hearing and bringing music into his life.

Professor Clark partnered with Australian entrepreneur Paul Trainor – and his Nucleus Group – and the University of Melbourne to commercialise the cochlear implant. With funding from the Australian government, they developed the Cochlear™ Nucleus® 22 Implant, the first multi-channel cochlear implant, and Cochlear, the company, was formed.

Today, Cochlear is the leader in implantable hearing solutions, connecting hundreds of thousands of people globally to a life full of hearing. The pioneering spirit that started Cochlear all those years ago continues to drive us forward and our commitment is stronger than ever. We're transforming the way people understand and treat hearing loss, and we're committed to reaching more people to provide support for a lifetime of hearing.

### **Cochlear's structure and operations**

Cochlear commenced operations in 1981 as part of the Nucleus group and in 1995 listed on the Australian Securities Exchange. Our goal is to deliver value by helping more people to hear, which contributes to building a healthier and more productive society. Our strategy is focused on improving awareness of and access to implantable hearing solutions for people indicated for our products.

We are pioneers and global leaders in the development, manufacture and commercialisation of implantable hearing solutions, collaborating in over 100 research programs worldwide to further research into hearing loss.

We invest around 12% of sales revenue each year in research and development (R&D), with over \$3 billion invested since listing, and we have a portfolio of more than 2,300 patent and patent applications worldwide. Over the past 40 years we have helped over 750,000 people to hear with one – or two – of our implantable solutions. And we deliver a lifetime of hearing solutions for recipients, with sound processor upgrades and services to support prior generation products.

Our global headquarters are on the campus of Macquarie University in Sydney, with regional offices in Asia Pacific, Europe and the Americas. We have a global workforce of over 5,500 employees and a wide geographical reach, selling in over 180 countries, with employees based in over 50 countries.

### **About this report**

This Carbon Reduction Plan has been prepared by Cochlear Limited (ACN 002 618 073) according to the Technical standard for Completion of Carbon Reduction Plans that supports the Procurement Policy Note (PPN) 06/21. The information included in this document is also available in our [2025 Annual Report](#).

The emissions and carbon reduction targets included in this report refer to Cochlear Limited and its controlled entities, including Cochlear Europe Limited.

## Our pathway to net-zero emissions

We are actively participating in the global effort to address climate change and are using climate science to better understand our impacts and shape our strategy.

We continue to make good progress towards our net-zero targets. We have reduced Scope 1 and 2 emissions by 71% from our FY19 baseline by increasing renewable energy use at our manufacturing sites. We reached 99% renewable energy at our manufacturing facilities, using 100% renewable energy in five of our six facilities. And we reduced the number of flights taken per full time employee by 40% from our FY19 baseline.

We disclosed our Scope 3 emissions inventory for the first time, enabling us to better understand the key sources of emissions so that we can focus our reduction initiatives. The distribution of products to customers and business travel contributes the vast majority of emissions, representing around 70% of all emissions.

We are strengthening our collaboration with freight partners to advance low-carbon logistics and improve coordination of freight movements. We are also optimising shipping routes and streamlining the direct sourcing of key components, significantly reducing travel distances and eliminating intermediate transit steps for certain products.

### Our emission reduction targets

We have established short, medium and long-term Greenhouse Gases (GHG) emission reduction targets that are aligned with climate science. These targets reflect our commitment to supporting the transition to a low-carbon economy.

<b>2025</b>	<ul style="list-style-type: none"><li>• 25% reduction in our absolute Scope 1 and Scope 2 emissions</li><li>• 50% reduction in business flight emissions</li></ul>	Achieved
<b>2030</b>	<ul style="list-style-type: none"><li>• Net-zero emissions in our operations (Scope 1 and 2)</li></ul>	On track
<b>2050</b>	<ul style="list-style-type: none"><li>• Net-zero emissions across our value chain (Scope 1, 2 and 3)</li></ul>	On track

### Scope 1 and 2 emissions

Efficiency initiatives are a key component of our strategy. We have continued to use renewable energy at our key sites, achieving an overall rate of 81% renewable electricity globally.

These efforts ensure we remain on track to reach net-zero emissions by 2030, with minimal reliance on offsets.

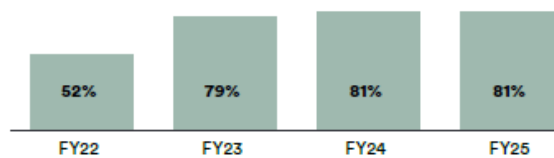
Our manufacturing facilities account for approximately 70% of our purchased electricity consumption and nearly 25% of our Scope 1 and 2 emissions. Since 2019, we have achieved a 71% reduction in these emissions, surpassing our 2025 target, primarily through our transition to renewable energy.

In FY25, 99% of the energy used at our manufacturing sites came from renewable sources. Notably, five out of our six facilities now operate on 100% renewable energy. We are actively working to expand renewable energy use across all locations.

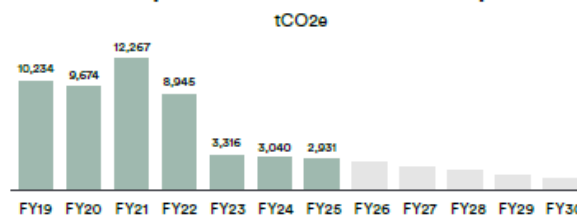
We remain committed to reducing our dependence on fossil fuels and enhancing energy efficiency across our operations. At our Lane Cove site, our solar system continues to make a meaningful contribution to the site’s overall energy use.

This year, our solar panels in Brisbane became fully operational, supporting the site’s energy needs. At our Gothenburg site, a comprehensive upgrade to the heating, ventilation and air conditioning systems was completed, significantly improving energy performance and operational efficiency.

**Renewable energy in our operations**



**Scope 1 and 2 emissions roadmap**



**Emissions trajectory aligned with our reduction target**

### Scope 3 emissions

This year we are disclosing our complete Scope 3 emissions inventory for the first time, in alignment with the Greenhouse Gas (GHG) Protocol, marking a significant step forward in our emissions reporting journey. In total, our Scope 3 emissions amount to approximately 66,600 tonnes of CO<sub>2</sub>, representing 96% of the total emissions.

We have refined our methodology to improve accuracy and transparency, enabling a clearer understanding of the indirect emissions generated across our value chain.

The Scope 3 emissions inventory has been externally assured, supporting our efforts to enhance climate-related disclosures. Of the 15 categories defined under the GHG Protocol, eight have been identified as relevant to Cochlear’s operations.

The most significant contributors to our Scope 3 emissions are business travel and distribution of products, as detailed in the following chart. These reflect the global scale of our operations and the importance of maintaining international collaboration. Purchased goods and services also represent a notable share of our Scope 3 footprint.

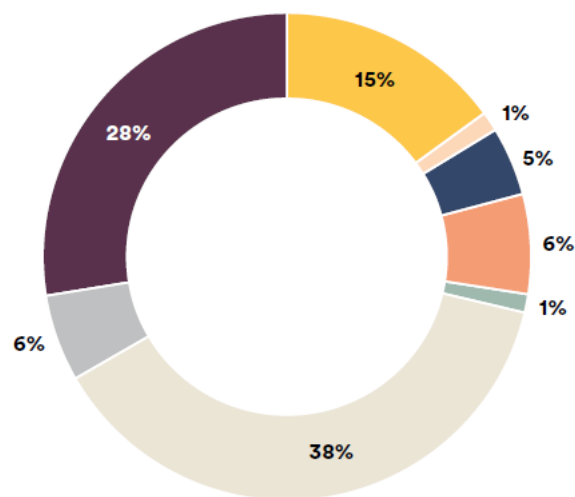
The Scope 3 inventory reinforces the importance of our emissions reduction target for business flights. In

FY21, we set a target to reduce our business flights per full-time equivalent employee by 20% and our flight-related emissions by 50% by 2025, from a 2019 baseline. We are pleased to report that we have achieved these targets.

The absolute number of flights has decreased by 40% from our 2019 baseline, and our flight-related emissions by 50%, which includes the use of offsets.

We continue to pursue initiatives to reduce Scope 3 emissions in our supply chain. In FY25, we strengthened our collaboration with freight partners to advance low-carbon logistics and improve coordination of freight movements. A key milestone was our partnership with a logistics provider to enable the use of Sustainable Aviation Fuel (SAF) for international shipments. Additionally, we launched a project to optimise shipping routes and streamline the direct sourcing of key components, significantly reducing travel distances and eliminating intermediate transit steps for certain products.

**FY25 Scope 3 emissions by category**



- Purchased goods and services
- Capital goods
- Upstream energy
- Upstream transport and distribution
- Waste and water
- Business travel
- Employee commuting
- Downstream transport and distribution

## Our emissions data

GHG emissions	Unit	2025	2024	2023	2022	2021	2020	2019
Scope 1	tCO2e	951	856	916	251	474	559	409
Scope 2 (market-based)	tCO2e	1,980	2,183	2,401	8,693	11,793	9,115	9,825
<b>Total Scope 1 &amp; 2</b>	<b>tCO2e</b>	<b>2,931</b>	<b>3,040</b>	<b>3,316</b>	<b>8,945</b>	<b>12,267</b>	<b>9,674</b>	<b>10,234</b>
Scope 3	tCO2e	66,616	14,418	10,950	2,196	186	4,774	18,630
Carbon offsets	tCO2e	3,401	11,422	7,941	1,150	0	0	0
Net Scope 3 emissions	tCO2e	63,215	2,997	3,009	1,046	186	4,774	18,630
<b>Total Scope 1, 2 &amp; 3</b>	<b>tCO2e</b>	<b>66,146</b>	<b>6,037</b>	<b>6,326</b>	<b>9,991</b>	<b>12,453</b>	<b>14,448</b>	<b>28,864</b>
Emission intensity per unit	KgCO2e/unit	11	12	14	41	68	66	66
Emission intensity per mAUD	KgCO2e/revenue	1.2	1.4	2	5	8	8	8

Scope 3 emissions by category	Unit	2025
1. Purchased goods and services	tCO2e	9,980
2. Capital goods	tCO2e	865
3. Upstream energy	tCO2e	3,044
4. Upstream transport and distribution	tCO2e	4,405
5. Waste and water	tCO2e	816
6. Business travel	tCO2e	25,303
7. Employee commuting	tCO2e	3,838
9. Downstream transport and distribution	tCO2e	18,364
<b>Total Scope 3</b>	<b>tCO2e</b>	<b>66,616</b>

Total Scope 1, 2 and 3 emissions for 2025 have been submitted to limited assurance by KPMG. Refer to page 180 of the [2025 Annual Report](#) for KPMG's limited assurance report.

### Scope 1

- Gasoline and natural gas for our fleet and operations.
- Our Scope 1 emissions have increased due to the use of natural gas at our facility in China. While this energy source is currently necessary to our operations, we are actively exploring viable low-emission alternatives.

### Scope 2

- Purchased electricity for our manufacturing and other facilities.
- We have reduced our Scope 2 emissions by over 70% compared to the FY19 baseline and by 9% compared to FY24. We remain committed to expanding our use of renewable energy wherever feasible.

### Scope 3

- We are reporting our full Scope 3 emissions inventory for the first time, in alignment with the GHG Protocol.
- While business flight emissions have been tracked since 2019, other Scope 3 categories were introduced in FY25.
- As a result, total Scope 3 emissions are substantially higher this year compared to previous years due to the expanded reporting scope.
- We have achieved our FY25 target of reducing our business flight emissions by 50% relative to our FY19 baseline. Our net business flight emissions have decreased by 50% compared to the FY19 baseline, including the use of offsets.
- The number of flights per FTE has reduced by 40% in comparison to the FY19 baseline.

## Declaration and sign off

This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans. Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard and uses the appropriate emission conversion factors for greenhouse gas company reporting.

The emissions and targets outlined in this Carbon Reduction Plan are also disclosed in the [2025 Annual Report](#), with oversight from the Board of Directors.

A handwritten signature in black ink, appearing to read 'AB Bishop', written in a cursive style.

Anthony Bishop  
President, EMEA