Cochlear Limited

Carbon Reduction Plan (PPN 06)

August 2026

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 800,000 people to hear with one – or two – of our implantable solutions. And we deliver a lifetime of hearing solutions for recipients, with replacement sound processors 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 5,400 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 (ABN 96 002 618 073) according to the Technical standard for Completion of Carbon Reduction Plans that supports the Procurement Policy Note (PPN) 006. The information included in this document is also available in our 2026 Annual Report.

The emissions and carbon reduction targets disclosed in this report relate to Cochlear Limited and its controlled entities, including Cochlear Europe Limited. Greenhouse gas (GHG) emissions are calculated and reported using the operational control approach.

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Our pathway to net-zero emissions

We have voluntarily established medium and long-term Greenhouse Gas (GHG) emissions reduction targets aligned with climate science, reflecting our commitment to supporting the transition to a low-carbon economy.

Our emission reduction targets

2030	• Net-zero emissions in our operations (Scope 1 and 2)	On track
2050	• Net-zero emissions across our value chain (Scope 1, 2 and 3)	On track

Scope 1 and 2 emissions

Improving energy efficiency and increasing the use of renewable energy remain key priorities to reduce reliance on fossil fuels.

These efforts support our pathway towards achieving net zero Scope 1 and 2 emissions by 2030, with a continued focus on reducing emissions at source and minimising reliance on offsets.

Our manufacturing sites account for the majority of our electricity use and Scope 1 and 2 emissions. Since 2019, we have achieved significant emissions reductions, driven primarily by our transition to renewable energy.

In FY26, we achieved 100% renewable electricity across our manufacturing sites. Renewable electricity continued to represent approximately 80% of total electricity consumption across our operations, and we continue to progress initiatives to expand renewable electricity use and improve energy efficiency across our global footprint.

Recent initiatives include enhancing energy performance at key sites and expanding on-site renewable energy generation. At our Sweden site, we reduced energy consumption by 13% compared to the previous year through upgrades to more energy-efficient lighting and heating systems. In Australia, solar panels at our Lane Cove and Brisbane manufacturing sites contribute to on-site energy generation, supporting overall energy efficiency.

Scope 3 emissions

Our Scope 3 inventory has been prepared in alignment with the Greenhouse Gas (GHG) Protocol. This is the second year of Scope 3 disclosure, with the same methodology applied to support consistency, comparability and transparency in our reporting. Of the 15 categories defined under the GHG Protocol, eight remain relevant to Cochlear's operations.

The profile of our Scope 3 emissions remained broadly consistent with the prior year, reflecting the nature and scale of our global operations and value chain. Total Scope 3 emissions increased by less than 1% compared to FY25 and remained broadly stable year-on-year.

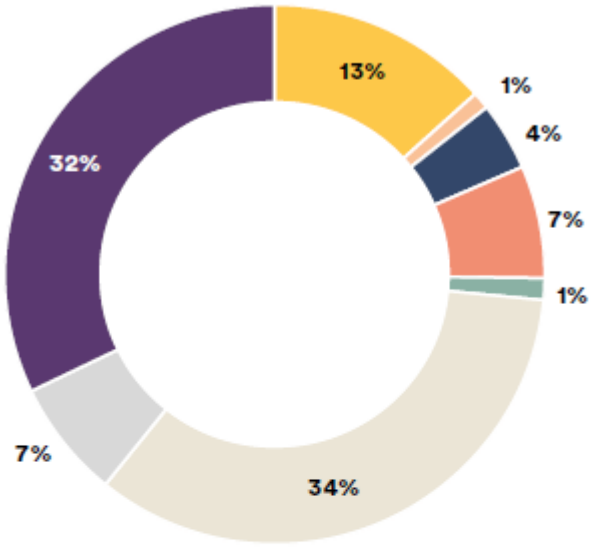
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Scope 3 emissions represent the majority of our overall emissions footprint. The most significant contributors continue to include business travel, distribution of products and purchased goods and services, highlighting the importance of supplier engagement and logistics optimisation in reducing emissions.

We have ongoing initiatives to reduce Scope 3 emissions, including improving logistics efficiency, optimising transportation routes and strengthening collaboration with suppliers and logistics partners. In FY26, we continued to reduce logistics emissions by supporting our freight partner's investment in Sustainable Aviation Fuel, delivering an approximate 10% emissions reduction for relevant shipments.

We continue to monitor our business travel emissions, with a focus on maintaining flight-related emissions below 50% of our 2019 baseline. In FY26, the number of flights per full-time equivalent employee decreased by 40% compared to 2019, and emissions remained 50% below the baseline, supported by the use of offsets.

FY26 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

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Our emissions data

GHG emissions	2026	2025	2024
Scope 1	997	951	856
Scope 2 (location-based)	13,103	13,591	13,503
Scope 2 (market-based)	2,089	1,980	2,183
Total Scope 1 & 2 market-based	**3,086**	**2,931**	**3,040**
Scope 3 by category			
1. Purchased goods and services	8,941	9,980	-
2. Capital goods	696	865	-
3. Upstream energy	2,753	3,044	-
4. Upstream transport and distribution	4,524	4,405	-
5. Waste and water	866	816	-
6. Business travel	22,961	25,303	14,418
7. Employee commuting	4,749	3,838	-
9. Downstream transport and distribution	21,533	18,364	-
Total Scope 3	**67,022**	**66,616**	**14,418**
Total Scope 1, 2 & 3 market-based	**70,108**	**69,547**	**17,458**
Energy	**2026**	**2025**	**2024**
Direct purchased electricity	24,415	24,330	23,112
Direct purchased natural gas + petrol	4,963	5,121	4,736
Total direct purchased energy	**29,378**	**29,451**	**27,847**

Total Scope 1 and 2 emissions for FY26 have been subject to limited assurance by KPMG. Refer to page 189 of the 2026 Annual Report for KPMG's independent auditor's report.

Scope 1

- Natural gas, gasoline, and refrigerants used across our operations.
- Scope 1 emissions increased in FY26 due to the inclusion of refrigerants. We continue to explore viable lower-emission alternatives.

Scope 2

- Purchased electricity for our manufacturing and other facilities.
- We have achieved a significant reduction in Scope 2 emissions compared to our FY19 baseline. FY26 reflects the application of a broader range of market-based data sources, consistent with the GHG Protocol Scope 2 Guidance.

Scope 3

- We report our Scope 3 emissions inventory in alignment with the GHG Protocol, covering
- emissions across our value chain since FY25.
- For FY24, Scope 3 reporting was limited to business flight emissions.
- Business flight emissions reduced by 50% compared to the FY19 baseline, primarily through reduced travel and supported by a limited use of certified carbon offsets. We used certified carbon credits generated from renewable energy and forest protection projects. The volume of carbon credits applied was 2,019 tCO_2-e in 2026.
- The number of flights per FTE has reduced by 40% in comparison to the FY19 baseline.

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Declaration and sign off

This Carbon Reduction Plan has been completed in accordance with PPN 06 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 Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (GHG Protocol) 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 2026 Annual Report, with oversight from the Board of Directors.



Anthony Bishop
President, EMEA

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