



V-ZUG Holding AG

Information about the
report on
non-financial matters
(sustainability)

The additional information about the report on non-financial matters (sustainability) provides you with an overview of how V-ZUG approaches this issue, as well as the focus topics. To gain an in-depth understanding, we recommend that you read the entire report, including the notes, in the 2023 Annual Report.

Reporting on non-financial matters relating to social and environmental issues has been a legal requirement for listed companies of a certain size in Switzerland since 2023 (Article 964 CO). Detailed remarks must be provided on climate-related matters, as well as about child labour in the supply chain and the importing of conflict materials.

We welcome this new requirement because providing holistic information to our stakeholders is important to us. V-ZUG has been voluntarily disclosing information about non-financial aspects in the form of a sustainability report since 2012. Our reporting has followed the guidelines of the Global Reporting Initiative (GRI) since 2020.

Our approach

V-ZUG has always been committed to quality, precision and longevity. Sustainability is understood in an integrated manner in the three elements of the economy, the environment and social matters and is pursued in that way. Moreover, at the 2023 Annual General Meeting, we augmented this holistic understanding in the Articles of Association with the following wording in the corporate purpose: "The company strives for long-term, sustainable performance while at the same time aiming to have a positive impact on the common good and the environment". Sustainability forms part of the business strategy and is managed via the interdisciplinary Sustainability Workforce. The Head of Sustainability reports directly to the CEO.

Manufacturing household appliances is energy- and material-intensive (metals, plastics, electronics, etc.). It requires a global supply chain, and electricity is consumed during use. We aspire to develop high-quality, durable and efficient products for our customers and to manufacture them responsibly. That is why we take all aspects into consideration, starting with suppliers, employees, locations and production methods. We endeavour to continuously and systematically lower our environmental and social footprint and, where possible, make a positive contribution. The circular economy, energy and water efficiency and social responsibility are primary issues for us. Climate protection is one result of these efforts.

Using a materiality matrix, we have formulated four focus topics that describe our holistic approach. In them, we provide information about the management approach, opportunities and risks and key indicators, as well as targets and the degree to which they are being achieved. The materiality matrix was prepared in cooperation with our stakeholders and was most recently updated in 2021.

Overview of focus topics

- Focus topic 1: Products and services for a future-fit society
- Focus topic 2: Healthy and committed employees
- Focus topic 3: Environment and climate protection
- Focus topic 4: Entrepreneurship for sustainable prosperity

The focus topics form the framework for reporting and are presented as individual chapters in the Sustainability Report.

Select key areas in the 2023 reporting year

Supply chain: Our approach comprises such elements as the Code of Conduct for Suppliers (including reporting point) and supplier audits (on site and self-assessments); this also includes sub-suppliers. We do not procure any materials from countries with a high risk of child labour (pursuant to UNICEF's Children's Rights in the Workplace Index). We confirm that we do not import conflict materials (tin, tantalum, tungsten and gold) in the specified characteristic. Details can be found in the DDTrO report. Our assumption of responsibility in the supply chain is an important element of our focus topic "Entrepreneurship for sustainable prosperity".

Emissions and energy: We pursue the principle of preventing, reducing and offsetting emissions. An important tool is the internal CO₂ fund. With this incentive tax (CHF 120/tCO₂ in Scope 1 and 2), we finance projects that are environmentally meaningful but still economically challenging. In addition, the offsetting of existing emissions is realised through this fund (reforestation project "V-Forest"). We have defined measures to lower all three scopes and described them in a reduction schedule by 2030. The measures comprise, inter alia, decarbonising heating, industrial processes and vehicle fleets, promoting energy efficiency in appliances and implementing the circular economy. For the first time, we performed the risk and opportunity assessment based on double materiality. The focus topic "Environment and climate protection" and the detailed TCFD report offer an in-depth look at the issue.

Circular economy: We measure the environmental footprint of our products using product life cycle assessments, and we intend to lower it in a targeted manner. In addition to boosting energy efficiency, the biggest lever is the handling of materials. In addition, rising prices for raw materials and possible environmental levies on materials are foreseeable. We strive to transition from the recycling economy to the circular economy. This offers new possibilities for partnerships and for switching to new business models (e.g. product as a service, second life, appliance dismantling, etc.). With the introduction of "design to circularity" principles, we direct future product development toward greater circularity. You can find out more about this in the focus topic "Products and services for a future-fit society".

Employees: The V-ZUG brand is backed by around 2,000 employees, who promote our vision and mission on a daily basis, develop and produce high-quality products and provide first-rate services. Their well-being is therefore a top priority for V-ZUG. Our accredited health management system ensures high standards of occupational safety and working conditions. V-ZUG cultivates respectful interpersonal dealings, creates modern employment structures and fosters a culture of appreciation in which all are able to develop their potential. V-ZUG offers around 89 apprentices a chance to start their professional careers. A detailed description of the approach can be found in the focus topic "Healthy and committed employees".

You can find more details about the strategy, the materiality matrix, the four focus topics and the indicators in the report on non-financial matters (sustainability) at the start of the 2023 Annual Report. In the notes to the report on non-financial matters, you will find the GRI index, the Climate Report (TCFD), information about minerals from conflict areas, child labour (DDTrO) and more.

Focus topic	Subject	GRI indicators	OR 964b	SDG	Page
Products and services for a future-fit society	Circular product design	GRI 301, GRI 306	Environmental concerns, Article 964b para. 1 and 2	7, 9, 12, 13	p. 33
	Sustainable consumption and healthy nutrition	GRI 416	Social concerns, Article 964b para. 1 and 2		
Healthy and committed employees	Health and safety of employees	GRI 403	Employee concerns, Article 964b para. 1 and 2	8	p. 41
	Developing potential and know-how management	GRI 401, GRI 404	Employee concerns, Article 964b para. 1 and 2		
	Diverse and inclusive working culture	GRI 405	Employee concerns, Article 964b para. 1 and 2		
Environment and climate protection	Resource-efficient operations	GRI 302, GRI 303	Environmental concerns, Article 964b para. 1 and 2	7, 9, 12, 13	p. 49
			Climate reporting pursuant to the TCFD		
	Logistics and mobility	GRI 305	Environmental concerns, Article 964b para. 1 and 2		
Entrepreneurship for sustainable prosperity	Responsible and resilient supply chain	GRI 204, GRI 308, GRI 414	Environmental concerns, Article 964b para. 1 and 2; Social concerns, Article 964b para. 1 and 2; Respect for human rights, Article 964b para. 1 and 2	8, 9, 12	p. 57
			Child labour and conflict materials (DDTrO)		
	Long-term corporate success as added value for society	GRI 201, GRI 203	Social concerns, Article 964b para. 1 and 2		
	Business ethics and compliance	GRI 2-23, GRI 419	Prevention of corruption, Article 964b para. 1 and 2		

GRI: Global Reporting Initiative

CO 964b: Code of Obligations, transparency on non-financial matters

TCFD: Taskforce for Climate-related Financial Disclosure (Climate Report)

SDG: UN Sustainable Development Goals

DDTrO: Ordinance on Due Diligence and Transparency regarding Minerals and Metals from Conflict-Affected Areas and Child Labour