Product Sustainability Report (PSR) Washing machine category





Product Sustainability Report (PSR)

The Product Sustainability Report (PSR) provides information about the sustainable aspects of the relevant product category. This is based on extensive environmental data from detailed life cycle assessments (LCAs).

Life cycle assessment (LCA)

under DIN EN ISO 14040

Tools

SimaPro, Ecolnvent, UVEK environmental database

Perspectives

Cradle-to-cradle and cradle-to-gate; assessment based on three methods: CO₂ footprint measured in CO₂, the ecological scarcity method measured in environmental impact points and the monetary equivalent value method measured in Swiss francs (CHF).

Category

Washing machines

Issued by

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About V-ZUG

We have been developing, creating and producing appliances that bring simplicity into our customers' homes and creativity into their kitchens since the company was founded in Zug in 1913.

Our responsible approach to manufacturing high-precision and long-lasting products allows us to make an active contribution to a sustainable future.

V-ZUG has branches in the EU, the UK, China, Hong Kong, Singapore and Australia and distribution partners all over the world, but it is in Switzerland where appliances, and decisions, are made. V-ZUG currently employs a total of around 2,200 people. Organisationally, it consists of the segments Household Appliances and Real Estate.



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Timeless design

Our design language is reduced to the essentials. It makes no compromise in quality, materials and sustainability. The user interaction with the products is carefully crafted to be as intuitive as possible, building an emotional connection to our products.

Innovation that matters

We work hard every day to bring simplicity to your home and creativity to your kitchen.

We are known for innovative products. We focus on user-friendliness, longevity, reliability, performance and energy efficiency. Our proximity to customers provides us the insights to design the right programs and functions to reach perfect results. Allowing us to simplify your life at home.

Service

Our qualified service team assists our customers throughout their journey with V-ZUG – from choosing the right appliance for their needs to troubleshooting in the event of an issue, error report or code. We guarantee our customers the help they need.

Every day, we give our all to ensure customers are satisfied with our products and receive the best service. With more than 700 service experts around the globe, we are there for our customers whenever they need us.



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Swiss by Origin

As a company, when the brand name coincides with that of the location in which you operate, you feel a mix of pride and responsibility. For the community you are part of and for your impact on people and resources. We are here to stay. And committed to keep investing.

Production location in Zug, headquarters, vertical factory

We have made a conscious decision to remain true to our long-standing production location in Switzerland. To ensure we are optimally prepared for the future, we are part of a visionary urban manufacturing project: the Tech Cluster Zug. Because we are striving tirelessly to achieve state-of-the-art production facilities and improve our environmental footprint, we have not only built our own vertical factory, but also a Multi-Energy Hub.

Production location in Sulgen, the most modern refrigerator factory in Europe

We are proud to have opened Europe's most state-of-the-art refrigerator factory in Sulgen in 2022. Here, both products and processes are committed towards maximum sustainability – be it with regard to the energy efficiency of the appliance or the CO_2 neutrality of the production set-up.

Swiss Made

V-ZUG produces more than 80% of the appliances it sells in Switzerland in Zug and Sulgen (2023: 82%, Swiss market). All appliances manufactured in Switzerland meet the strict Swiss Made requirements (i.e. > 60% value generated in Switzerland) and are certified accordingly (Swiss Made, protected designation).

We also have at our disposal a key network of suppliers. More than 60% of our suppliers are based in Switzerland, 30% in neighbouring countries (primarily Italy, Austria, Germany) and roughly 10% are from Asia (primarily electronics).



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Sustainability at V-ZUG

Sustainability. We see it as the driving force behind the development of our products, the services we offer, the way in which we manufacture, and how we contribute to a society that is fit for the future. Sustainability at V-ZUG comprises three dimensions:



Sell Provide Resell Re-Pair Collect Resell Re-Use Re-Make Re-Use Re-Circle Take Re-Circle Take Re-Cycle Waste

People

Our commitment to our employees and our environment is our top priority – we never cease to invest in these. The wellbeing of our employees, our customers and society as a whole is the driving force behind our aspirations and big ambitions for positive change.

Planet

We manufacture ultra sustainable appliances with the utmost efficiency. We boost the circular economy and our production processes have been CO₂-neutral since 2020, all the while staying true to our motto: achieve the goal first, talk about it later.

Profit

Our success is based on quality, design and durability. These values are reflected in our projects too. Far from being geared towards short-term profit maximisation, they will secure the future of our company for generations to come.

The circular economy

For us, a sustainable product starts at the development stage. This early stage is where we can most effectively influence its "long-term" sustainability. This is when we concentrate on aspects like the durability and repairability of the appliances, low energy and water consumption in use, material selection and modular design – all very much with the circular economy in mind.

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We have encapsulated our commitment to sustainability in four targets which provide the framework for our goals, activities and reporting.

Products and services for a future-fit society

Producing an energy-efficient appliance is just one of many sustainability aspects. We think ahead. From procurement, development and manufacturing and servicing right through to reuse and recycling, sustainability throughout the entire life cycle of the appliance is more than just a consideration for us: it is the goal. Measurable, definable and achievable.

Resilient and committed employees

A workforce we care about and whose work is close to our heart. The quality of our products depends on our employees. That is why we incorporate them in the strategic direction of the company, promoting an open, fair and safe working environment, encouraging and facilitating life-long learning and offering a wide range of advancement opportunities.

Environment and climate protection

Thanks to extensive research, measurements, analysis and investment, we have reduced and offset our CO₂ footprint. Our manufacturing operations have been entirely carbon-neutral since 2020. With an internal CO₂ levy, pioneering carbon dioxide reduction initiatives, a lifecycle analysis as well as a reforestation programme we are pursuing real sustainability and setting an example for others.

Entrepreneurship for sustainable prosperity

We are committed to our Swiss location and have invested over 50 million Swiss francs a year in our local production infrastructure in the last three years alone. Our quest for profit, our business partnerships and our entire management set-up are geared towards ethical and sustainable practice and fall in line with our binding code of conduct.



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Results of Life cycle assessments (LCA)

Product category: Washing machines

Product name: AdoraWash,

UnimaticWash

Energy labels (EU): see specific product, pre-

dominantly in the highest classes

Recycling quota*: 69 - 79%

Recovery quota*: 81 – 87% (recycling including

combustion with heat recovery)

*Based on own method reflecting the current state of recycling technology in Switzerland

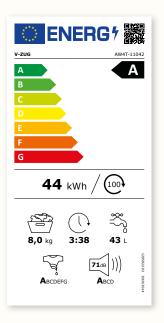
Sens Foundation recycling quota for the white goods appliances category (washing machines, ovens, range hoods, etc.): 73% (according to 2024 annual report)

Underlying data for the life cycle assessment Country of manufacture 1): Switzerland Country of use 2): Switzerland Electricity mix 3): as per Swiss average: 181g CO₂/kWh

User behaviour:

Adora: 220 cycles per year ⁴⁾ (programme mix: 100% Eco 40-60, declaration programme, different load sizes), over 15 years⁵)

Unimatic: 825 cycles per year ⁴⁾ (programme mix: 100% Eco 40-60, declaration programme, different load sizes), over 15 years⁵⁾



Example for AdoraWash V4000. All other energy labels are available at vzug.com

Underlying data background:

- 1) All appliances with the Swiss Made designation are manufactured in Switzerland. That applies to all Adora washing machines.
- 2) The life cycle assessments relate to use of appliances in Switzerland with the corresponding Swiss electricity mix. If the appliance is used in another country, the corresponding results can be requested from V-ZUG.
- 3) The electricity mix is based on the Swiss average. The emissions from electricity consumption depend on electricity generation.

The more sustainable and renewable electricity production is, the smaller the environmental footprint. This can vary significantly from one energy supplier to another. The influence of emissions caused by electricity production is very high.

4) Usage behaviour: average usage behaviour based on internal definitions is used for calculation.

Sometimes this is based on service data, other times it is based on the regulatory requirements for the energy label assessment.

Usage behaviour with regard to intensity and programme selection influenced the result considerably.

5) V-ZUG defines a theoretical lifespan in years for each product category; this is used as a basis to review the quality in development/production. As well as the lifespan in years, the number of cycles is relevant as well (AdoraWash is designed for up to 5,000 cycles, UnimaticWash for 15,000 cycles). But the lifespan in years depends on a number of different factors,

intensity of use and care being the most crucial. The lifespan in years also includes potential repairs during this time and beyond. Great importance is attached to repairability (availability of spare parts and repair expertise in the service department).

Life cycle assessments are carried out using three different methods/perspectives.

CO₂ footprint in CO₂e/kg:

greenhouse gases differ in their global warming potential (GWP). The climate impact of carbon dioxide (GWP of CO₂ is equal to 1) serves as a benchmark, i.e. the global warming potential of other substances are measured relative to CO₂. The GWP value/CO₂ equivalent indicates the global warming potential of a substance and thus its contribution to the warming of the atmospheric boundary layer.

Environmental impact points:

The method of ecological scarcity provides a comprehensive picture of the environmental footprint and, in addition to the greenhouse gas potential, includes other impact categories such as noise, water, land use, acidification of the soil, toxicity to humans and ecosystems, etc. This method was introduced by the Federal Office for the Environment in Switzerland in 2011 and is constantly being adapted to take into account new findings. The unit is environmental impact points.

Monetary equivalent in CHF:

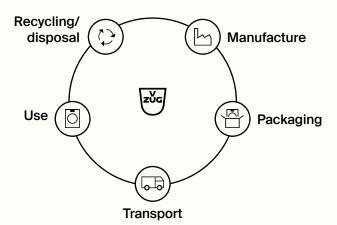
In cooperation with the Lucerne University of Applied Sciences and Arts (HSLU), V-ZUG has developed a method that shows the environmental costs which, along with the footprint, serve as a basis for the life cycle assessment (in environmental impact points). In most cases, these costs are borne by society. The value is expressed in Swiss francs and is included as a shadow price in V-ZUG's business case considerations.

Important note:

the ecological footprint in the use phase depends largely on the usage behaviour (programme selection, intensity, care, etc.), as well as the electricity mix used.

Scope of life cycle assessments:

Life cycle assessments cover the entire product life cycle from production, packaging, use and transport to recycling/disposal (cradle-to-cradle). The "manufacturing" section (also known as grey energy) includes all the materials used as well as the manufacturing process (cradle-to-gate).

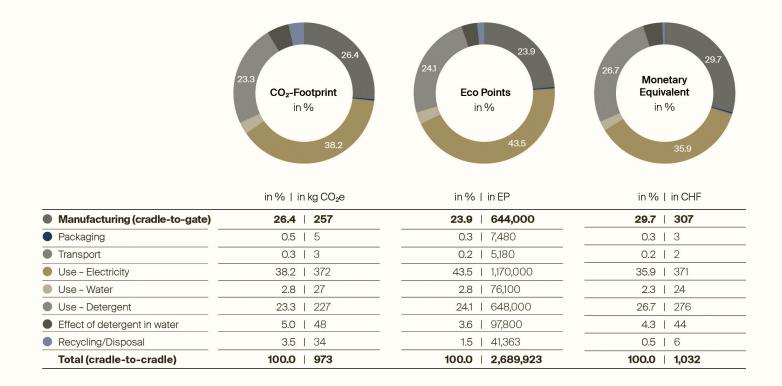


Representation of life cycle assessments in the appliance category

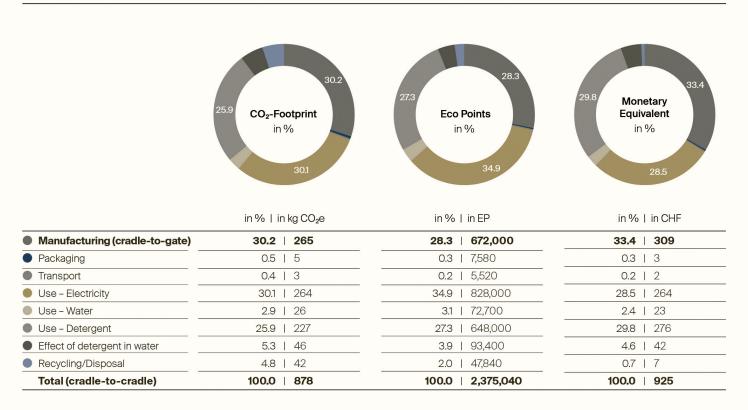
The following three life cycle assessments form an informative cross-section of the Adora and Unimatic washing machine range. In addition to the Adora and Unimatic line, V-ZUG also offers an entry-level range (AdorinaWash). These are produced in Turkey and account for approx. 10% of the quantities.

Life cycle assessments (LCA)

AdoraWash V2000

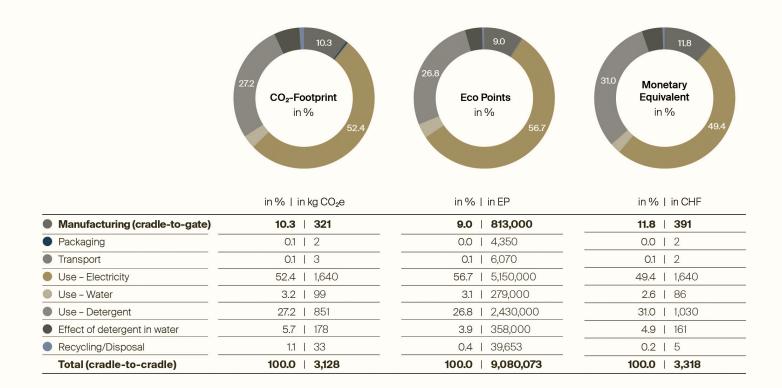


AdoraWash V4000



Life cycle assessments (LCA)

UnimaticWash V4000



The values of the different models and items vary due to slight differences in design and energy efficiency. Please refer to the technical data on the website for the detailed value per model offered (in absolute figures, CO₂, environmental impact points and monetary equivalent).

Our commitment to sustainable products

Across all products generally:

- How we design and refine appliances
 - Focus on quality and durability
 - Based on the principles of the circular economy
 - Ongoing improvement energy and water efficiency
 - Enabling repairability (up to 15 years' spare parts availability, extensive repair expertise extending beyond 15 years, competent service teams)
- How we manufacture the appliances
 - Use of 100% renewable electricity in our production operations in Switzerland (from Swiss hydroelectric power)
 - CO₂-neutral production in Switzerland (ongoing reduction of footprint, offsetting residual emissions in the V-Forest (high-quality reforestation)
 - Internal CO₂ steering tax on scope 1+2 emissions (CHF 120/t CO₂)
 - State-of-the-art production facilities and building
 - Advanced waste management
- Resilient and committed employees
- Assuming responsibility in supply chains (human rights, child labour, conflict minerals)
- Driving the transformation from a recycling economy to the circular economy
- Driving forward the decarbonisation of our own vehicle fleet (service vehicles, lorries)

Specifically for Adora washing machines:

- Built-in heat pump for increased energy efficiency in all programmes (V6000 model).
- All Adora appliances rank in the highest energy efficiency class (A).
- Eco 40-60 **programme** the most energy-efficient programme for daily/nightly use.
- Eco Management feature preview of water consumption and energy consumption. Helps with the programme selection and facilitates ecological use.
- Push notifications from the V-ZUG app and list feature for energy and water consumption.
- Additional "energy saving" feature ultra energy-saving programme thanks to temperature reduction. By extending the wash duration, the washing performance is maintained. Energy savings of approx. 10%-40%, wash durations extended by approx. 25-60 minutes and water savings of approx. 10%-20% depending on the programme.
- OptiTime feature: where the programme end time has been selected, OptiTime calculates the most energy-efficient programme that can be run in the time remaining until the end of the programme. This enables energy savings of up to 60% overnight for instance.
- The optional OptiDos adapts the detergent amount to the selected programme and the washing load, and avoids any unnecessary overdosing.
- Hot water connection option: reduces electricity consumption linked to how the hot water is prepared (ideally with solar energy).

Your contribution to a more sustainable use of our appliances

A large part of our environmental footprint is caused by the use of our appliances. V-ZUG supports an ecological use of the appliances with the following tips and hints:

- Airing: does an item of clothing really need to be washed? Often, all an item of clothing needs is to be aired outside in the fresh air.
- Compare the electricity and water consumption of the individual programmes and make an informed decision as to which programme is required given the degree of soiling and urgency (note EcoManagement).
- Use as much of the maximum load capacityof the respective programme as possible.
- Only select "pre-wash" or "soak" for ultra dirty laundry or stubborn stains.
- For lightly soiled laundry without any stains, use the main "20°C" washing programme.
- Select the additional "energy saving" feature if the programme duration doesn't matter.
- Select the additional "OptiTime" feature if you plan to wash overnight with a delayed start.
- Care instructions: washing labels on textiles indicate the maximum temperature at which an item of clothing should be washed. This temperature should not be exceeded, but you can always wash at lower temperatures.
- Detergent: Choose the relevant detergent (heavy-duty, colour, delicate, wool detergent) depending on the type of laundry and follow the respective dosing instructions. Using the detergent suitable for the respective type of textile helps to care for the material and keep it looking its best. Following the dosage recommendation helps to avoid any potential overdosing.

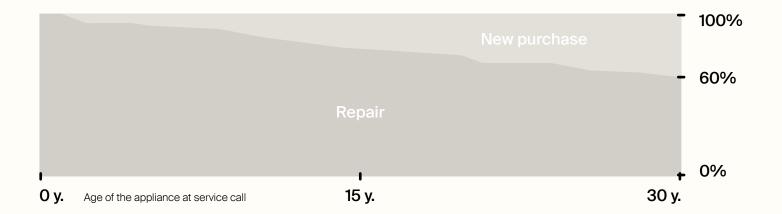
- Low temperature: 30°C is the new 40°C. Wash at low temperatures to avoid unnecessary use of energy. But to prevent the formation of any biofilm, textiles should be washed at 60°C at least once a month.
- Use appliances for as long as possible and have them repaired in the event of a fault.
 When deciding whether to buy a new product or repair an existing one, take into account grey energy and progress in energy efficiency.
- Buy renewable electricity for your own household (contact your electricity provider), or produce your own electricity using a photovoltaic system.
- Support the V-Forest climate protection project: offset electricity consumption and the resulting CO₂ emissions through V-ZUG's CO₂ webshop (<u>Offsetting CO₂ with V-ZUG</u>.





Durability, repairability and customer loyalty

To make a statement about durability, repairability and customer loyalty, we analysed our service data across all product categories for 2023 in more detail. Our service technicians were called out for services over 200,000 times (appliance defective). In each case, we looked at how old the appliance was at the time, whether we could still repair it and whether the customer still wanted to repair it or replace it with a new one.



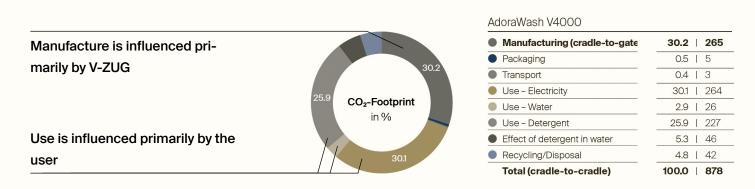
Results:

- In 43% of cases, the appliances were older than 10 years – the repair rate for 10 years is 90%.
- In 20% of cases, the appliances were older than 15 years – the repair rate at 15 years is 80%.
- In 6% of cases, the appliances were 20 years or older – the repair rate at 20 years is 75% and at 30 years it is still over 60%.
- The oldest appliance (washing machine) was 44 years old; the customer still wanted to repair and we were able to do so (spare part and expertise were still available).
- The result only reflects appliances we were able to assess because of a service call. Not shown here are appliances in good working order and those replaced straight away because of their already advanced age.

Conclusion:

- Our appliances have a very long service life.
- We can perform repairs even on older appliances (spare parts availability and service expertise)
- The repair service is attractively priced. The majority opt for repair and continue to do so over a long service life.
- Customers are happy to repair because they are very satisfied with the product. Otherwise, they would change appliance or even brand.
- Note: repairing a 25-year-old washing machine makes only limited sense, as the energy efficiency of the successor would be much better and offset embodied energy relatively quickly. Of course, the customer's wishes always come first.
- For perspective: approx. 60% of V-ZUG's appliances on the Swiss market are serviced by V-ZUG's own service department (there are approx. 5.7 million VZ appliances on the market).

Summary





Facts

- Swiss Made
- Focus on quality, durability and energy efficiency
- Designed for repairability and the circular economy
- State-of-the-art production facilities in Zug and Sulgen
- Responsible supply chains
- Resilient and committed employees

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Legal information



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