



V-ZUG

2021 Sustainability Report

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Step by step towards greater sustainability



Peter Spirig, CEO, V-ZUG AG

Interview with Peter Spirig, V-ZUG CEO

2020's editorial was written under the shadow of COVID-19.

How would you sum up 2021?

The coronavirus pandemic did not shift us a single millimetre from continuing our consistent pursuit of sustainability at V-ZUG during 2021. Fortunately, economically speaking we did not suffer directly as a result of the pandemic. But the crisis did cause significant problems in our logistics and supply chains and we also had to do a lot to protect our employees.

What did the company learn about sustainability during this time?

Our experiences during the coronavirus pandemic have clearly demonstrated to us that we can absolutely overcome challenges if we confront them with sound plans and targeted measures. Challenges also often provide an impetus for innovation. And that applies equally when it comes to sustainability. Well defined projects are characterized by the fact that they not only entail costs, but also demonstrate a positive overall benefit even under harsher economic conditions. This is the only way we will achieve commercial success in the long term, the fruits of which we can once again reinvest in the long-term transformation of our products and business processes, in digitalization and, ultimately, in environmental protection and social cohesion.

What were the most significant areas of progress during the past year?

We succeeded in making sustainability a central plank for creating a future-fit company. We developed a strategy outlining our focus topics and major focus areas and set out a roadmap to 2025. Our task now is to translate this strategy and other valuable insights gained from our work last year into new or improved business models, products and services.

As CEO, what were you particularly pleased about last year?

We made extremely good progress on transparency as regards reducing CO₂ emissions. Based on the new data available, we identified key levers for the reduction roadmap we had defined. Also, after boosting our internal technical expertise, we are now able to calculate our carbon footprint much more precisely.

As a result, in future we will be able to decide on measures, business models and projects on the basis of reliable measurements – or at least good estimates – of their environmental impact. However, the four sustainability focus topics we identified are not solely concerned with climate change.

We are also seeking to achieve tangible results in the area of social responsibility, for example by creating jobs and training our workforce. Furthermore, by providing inexpensive refurbishment

options for used products that already have good energy efficiency ratings, we can give them a second life – thus making a contribution to both the environment and society.

Have there been any surprising insights along the way?

Yes, certainly, because this was the first time we were able to evaluate sustainability issues and targets on the basis of data from operational and product life cycle assessments. Our water consumption turned out to be much less significant than expected. At the same time we added new areas to our materiality matrix. We added “Sustainable consumption and healthy nutrition” under “Products and services for a future-fit society”. Put simply, in 2021 it was important for us to find out and shape how our customers actually use our appliances.

Take V-Kitchen for example – how does this kitchen app contribute to sustainability?

By offering shopping lists, recipes with facts on climate-friendly eating, a weekly planner and household tips, this app helps to bring sustainable nutrition into the home via smartphones. Users are inspired to cook healthy, seasonal food and help reduce food waste. While V-Kitchen no doubt represented a steep learning curve for us and the V-Kitchen community, this investment demonstrates that the company takes its responsibility to society seriously. It will pay dividends in the long run, and not just because we are following some passing fad. We are harnessing digital solutions to drive more eco-conscious use of our products as services. I firmly believe that this will contribute to the future success of our company.

Have any new business models emerged from the focus on sustainability?

We learned a lot in 2021. To take just one example, the initial response to our Product as a Service offering – known internally as “Clean & Simple” – has convinced us that there is a demand for alternative procurement models in the property market. The appliances – in this instance washing machines and tumble dryers – remain the property of V-ZUG and we assume responsibility for servicing and repairs, and for ensuring circularity.

Taking a step back and being self-critical for a moment, I would also say that we perhaps as yet lack the necessary imagination to recognize and exploit the full potential of new business models offered by our sustainability goals. It's therefore important for us to create more awareness around innovation, both internally and externally, while at the same time having solid data and pilot projects to learn from. Only then will we be able to develop tomorrow's business models.

V-ZUG has been listed on the Swiss stock exchange since 2020. How and why did the Executive Committee decide on the company's sustainability goals in 2021?

In 2021 we created transparency and put the major issues to be addressed along with our entrepreneurial scope on the agenda. The impetus for the Executive Committee came from the materiality matrix, the four focus topics and the roadmap to 2025. Management had a very strong intrinsic motivation to set goals and pursue them collectively, which played a crucial role in achieving our good results. I'm particularly pleased that we are now able to consider sustainability issues with a bit less emphasis on gut instinct and more on setting priorities on



the basis of solid facts and figures. This required a great deal of work upfront, but it will pay dividends in the long run.

How do you strike the right balance in corporate communications between transparent sustainability reporting and the company's image?

Opinions are divided. Some say "do good and don't talk about it", while others believe reporting on sustainability is relevant to V-ZUG's positioning. I think we need to achieve acceptable ESG - environmental, social and corporate governance - ratings. That's why this sustainability report sets out in detail how we approach the impacts our company has on society and the environment and how seriously we take our corporate responsibilities. I'm not interested in selling fantasy visions, patting ourselves on the back or presenting vast amounts of information, but in providing the financial markets and our customers with a solid basis on which they can make decisions. Being confident and proactive is in the DNA of V-ZUG's corporate culture so we won't allow ourselves to be cast in a more negative light than is justified by the facts. When that happens, we set the record straight.

Company profile



V-ZUG at a glance

Products and services for a future-fit society				
	2021	2020	2019	Change from previous year
Appliances supplied with energy efficiency rating A or better (before rescaling) in %	96.9	96.8	96.8	+0.1%p.
Fault proportion for Switzerland (indexed, 2015 baseline = 100%) in %	76.4	76.4	78.4	+0%p.
First-time fix rate for Switzerland in %	90.9	91.4	90.8	-0.5%p.
Average response time in days	2.6	2.4	2.3	+0.2 days
Healthy and committed employees				
	2021	2020	2019	Change from previous year
Number of employees excl. temporary employees	1761	1732	1709	+1.7%
Number of employees (FTE, incl. temporary employees ¹⁾)	2080	1999	1940	+4.1%
Women in senior management roles in %	23.6	20.8	18.6	+2.8%p.
Turnover rate in %	12.5	11.2	12.0	+1.3%p.
Absence rate by cause in %				
- Work-related accidents	7.2	5.7	5.6	+26.3%
- Non-work-related accidents	10.4	11.0	15.8	-5.5%
- Illness	82.4	83.4	78.7	-1.2%
Employees by working hours				
- Part-time employees	258	263	242	-0.4%
- Full-time employees	1503	1469	1468	+0.5%
Hours lost due to occupational accidents in %	0.27	0.20	0.21	+0.07%p.
Environment and climate protection				
	2021	2020	2019	Change from previous year
CO ₂ emissions in t				
- Scope 1	4290	4169	4284	+2.9%
- Scope 2	289	280	247	+3.2%
- Scope 3 (air travel) ²⁾	29	69	178	-58.0%
Total	4608	4518	4709	+2.0%
Energy consumption in terajoules	117.4	113.2	113.5	+3.7%
Entrepreneurship for sustainable growth				
	2021	2020	2019	Change from previous year
Net sales in CHF million ¹⁾	623.7	569.4	543.6	+9.5%
Operating profit (EBIT) in CHF million ¹⁾	62.7	49.2	29.6	+27.5%
EBIT as % of net sales ¹⁾	10.0%	8.6%	5.4%	+1.4%p
Number of supplier audits	62	67	104	-7.5%

¹⁾ Figure for V-ZUG Group

²⁾ Total Scope 3 emissions in GRI index

Table 1 Key figures

See the respective sections for details and explanations of the figures. Unless otherwise stated, the figures relate to the three companies V-ZUG AG, V-ZUG Kühltechnik AG, and V-ZUG (Changzhou) Special Components Co. Ltd.

The company

V-ZUG is Switzerland’s leading brand in household appliances. For over 100 years, it has been developing and manufacturing kitchen and laundry appliances at its main production site in Zug, Switzerland, and since 2013 it has also been producing refrigerators in Arbon and now in Sulgen, Switzerland. V-ZUG also produces special pre-assembled components for its appliances in Changzhou, China. As the market leader in Switzerland, V-ZUG markets its premium products in a select number of international markets, focusing on metropolitan areas where people have high disposable incomes and offering an all-round high-quality service. In addition to its headquarters in Switzerland, the V-ZUG Group has its own distribution companies in the EU, the UK, China, Hong Kong, Singapore and Australia, and has well-established distribution partners in other international markets.

The V-ZUG Group employs around 2,200 people worldwide and is divided into the “Household Appliances” and “Real Estate” segments. The Household Appliances segment encompasses the company’s operations relating to the development, production, marketing, sales and service of household appliances. The Real Estate segment comprises the property

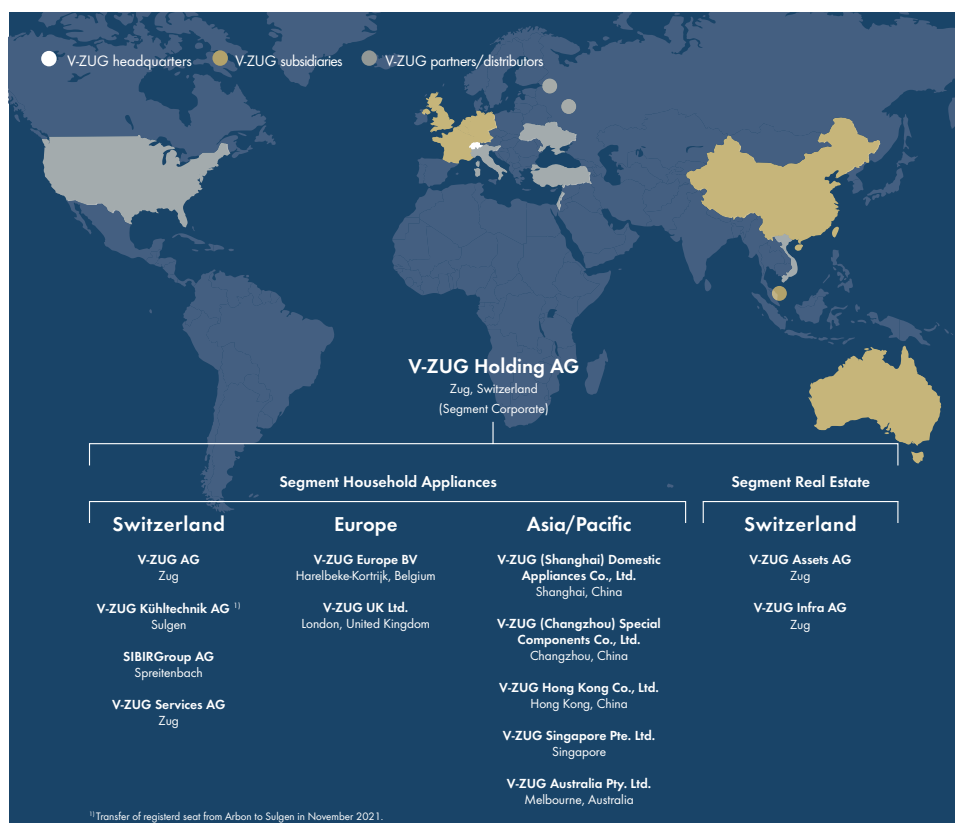


Fig. 1 Structure of V-ZUG Holding AG and international locations of V-ZUG (for the detailed legal group structure, see annual report 2021, page 93)

side of the V-ZUG Group's business and consists of the northern section of the Tech Cluster at the Zug site and properties in Sulgen (new refrigerator factory and existing production and office buildings rented to third parties). V-ZUG Holding AG is listed on the Swiss stock exchange and has its own "Corporate" reporting segment.

General information on sustainability reporting and system boundaries may be found in section "About this report", page 69 and in the "GRI-Index", page 70.

Corporate governance and areas of responsibility

The management organization of the V-ZUG Group is based on the principle of the central responsibility of the Board of Directors and the Executive Committee of V-ZUG Holding AG. With its headquarters in Zug, the company is the only part of the V-ZUG Group that is listed on the stock exchange. The V-ZUG Group fulfils all the legal and regulatory requirements for corporate governance in Switzerland to which the group is subject, including the principles laid down in the *économiesuisse* "Swiss Code of Best Practice for Corporate Governance" dated 29 September 2014 (see "Corporate Governance" on page 39ff of the 2021 Annual Report).

The V-ZUG Group is managed as a group, with the CEO and the Executive Committee being operationally responsible for management and target attainment. According to the law, the Board of Directors holds the highest decision-making power and specifies, amongst other things, the organizational, financial-planning-related and accounting-related directives that the V-ZUG Group undertakes to comply with. Decisions are made by the entire Board of Directors with the assistance of two committees: the Audit Committee and the Human Resources and Compensation Committee. The Board of Directors generally meets every two to three months. It has delegated the management of day-to-day business for the V-ZUG Group to the Executive Committee. In order to define the areas of responsibility between the Board of Directors and the Executive Committee, the Board of Directors has issued *organizational regulations*. These regulations contain fundamental compliance principles that are valid for the entire V-ZUG Group. The Executive Committee of V-ZUG Holding AG currently consists of eight members.

Products and services

On average, at least one V-ZUG appliance can be found in every Swiss home. Our refrigerators, ovens, steamers, hobs, washing machines, tumble dryers and dishwashers are watchwords for innovative and durable premium Swiss quality.

Two of our sustainability focus topics are particularly relevant to our products and services: our circular economy-driven solutions (section “Products and services for a future-fit society”, page 20) help to create a future-fit society by encouraging more conscious lifestyle choices and healthy nutrition. Our advanced production methods, use of renewable energy and product life cycle assessments clearly demonstrate our commitment to protecting the environment and the climate (section “Environment and climate protection”, page 45).

We are careful to employ resource-efficient processes and optimize the use of materials in manufacturing innovative products that meet the needs of the market. Product features such as EcoManagement and OptiDos enable the eco-friendly use of V-ZUG appliances. We are also keen to ensure that our appliances are recycled or disposed of in an environmentally responsible way. We regularly audit the social and environmental performance of our suppliers (section “Entrepreneurship for sustainable prosperity”, page 59).





New Excellence Line

One of last year's highlights was the launch of the new Excellence Line product range comprising high-quality thermal cooking appliances in the premium segment. The Excellence Line combines innovative functionality and the latest technology with perfect design and intuitive controls. The new ovens and steamers were developed entirely in Switzerland and these appliances are being manufactured at our production site in Zug. In part thanks to the market success of the Excellence Line, in 2021 we shipped more than 500,000 household appliances for the first time in the company's history.

Personal and reliable service

When it comes to contact with our existing users and potential customers, we favour the personal touch. During the financial year, both existing and prospective customers benefited from home consultations or free demonstrations in our ZUGORAMA exhibition and advisory centres. The presence of the V-ZUG brand in major metropolitan areas around the world continued to expand with the opening of new V-ZUG Studios (showrooms). In addition, in response to the continuing COVID-19 pandemic, we also expanded our online consultation service. As soon as a customer purchases an appliance, our service organization assumes responsibility for maintaining its performance and durability throughout its entire lifespan. We are particularly proud of our service technicians and their unfailing reliability when servicing appliances, troubleshooting or carrying out repairs on site. There are over 300 V-ZUG technicians in Switzerland. With their excellent grasp of customers' needs, throughout the past financial year they continued to maintain – with appropriate protective measures in place – the high standard of our services.

Strategy and sustainability

The V-ZUG Group is in a phase of transformation that essentially encompasses five strands: strengthening the V-ZUG brand, implementing our internationalization strategy, developing platforms for new products and services, digitalizing products and processes, and transforming the main site in Zug and relocating the refrigerator factory from Arbon to Sulgen. The aim is to create a strong brand as the foundation for the V-ZUG Group, enable it to remain a technology leader, streamline operations, and establish a more diversified market portfolio with footholds in Switzerland and abroad.

The V-ZUG brand has always stood for innovation, durability and reliability for kitchen and laundry appliances in all market segments. These values are firmly embedded in V-ZUG's culture and are clearly reflected in the vision, mission and core values that were redefined in spring 2021 (available at: www.vzug.com/ch/en/vision-mission-core-values); section "Healthy and committed employees", page 32).

Sustainability is an integral part of V-ZUG's brand proposition and a central plank of this is the development of products that consume fewer resources. Circularity, durability and energy efficiency are key differentiators of the V-ZUG brand.

Holistic understanding of sustainability

Having some 5.5 million appliances in active use entails a great deal of responsibility, especially – but not only – for our environmental footprint. As we want to do our bit to create a society fit for the future, we take a holistic view of all the social, environmental and governance aspects of sustainability along our entire value chain. We are committed to the well-being of all people, first and foremost our employees, but also everyone with whom we work or otherwise influence. We are therefore following a systematic investment strategy that will enable us to realize our forward-looking innovations and efficiency gains. Investment in transforming our Zug production site (managed by Tech Cluster Zug – Metall Zug Group), the associated vertical factory and the new refrigerator plant in Sulgen all demonstrate our strong commitment to Switzerland as a business and manufacturing location.

Good governance generates momentum

At V-ZUG we know that despite embedding sustainability in the DNA and culture of the organization, it will not flourish by itself. Our Head of Sustainability reports directly to the CEO and leads an interdisciplinary team known as the V-ZUG Sustainability Workforce. This dedicated team comprising representatives from different departments drives the strategic and organizational processes and identifies potential groundbreaking projects. In 2021, among other things the team made a significant contribution to the

materiality analysis and target-setting process described below and to authoring this report. Internally, the Sustainability Workforce has also established itself as the go-to unit for all sustainability-related matters as can be seen from the wide range of enquiries and ideas it receives.

Thanks to the intensive process involved in analysing our footprint and setting concrete targets, many employees are more motivated than ever to actively engage with sustainability issues. We aim to maintain and advance this momentum, both at the company and in employees' private lives too (section "Healthy and committed employees", page 32). But while this dynamism is undoubtedly to be welcomed, it also requires governance in sustainability matters. As the logical next step, therefore, the Sustainability Workforce will seek to broaden the underpinning of sustainability across the company. Our Development division, for example, has already formed a working group to look more closely at product design for the circular economy.

Materiality process and focus topics for 2030

As the last analysis of material sustainability topics was conducted several years ago and the company has since realigned its strategy in the light of its stock market flotation, we decided in the reporting year to sharpen up our sustainability priorities. As a first step, the Sustainability Workforce revised the list of potentially relevant sustainability topics. Many interesting – and in some cases new – perspectives and interdependencies emerged from these discussions. The list was ultimately shortened from 14 to 11 topics. For instance, data from life cycle assessments made it clear that water management was not so significant so it was subsumed into "Resource-efficient sites". New topics "Sustainable consumption and healthy nutrition" and "Corporate success as added value for society" were added. In addition, the products topic was recast more specifically as "Circular product design". We then combined these 11 topics into four

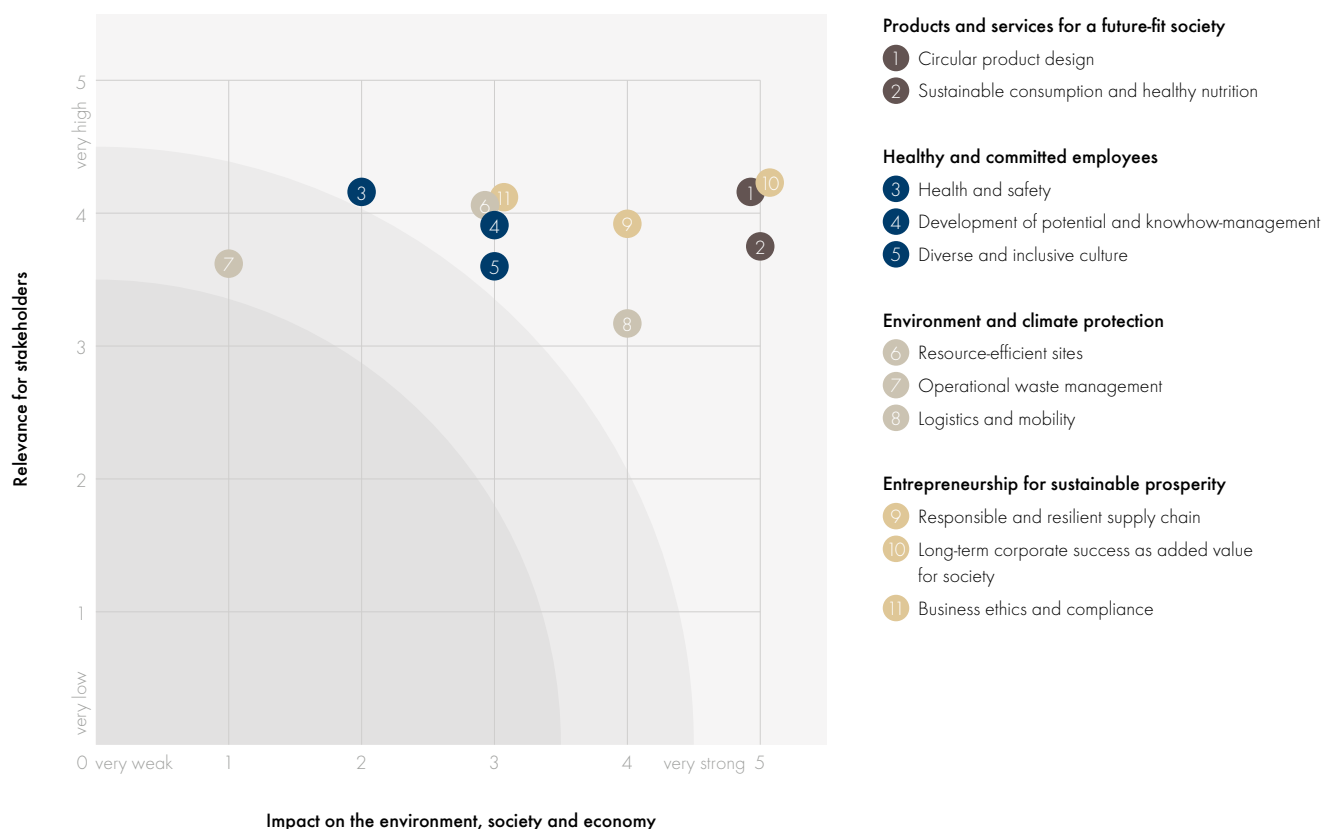


priority areas, and consolidated them to form groundbreaking focus topics. These areas also provide the framework for our reporting:

- Products and services for a future-fit society
- Healthy and committed employees
- Environment and climate protection
- Entrepreneurship for sustainable prosperity

To provide as broad a base for our materiality process as possible, we used an online survey to consult 68 representatives of V-ZUG’s principal stakeholders. These included the Board of Directors, Executive Committee, employees, customers, partners, suppliers, banks and investors, along with representatives from politics and academia. Their evaluation of the relevance of the individual sustainability topics are indicated on the Y axis in Figure 2 below. The X axis indicates V-ZUG’s social impacts, a dimension that was incorporated in the analysis in accordance with the GRI standards for the first time and which enabled us to gain new perspectives on these sustainability topics. A materiality analysis of our social impacts in relation to the various topics was conducted in two internal working groups. The

Fig. 2 Materiality matrix at V-ZUG



results were subsequently discussed and finalized with selected members of the Executive Committee and Board of Directors. Again, these discussions drew on the findings from our life cycle assessments and carbon footprints calculated.

The new materiality analysis brings the focus topic of “Products and services for a future-fit society” even more strongly into focus. As well as “Circular product design”, this theme includes the new topic of “Sustainable consumption and healthy nutrition”. We want to offer consumers appliances that are even more energy-efficient and recyclable and make it easy and fun for them to use these in a more environmentally friendly way. We would also like to see our products and services motivating users to adopt healthier, more sustainable consumption and eating habits.

This is only possible, however, if we use our strength as a financially sound company to drive innovation and make forward-looking investments. We therefore explicitly see our long-term commercial success as something that both creates social added value and protects the environment, consequently benefiting both society and the economy.

In 2021, we set ourselves specific targets for 2030 for the four focus topics, and illustrated these in a 2025 roadmap with tangible measures and key performance indicators. An overview of the specific targets and results can be found under “Targets, facts and figures” in each of the sections. Setting targets was and is a process – a highly important yet nevertheless challenging one. We have already managed to define specific targets and metrics in many areas, but not yet in all. Our internal reflections on what would be desirable and what is realistic have already helped us move a long way forward. They also symbolize our V-ZUG approach, not to set arbitrary targets, but to set the right ones – and then pursue them consistently. The targets were officially approved by the Board of Directors and the Executive Committee at the end of 2021. The four members of the Executive Committee who are responsible for these focus topics are now working with the Sustainability Workforce on resource planning and embedding sustainability within the company, especially in the budget process.

Our contribution to the UN’s Sustainable Development Goals

Our sustainability policies are also aligned with the global United Nations 2030 Agenda for Sustainable Development. In 2020 we consequently signed up to the *Swiss Triple Impact (STI)* initiative. STI is dedicated to promoting the attainment of the 17 Sustainable Development Goals (SDGs) of the United Nations.

This Swiss initiative helps organizations of all sizes and from all sectors of the economy boost their fitness for the future by integrating the SDGs into their business operations. In workshops and via questionnaires, we grappled with the question of which of the 17 SDGs V-ZUG has the most impact on. There is no doubt that in order to successfully implement Agenda 2030, we have to be committed to all the SDGs. But by consolidating our efforts and concentrating on those areas in which we as a company have the biggest influence, we can have the greatest impact.

In the course of the materiality analysis process and fine-tuning our focus topics for 2030, we focused in particular on the five most relevant SDGs for us: 7, 8, 9, 12 and 13. Many of our new sustainability goals are directly or indirectly linked to the SDGs. As part of the STI initiative, therefore, we will also be publicizing some of these central goals more widely. The following table shows how we contribute to the attainment of these SDGs.

SDG	Contribution of V-ZUG to the SDGs
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	<ul style="list-style-type: none"> Products are resource- and energy-efficient in use Use and expansion of renewable energy at our production sites, e.g. the construction of the multi-energy hub as part of the Tech Cluster Zug project ("Environment and climate protection", page 45) Energy efficiency in our processes and in facilities management, e.g. by using energy from waste heat
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<ul style="list-style-type: none"> Investment in development and training, and also the employability of our staff across all generations Investing in the vocational education and training of young people Varied, interesting careers and employee advancement A high degree of job security and a positive influence on employee health Promoting equal opportunities and diversity Contributing to the attractiveness of the sites at Zug and Sulgen, and creating attractive and varied jobs for the local workforce Setting high labour standards in the supply chain Focusing on healthy economic growth, taking into account people and the environment
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<ul style="list-style-type: none"> Developing recyclable products Internal and external innovative strength Modern, resource-saving industry and infrastructure, particularly in developing the Zug site and the new build in Sulgen Using high environmental construction standards and innovative, sustainable construction methods at the Zug development site
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<ul style="list-style-type: none"> High-quality, durable and serviceable products with availability of spare parts up to 15 years Transparent product information for informed purchasing decisions Raising the awareness of end customers for the optimum resource- and energy-efficient use of appliances Supporting healthy, balanced nutrition and avoiding food waste Energy-efficient, resource-efficient production The use of recyclable materials
 <p>13 CLIMATE ACTION</p>	<ul style="list-style-type: none"> Preventing, reducing and - where necessary - offsetting emissions that are harmful to the climate and the environment Carbon-neutral production of Swiss-made appliances by offsetting via the V-Forest reforestation project Internal carbon offset levy of CHF 120 per tonne of CO₂ Establishing environmental standards within the supply chain Raising employee awareness, e.g. via the new mobility strategy

Table 2 V-ZUG's contribution to SDGs 7, 8, 9, 12 and 13



Fig. 3 V-ZUG's scope of impact in relation to SDGs

Products and services
for a future-fit society



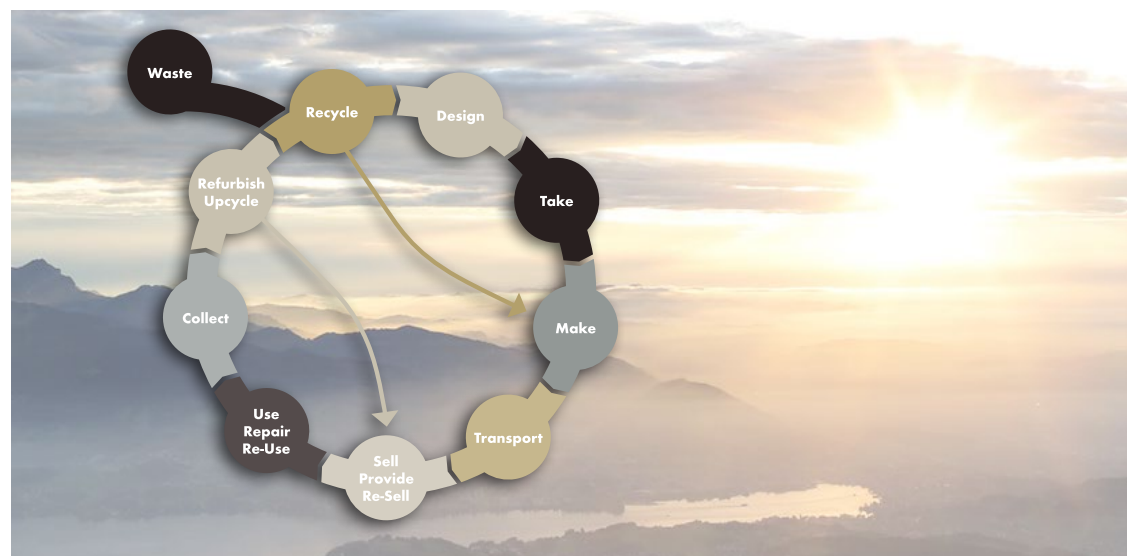
At V-ZUG the quality promise of our products and services is paramount. This responsibility does not simply end at the point at which an appliance leaves our factory with an A-rated energy label – our high quality standards play a vital role all along the line from procurement, development and production through to reuse or recycling. Our customers benefit from having resource-efficient, durable and user-friendly appliances. Before being shipped, machines undergo an average of 600 internal function and safety tests as part of our ISO 9001-compliant quality management system.

Introduction of life cycle assessments

V-ZUG’s even sharper focus on material topics and sustainability focus topics has added greater impetus to designing for circularity in product development.

We conducted life cycle assessments for a first batch of appliances during the reporting year, with all others being set to follow by 2023. We were also able to obtain some support for this from the Swiss Network for Resource Efficiency (Reffnet). Life cycle assessments enable us to express the emissions and resource consumption of our products with respect to their social and environmental impact as a single clear indicator (“Measurable environmental footprints”, page 28). These wide-ranging insights into the environmental footprint of our appliances are already flowing into our design and production processes, for example in the form of the new design principles and guidelines drawn up by our Development department together with external experts. In 2021, in collaboration with Lucerne University, we also created a model that quantifies environmental costs in addition to the production costs. As a result, we can bring more financial arguments to the table when discussing sustainability.

The circular economy – considering the entire life cycle



Alternative materials

The use of alternative materials in end products is an important step towards achieving further progress in creating a circular economy. Thanks to close cooperation with suppliers, during the reporting year we succeeded in substituting a more environmentally friendly alternative for the new Excellence Line to replace a component made of conventional petroleum-based polycarbonate. This is a first step towards the wider use of regenerative, resource-saving materials in future (“Measurable environmental footprints”, page 29).

Improved circularity

Durability and reparability are key aspects of designing circularity into our appliances. These are anchored in our high standards of quality – both for the appliances themselves and for the professional customer service provided over their entire lifespan. We ensure that any appliances our service technicians replace early are professionally recycled so materials such as steel or aluminium can be reused. Although the average recycling rate of large appliances and cooling appliances is already over 80 percent in Switzerland according to the SENS eRecycling Foundation, we are aiming to improve the recyclability of our products even further. We are consequently working closely with suppliers and specialist recycling firms. However, sending a returned, functioning machine to be recycled should always be the last resort. In our “Refurbishment for charity” project, in 2021 we therefore posed the question of how we could combine our charitable work with the goal of keeping our appliances in use for as long as possible (“Refurbishing appliances for a good cause”, page 66).

Exploiting digital solutions to create new services

Becoming fit for the future also means exploiting the opportunities offered by digital technology to develop new business models. The V-Kitchen app shows that we can make a significant contribution to creating a sustainable society by motivating users to become more conscious consumers and adopt healthy eating habits (“A food coach for sustainable consumption”, page 30). As we are aiming to assume responsibility for the usage and environmental footprint of our appliances across their entire lifespan in future, we are also working on our “Clean & simple” business model that offers an alternative to outright purchase. V-ZUG launched its Product as a Service (PaaS) contract in a pilot project to equip one of SBB’s properties in Basel with washing machines and tumble dryers on a rental basis where the appliances remain in the ownership of V-ZUG. This service is primarily aimed at business customers such as facility management firms.

Rescaled energy labels

On 1 March 2021, Switzerland adopted new, more stringent EU regulations for labelling the energy consumption of certain appliances. The new scale runs from A to G with the previous plus ratings (A+, A++, A+++) being scrapped. As a result of this rescaling, our washing machines, dishwashers, refrigerators and freezers will need to become even more energy-efficient. The new labels will make it easier for customers to compare products. For us the rescaling – to be rolled out over several years – will act as a further incentive. Thanks to the heat pump developed by V-ZUG, our premium models already reach the standard for an A rating on the new scale. Moreover, we are demonstrating what is technically possible and continue to optimize our products above and beyond the requirements for the official declaration programmes. Our customers will consequently be helping to protect the environment regardless of which model they decide to buy.

Efficient use in the home

When it comes to sustainability, however, it is not simply the efficiency class that matters, but how a product goes on to be used in the home as the energy and water consumption of appliances is far higher there than during manufacture. Integrated EcoManagement encourages our customers to be eco-conscious by showing the predicted and actual energy and water consumption of appliances. The Eco option also enables them to quickly and easily reduce the environmental footprint of a standard programme.



“We are trialling V-ZUG’s PaaS (Product as a Service) contract with SBB’s Real Estate division as an alternative to outright purchase. Usually the lowest price wins in conventional tenders, but often this doesn’t provide the desired level of quality and sustainability. For the fit-out of the 3Johann apartment building in Basel, V-ZUG remains the owner of the appliances and assumes responsibility for servicing, repairs and recyclability. Our tenants therefore benefit directly from the brand service provided by V-ZUG technicians.”

Samuel Pillichody, General Project Manager, SBB Real Estate Development Central Region

Targets, facts and figures

Targets	Baseline and target years	2021 results	Status	Key figures
Efficiency				
One appliance per product category in top 3 for efficiency (comparison site TopTen.ch)	Annual review	<p>Ranking in the various product categories:</p> <p>Washing machines: Energy: 1. / Water: 3. Tumble dryers: Energy: 1. Ovens: Energy: 2. Steamers: Energy: 2. Dishwashers: Energy: 1. / Water: 1. Fridge freezers: Energy: 3. Fridges with freezer compartment: not ranked Extractors/island: Energy: 1. Extractors/downdraft: Energy: 10. Extractors/flat: Energy: 3.</p> <p>In top 3 in 10 out of total 12 categories – 83% attainment</p>	On track	Ranking from comparison site TopTen.ch – in December 2021
Increase fleet efficiency of all appliances (energy and water) by 5%	2021; 2030	<p>2021 is baseline year. Focus was on creating metric and calculating figures for the first time.</p> <p>Fleet efficiency/energy 2021: 225 kWh/year*</p> <p>Fleet efficiency/water 2021: 6830 l/year*</p> <p>*Average V-ZUG appliance, across all categories</p>	Initiated	Fleet efficiency: All appliances purchased multiplied by the respective annual energy consumption (acc. to energy label or, if not available, own calculation), divided by the number of appliances
All our current network-enabled appliances have extensive eco-functions/ services integrated	-; 2025	<p>Current functions in 2021 (selection, not exhaustive):</p> <ul style="list-style-type: none"> ▪ EcoManagement: Usage data displayed, predicted and actual values (multiple categories) ▪ OptiDos washing machines: Optimized economical detergent dosage ▪ OptiTime: If speed is not important. Long running time with maximum energy and water efficiency ▪ SmartStart: Use of self-generated solar power <p>Eco-functions available – upgradable, with focus on digital technology</p>	On track	Cannot be quantified – will continue to be stated qualitatively for time being

Targets	Baseline and target years	2021 results	Status	Key figures
Circularity				
Life cycle assessments for all appliances (one reference model per category)	-; 2023	Method established at company, planning to put resources in place in 2022, 2 of 11 categories done Completed in reporting year: <ul style="list-style-type: none"> ▪ Adora V4000 washing machines ▪ Adora V4000 tumble dryers ▪ Various modules 	On track	No. of appliances (reference model) per category Total categories: 11 (steamers, ovens, drawers, microwaves, Coffee-Centers, hobs, extractors, dishwashers, refrigerators, washing machines, tumble dryers)
Achieve 90% recyclability of appliances	Development projects; 2025	Method worked out in theory and validated with recycling company First major project using the method	Initiated	When developing new products. Recycling and reuse rate per anchor product
Reduce environmental impact by 5% (measured by Ecopoints)	Development projects; 2030	Method introduced. First major project using the method Specific unit created in Development department to support projects	Initiated	When developing new products compared with predecessor model
All appliances developed according to circular design principles	Development projects; 2030	Method worked out, being trialled in first major project	Initiated	Application of principles, success measurable as fewer ecopoints in life cycle assessment

Possible status: Achieved, On track, Delayed, Not achieved (if new target: Initiated)

Table 3 Targets, results and status in relation to the focus topic "Products and services for a future-fit society"



Fig. 4 Appliances supplied with label, by energy class

V-ZUG appliances still in efficiency class A on rescaled energy label

Up to and including 2021, around 97% of V-ZUG appliances had an energy efficiency rating of A or higher. Following the introduction of new, more stringent energy efficiency regulations in March 2021, the energy efficiency classes for washing machines, dishwashers and refrigerators were rescaled (2021: column on right). Even after this rescaling, around 58% of V-ZUG’s appliances still fall into the three highest efficiency classes A to C – an excellent achievement in the household appliance sector. There are also some types of appliance that are not given an energy classification (e.g. hobs and microwaves). The proportion of these products remains constant at around 18% of all V-ZUG appliances shipped.

We are addressing the causes of faults

The previously used “fault rate” quality metric has been replaced by the more meaningful “fault proportion” which includes all the problems found on installed appliances up until the end of their service life. Compared against the 2015 baseline year, this indexed indicator for long-term quality monitoring has steadily decreased to 76.5%. Every service case for a faulty appliance is logged by a V-ZUG service technician along with cause, diagnosis and action taken. The problems are tracked, analysed and processed appropriately by Product Quality Monitoring.

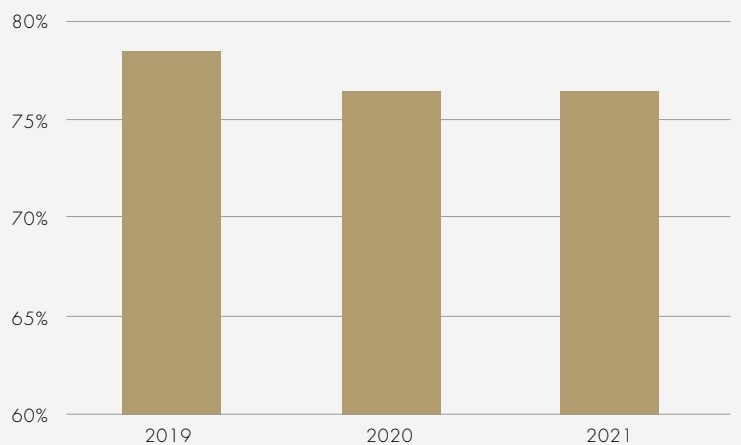


Fig. 5 Fault proportion for Switzerland (indexed to 2015 baseline = 100%)

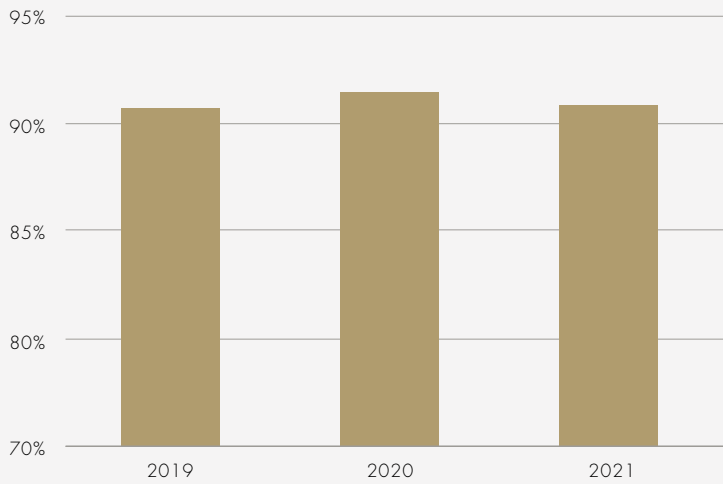


Fig. 6 First-time fix rate (Switzerland)

First-time fix rate remains very high

The first-time fix rate for service visits in 2021 remained satisfyingly high at 90.9% (2020: 91.4%). If a fault occurs, our aim is to respond swiftly and, if at all possible, resolve the issue on our first visit. For customers, being able to successfully repair an appliance on the first service visit is very important. As well as investing in training and the systematic optimization of individual process steps, we also involve our service technicians in development projects so that we can continue to improve in this area.

Customer satisfaction high despite a rise in response time

The pandemic and resulting steps taken to protect employees and customers proved challenging, particularly when carrying out servicing work. There were frequent staff shortages due to preventive measures such as quarantine and the shielding of particularly vulnerable people. This resulted in response times above the long-term average. However, the results of direct customer satisfaction surveys were encouragingly positive. We now measure customer satisfaction using the Net Promoter Score (NPS) metric and in 2021 our NPS was +80. This value provides a benchmark for customers' enthusiasm. All customers were asked to rate their experience immediately after a service visit.

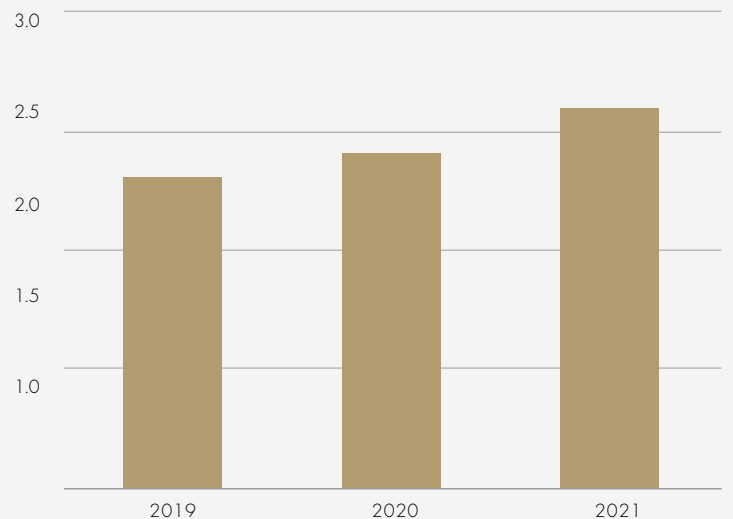


Fig. 7 Average response time in days (Switzerland)

Measurable environmental footprints

“2021 was the first time we conducted a life cycle assessment for a washing machine and a tumble dryer ourselves”, says Ernst Dober, Head of Innovation Services & Technology at V-ZUG. The ecological scarcity methodology employed calculates the material and energy flows across the entire lifespan of a product – from resource extraction, production and use right through to final disposal. The 15 most important environmental impacts of a product are evaluated and expressed using a standardized metric known as ecopoints (EP).

This allows us to draw conclusions regarding the environmental impact of our appliances and review our associated sustainability targets. “Alongside functionality, market demand and costs, we take these life cycle assessments into consideration in our design and decision-making processes”, explains Dober. However, this also presents greater challenges to our development and production teams.

V-ZUG is planning to conduct life cycle assessments for all product lines by 2023. In order to balance the needs of performance and sustainability in development and production, designing appliance functions and ecopoints will be integrated in future. Dober adds: “In 2021, in collaboration with Lucerne University, we also created a model that quantifies the environmental costs of every appliance, in addition to the known production costs. This provides the necessary transparency and convincing arguments to underpin the business case for sustainable product development.”

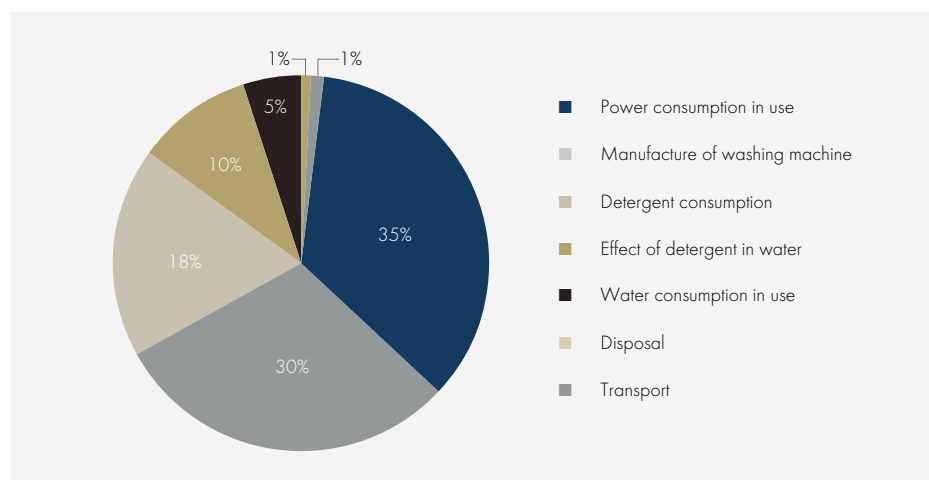


Fig. 8 Life cycle assessment for AdoraWash V4000 washing machine – percentage distribution of ecopoints (EP)

First trials with alternative materials

The use of sustainable materials in end products is an important first step towards creating a circular economy. This applies to plastics in particular as their environmental impact attracts criticism all over the world. "In our own interests we'd been looking for petroleum-free materials so that we can cut the amount of petroleum used in production", recalls Peter Vokurka, Senior Development Engineer and Project Manager Technology at V-ZUG.

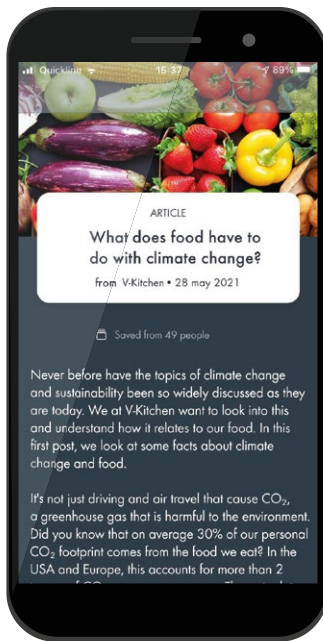
In close cooperation with suppliers we succeeded in using an equivalent polycarbonate component in our kitchen appliances in which 60 percent of the petroleum is replaced by tall oil. This oil is derived from a natural resin that is a by-product of pulp manufacture for the paper industry. V-ZUG produces 80,000 of these new components a year which reduces the associated carbon footprint accordingly. However, as not many components are made of polycarbonate, this element represents only a small fraction of the plastic used.

Nevertheless, "The use of tall oil in one of our products is a major step forward for us", says Ernst Dober, Head of Innovation Services & Technology at V-ZUG. As a reward for using a bioplastic to help create a society fit for the future, the unit received a financial contribution from the company's internal carbon-offsetting fund. Dober is delighted: "This will allow us to invest in alternative materials in spite of the added costs at present. And higher volumes and better prices will open the door to even more applications in future."



Excellence Line steamer

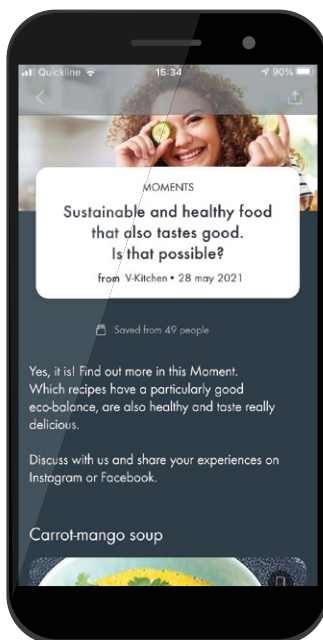
A food coach for sustainable consumption



V-Kitchen helps to bring sustainable nutrition into the home: “The app inspires users to cook healthy, seasonal dishes and – by making better decisions about which ingredients to use – also indirectly helps to reduce food waste”, explains Thomas Schärli, Head of Business Ecosystems & Content Strategy V-Kitchen.

What’s special about V-Kitchen? Along with shopping lists, the app offers over 1000 recipes – some of which include facts on climate-friendly eating from the Eaternity Institute – plus a weekly planner and household tips, all in an easy to use, smartphone-friendly form. In addition, posts from fellow community members add even more diversity and encourage sustainable eating.

Launched in February 2021, V-Kitchen has been downloaded over 30,000 times and already has more than 7,000 active users. We are working with well-known Swiss names to ensure quality content on cooking, nutrition and sustainability. These include Annemarie Wildeisen, YouTube star Marcel Paa and highlights from “Cooking for less than 5 Swiss Francs”. Digital recipes from the Tiptopf cookbook are even exclusively available on V-Kitchen. Most read in 2021 were articles on superfoods and climate-friendly eating for a week. “In 2022 we want to find out more about how the V-Kitchen community uses our products and services over the appliances’ lifespan”, says Schärli. Only then will we be in a better position to take responsibility for how our appliances are used in future – and consequently do more good for the environment.



V-Kitchen app



Contribution to SDGs 7, 9, 12 and 13

V-ZUG offers its customers durable, resource-efficient appliances for the modern home. We are raising user awareness of environmental protection with specific functions, and making ecological housekeeping straightforward. At present, our key focus is on the recyclability of our products. Our aim is to manufacture products from materials and components that can be upgraded, repaired, reused,

refurbished or recycled. That way, our high-quality appliances will remain in circulation for longer and create long-term added value. Such circular approaches are necessary in order to make our economic system more resource-efficient and decouple prosperity from environmental degradation. V-ZUG is able and willing to proactively lead the way here.

Healthy and committed
employees



Our employees are the driving force behind V-ZUG’s long history of success. Every day they inspire our customers, develop innovative appliances and deliver high-quality products to households. With their focus on quality and reliability, our workforce of around 2,200 people (2,080 FTEs) puts V-ZUG’s vision and mission into practice. We are proud of them and in turn we help them achieve their full potential. As an employer, we cultivate a respectful and appreciative work culture that actively involves employees in the development of the company. We do not tolerate discrimination of any kind and pay fair and equal remuneration for equal work.

Working together for a future-fit V-ZUG

The reporting year saw the launch of our new mission statement setting out our vision, mission and core values. This statement is the ethical and strategic compass that guides us in all our business activities. It forms the foundation of all our principles and guidelines for our business practices, for example our principles of collaboration, Code of Conduct (section “Entrepreneurship for sustainable prosperity”, page 59) and future management principles at V-ZUG. As we wish to see employees at all levels embrace and help shape our vision and core values, we actively involve them in their strategic development and operationalization (“Bringing our values to life”, page 41). We use various channels to create engaging





internal communications: as well as conducting regular employee surveys (“Finger on the pulse of employee satisfaction”, page 43), our V-Compass guidelines provide a framework for respectful communication on the state of mind, performance, skills and prospects of employees. This creates a sustainable working environment and an inspiring leadership culture that values feedback from employees, promotes their well-being and ensures targeted career development measures.

Diversity and fairness

V-ZUG employees bring a wealth of life experiences, skills and cultural diversity to the company. As part of a multinational group, many of us are in contact with partners from all over the world. Our *Code of Conduct* calls on us to treat everyone with respect and tolerance. We do not accept discrimination in any shape or form and firmly believe that diversity and inclusion make our company strong and attractive. In the course of reviewing our human resources strategy during the reporting year, we devised a concept with effective measures to strengthen a diverse and inclusive working environment over the coming years. In particular we are aiming for a balanced generational and gender mix. By 2025 we want to have at least 25 percent of senior management posts filled by women, including on the Board of Directors, along with a more even gender balance in our management teams that reflects the gender mix across the company. As a fair employer, V-ZUG pays equal remuneration for equal work. Implementation of equal pay for men and women at V-ZUG AG, V-ZUG Kühltechnik AG and in the SIBIRGroup was formally confirmed during the reporting year. With the help of an external partner, an internal equal pay analysis was conducted at these three group companies (which employ all V-ZUG employees in Switzerland with the exception of the Executive Committee who are employed by V-ZUG Holding AG) in accordance with the amended Gender Equality Act. The audit firm Deloitte verified the results and declared them to be in compliance with the law. In addition, as we want to enable people with disabilities to fulfil their potential at V-ZUG, we also pay attention to ensuring our premises are fully accessible. Following our SmartWork programme, we are increasingly exploring flexible working time models such part-time work, job sharing and mobile office so our employees are able to balance their work and home lives. We support paid leave of absence (sabbaticals) and unpaid holidays.

Lifelong learning

The expertise of our employees is a major contributing factor to V-ZUG’s success. We invest in their employability on the job market and enable them to acquire skills that will be in demand in the future. Our training strategy and succession planning is based on an individual skills-based and performance-based evaluation that uses the framework of our internal competency model. The V-ZUGacademy provides internal courses, trainee and talent promotion programmes along with management and leadership training. We also see it as our duty as an employer to include an awareness of sustainability issues. We therefore launched a new half-day training course on the subject of “sustainability and resource scarcity” during the reporting year. This course provides an excellent opportunity for our staff to contribute their own suggestions for more sustainability at V-ZUG. Moreover, we enable our employees to participate in external training and mentoring programmes. As a dynamic training company, we also train young apprentices ourselves, a total of 82 during the reporting year. In some cases



our trainees help us recruit new talent in fun ways, on social media for example. We strive to attract more young women in particular to train in technical occupations. With support from the Canton of Zug, we also offer training places to young refugees as part of the INVOL pre-vocational programme. They are doing very well, despite language barriers in some cases.

Health is paramount

As a responsible company, we care about the well-being of our employees. Our occupational health and safety management programme V-ZUGvitality is certified to ISO 45001 and proactively focuses on physical and mental health. Employees facing difficult life situations or serious problems in the workplace can and should contact an external specialist counselling service. In the event of lengthy health-related absences, occupational case management helps those affected return to work. We also run regular campaigns and initiatives to draw attention to occupational health and safety issues. During the reporting year we launched a tripping hazard awareness campaign as trips and falls are the most common cause of injuries in Switzerland ("Caution: Tripping hazard", page 44). Measures like these help us reach our target of reducing accidents by 5 percent each year. The internal COVID-19 taskforce set up in 2020 continued its work during the reporting year and provided ongoing updates about the situation and precautionary measures taken. Fortunately we were able to keep our operations going despite pandemic-related absences.

Targets, facts and figures

Targets	Baseline and target years	2021 results	Status	Key figures
Occupational safety: Vision "zero" and 5% annual reduction in the number of accidents	Annually	Workplace accidents 2020: 75 Workplace accidents 2021: 89 18.7% increase in workplace accidents Tripping hazard awareness campaign launched end 2021 Monthly occupational safety training for all new employees	Not achieved	No. of workplace accidents (both minor and significant accidents)
Long-term health: We will stabilize the absence rate by 2025 and lower it long-term	2020; 2025	Absence rate 2020: 3.5% Absence rate 2021: 3.8% Slight increase of 0.3 percentage points in 2021 Internal health promotion programmes: Work/life balance; Healthy eating; Balancing work with a new baby; Flexible working; Ergonomic working; Avoiding home and leisure injuries; Getting healthy; Accepting help; Achieving a balanced lifestyle; Nurturing yourself; Maintaining good mental health	Not achieved	Absence rate, in % of contracted hours
Investment in education & training 0.65% of payroll spend	Annually	Investment 2020: 0.68% (CHF 894,000) Investment 2021: 0.67% (CHF 899,000) V-ZUGacademy offering: Internal and external training courses on a wide variety of subjects	Achieved	Investment as % of AHV insured salary total
Investment in vocational training: 1.35% of payroll spend	Annually	Investment 2020: 1.36% (CHF 1,800,000) Investment 2021: 1.46% (CHF 1,965,000) Occupations (Zug only): Automation engineer, automation technician, IT specialist, mediamatics specialist; commercial employee, chef, design engineer, logistics specialist, general mechanic, mechanical technician Total of 82 apprenticeships in 11 skilled trades	Achieved	Investment as % of AHV insured salary total

Targets	Baseline and target years	2021 results	Status	Key figures
Diversity: We will increase the proportion of women across the group	-; 2025			HR metrics
1) in leadership team incl. Board to > 25%		1) Leadership team: 2020: 20.8% / 2021: 23.6%	Leadership: On track	
2) same proportion as men in management team (see 3)		2) Management team: 2020: 20.0% / 2021: 20.8%	Management: On track	
3) and proportion of women generally		3) Proportion of women generally: 2020: 21.9% / 2021: 23.2%	Generally: On track	
		Measures to support combining work and family: part-time models, annual working time accounts, flexible working models, provision of neutral information about occupations on Future Day, etc.		
Inclusion: Employees feel included, show commitment and work satisfaction is high: Target > 80%	Survey every 2-3 years	Employee survey 2018: 74 points Employee survey 2021: 79 points 2018 survey within V-ZUG AG (approx. 80% of employees), extended to whole group in 2021 (100% of employees)	On track	Employee survey: Indicator "Object-oriented behaviour" - 2021 Swiss benchmark: 80 points

Possible status: Achieved, On track, Delayed, Not achieved (if new target: Initiated)

Table 4 Targets, results and status in relation to the focus topic "Healthy and committed employees"

Part-time – a popular working model

85% of V-ZUG employees work full time. The number of part-time workers has changed very little. The option of part-time working continues to be raised in the recruitment process, and we also regularly receive enquiries about it internally. V-ZUG does its best to accommodate such wishes, which vary depending on individuals’ circumstances and their stage of life.

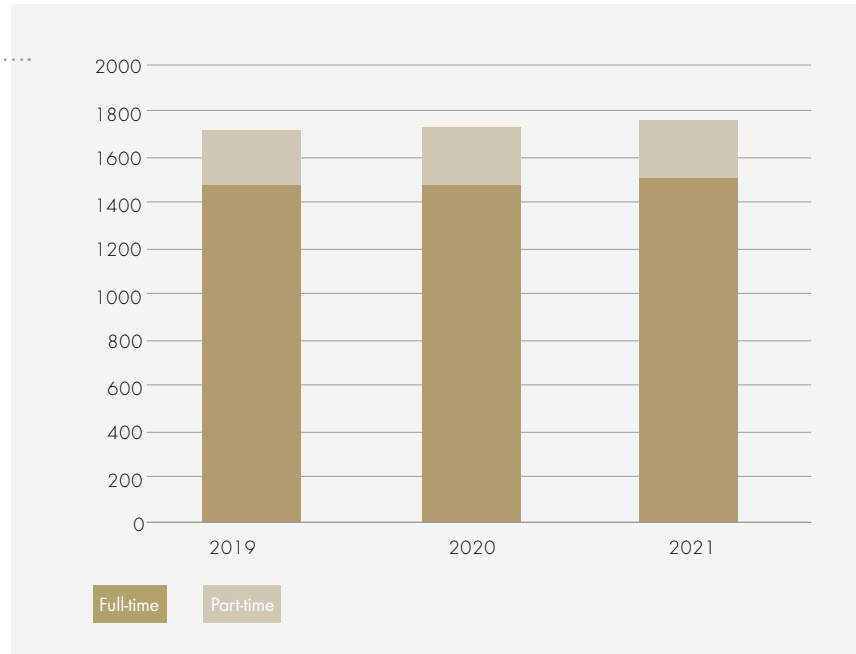


Fig. 9 Employees by working hours

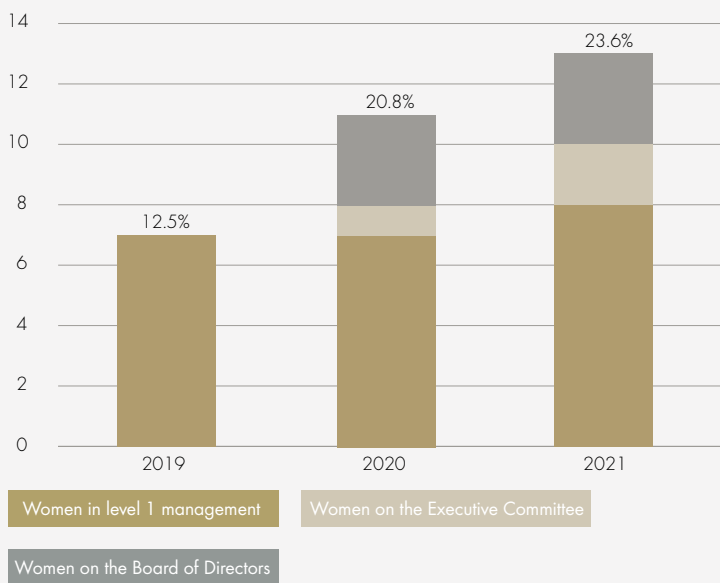


Fig. 10 Women in management roles

Rising number of women in senior management

The proportion of women at top management levels in V-ZUG has risen continuously over the last few years. The percentages relate to the total number of women on the Board of Directors and Executive Committee, and in management level 1. Following the appointment of a new marketing director, the Executive Committee has comprised two women and six men since August 2021. The figures for the Board of Directors relate to V-ZUG Holding AG. The management levels will be redefined globally in 2022 and will be stated in the 2022 Sustainability Report. As well as a balanced gender mix at all levels, V-ZUG also implements an equal pay policy.

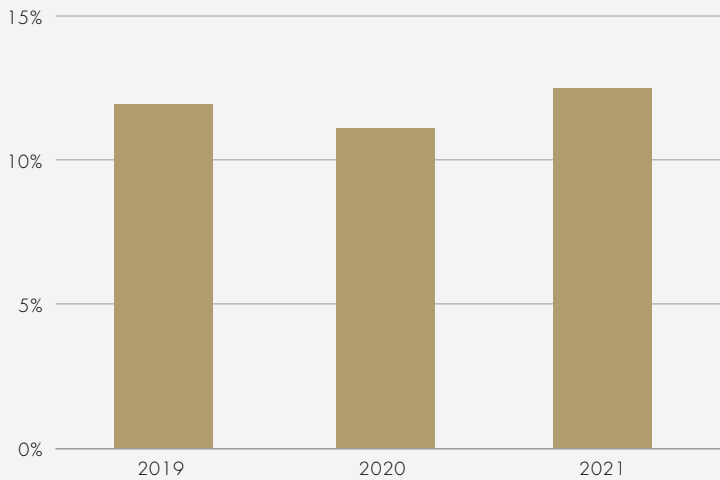


Fig. 11 Turnover rate

Turnover rate up slightly

In 2021, we welcomed 258 new employees to V-ZUG. Over the same period 218 people left the company. This equates to a turnover rate (excluding retirees and trainees) of 12.5%, an increase of 1.3 percentage points compared with 2020. Temporary employment contracts that came to an end in 2021 also affected the turnover rate.

Sickness accounts for majority of hours lost

The most frequent cause for absence is sickness, at 82%. The lost hours rate for 2021 was 3.8%, up 0.3 percentage points from the previous year. This was due to the increase in work-related accidents with protracted healing processes as a result of injuries to vulnerable parts of the body (e.g. wrists and ankles). 10% of the hours lost in 2021 were due to accidents during leisure hours (2020: 11%). This figure was around 15% before the pandemic. We believe this change is due to the restrictions on sporting activities during the pandemic lockdown.

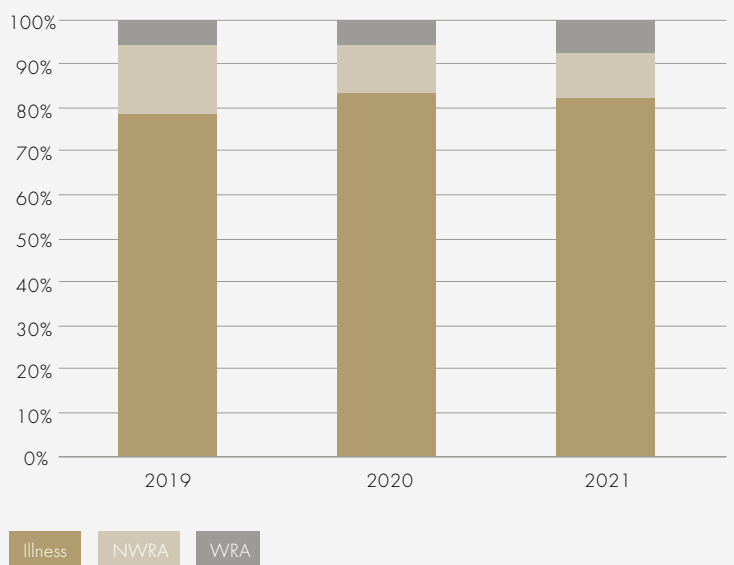


Fig. 12 Absence rate by cause

Minor injuries also lead to lost hours

V-ZUG recorded 89 occupational accidents during the reporting year. These resulted in around 9,500 absence hours, equivalent to 0.27% of contracted hours (2020: 0.20%). Around half of these accidents were classed as minor, for instance cuts and bruises entailing absences of less than three days. Occupational safety remains a key priority. We are implementing targeted measures and providing training for both employees and managers to raise awareness of workplace hazards "Caution: Tripping hazard", page 44 and help them take better responsibility for themselves.

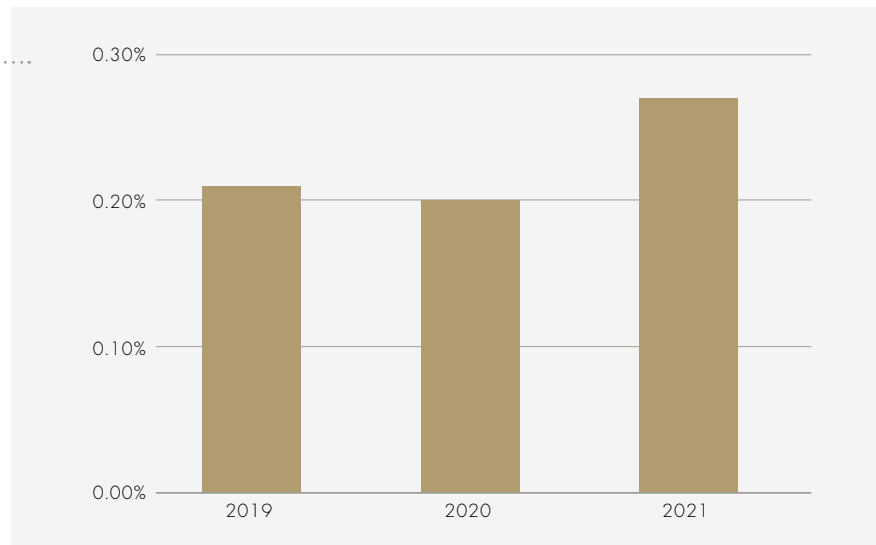


Fig. 13 Hours lost due to occupational accidents

Bringing our values to life

As a company with a strong brand and traditions going back many years, our values are deep-rooted and we have always met our primary objective – the quality promise we make to customers – with first-rate products and services. In view of our stock market flotation and the ongoing transformation of the company, it was time to formulate the vision, mission and core values of V-ZUG more explicitly. But what does this mission statement mean in the everyday working lives of our employees?

“Our strategy and values are not merely paying lip service – we all need to bring them to life”, states Christian Roth, Head of HR Development at V-ZUG. To enable this to happen, participative implementation is cascaded down through all levels. To publicize the mission statement adopted in the spring of 2021 as widely as possible, we trained “Ambassadors” to conduct townhall meetings with their teams. “Employees greatly appreciated being invited to actively join in discussions with executives about our common culture and vision”, Roth notes enthusiastically.

Starting in the summer, senior managers underwent training then led workshops on realizing the mission statement for their teams. “They were asked to consider: How can I contribute to the mission? How does our unit inspire customers? How do we put the principles of collaboration into practice? And are we acting in a sustainable way?”, explains Roth. The results are now being incorporated in our collaborative structures, for instance the guidelines for performance reviews or for the induction of new team members. “This close and meaningful exchange noticeably strengthened relationships between managers and employees”, Roth is pleased to report.





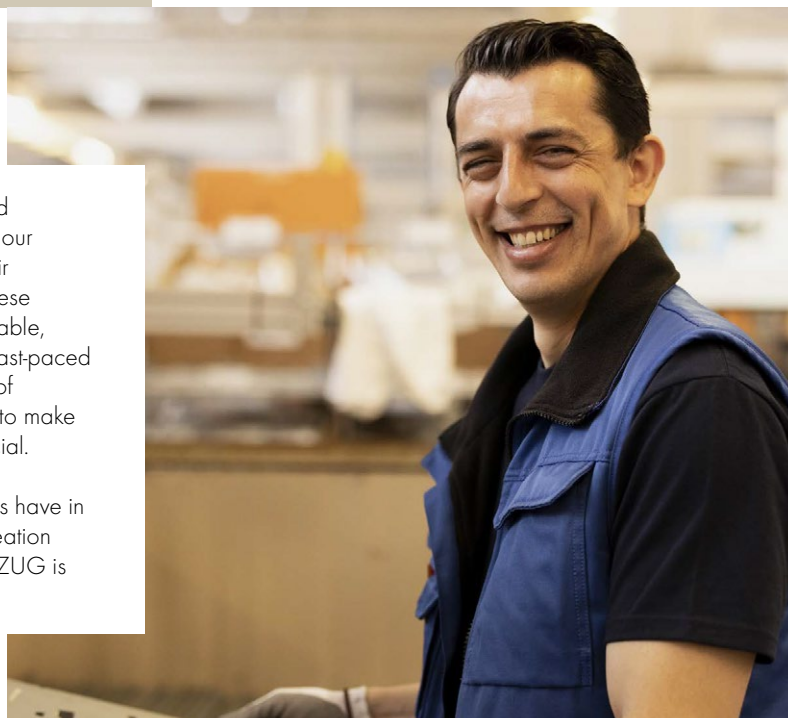
Vision

«Bringing simplicity into your home and creativity into your kitchen.»

Mission

Our Swiss precision and innovative nature allow our customers to realise their individual ambitions. These qualities enable sustainable, smooth functioning for fast-paced lives as well as the joy of creating brilliant dishes to make any occasion truly special.

Whatever our customers have in mind, whatever new creation they want to perfect: V-ZUG is by their side at home.



Core values

reliable

supportive

inspiring

“As an Ambassador, it was inspiring to see how employees rooted their activities in the vision and mission – many positively flourished in the workshops! For instance, one member of our maintenance team pointed out that routine maintenance helps to make production more energy-efficient and cost-effective, and hence more sustainable. This reinforced the sense of belonging”.

Carina Heuberger, Coordinator Lean Management and Strategic Projects

Finger on the pulse of employee satisfaction

How satisfied are our employees with their work? Do they value the leadership and collaborative culture at V-ZUG? And how well informed are they about their personal career development opportunities?

The 2021 employee survey put these and other questions. “To sound out employees throughout the company, we conducted the 70-question survey across the entire V-ZUG Group for the very first time”, says Christian Roth, Head of HR Development, who shared joint responsibility for the survey with Head of Health Management Fabian Britschgi.

The score combining work satisfaction, commitment and employee engagement indicates that V-ZUG has made progress since the last survey. “V-ZUG is perceived as a reliable employer who we identify with and are proud to work for”, summarizes Britschgi.

“Though of course we want to achieve even higher scores in future”, adds Roth. The Executive Committee decided to take Group-wide action in the areas of leadership, collaborative working, HR development and pay. In addition, department heads were asked to define action areas with their own teams. “What’s great is that feedback from employees flows directly back into strategic development, for example into the formulation of our management principles”, continues Roth.

Britschgi cites another cause for celebration: “In 2021 we were awarded the Employers We Trust quality label for the methodology employed in our employee survey”.



Fig. 14 Quality label awarded to methodology used for 2021 employee survey

Caution: Tripping hazard

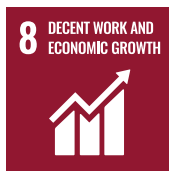


Internal tripping hazard awareness campaign – an often underestimated risk

A trip or a fall as a result of a moment's inattention, rushing to get to the next appointment, or a cable underfoot can have disastrous consequences. While some might result in merely a bump or a bruise, more serious falls could lead to hospitalization or lengthy periods off work. Most people are familiar with accidents like these. According to the Swiss accident insurance company SUVA, they are the most common cause of injuries and create costs of around CHF 1.4 billion every year. A quarter of all accidents at work are the result of a fall, especially in winter or when climbing stairs.

These statistics are also reflected in workplace accidents at V-ZUG. Head of Quality Management Cemal Yilmaz, who also has responsibility for occupational safety, therefore decided to launch an accident prevention campaign. During December of the reporting year, posters, flyers and an e-learning program drew attention to many examples of tripping hazards and how they can be avoided by taking simple precautions and changing our behaviour. In addition, signs reminding people to use the handrail were put up in all the staircases in V-ZUG's buildings.

Although the full impact of the prevention campaign will only emerge over time, Cemal Yilmaz was delighted by the early positive responses to the campaign. Over 235 employees participated in the e-learning programme and took part in the competition. Some departments have already made improvements to their safety infrastructure. We expect the changes in people's behaviour to have a positive impact on their home lives too: "My daughter copies what I do, so she also holds on to the handrail when going up the stairs", says Yilmaz.



Contribution to SDG 8

We influence SDG 8 by the way in which we shape the working environment and relationships, and by where we create jobs. We follow high standards in personnel management and invest in safe, attractive jobs, as well as in the skills and employability of all our staff. In so doing, we want to create interesting prospects for employees and offer young people in particular outstanding apprenticeship training and exciting development paths. We promote diversity and equal opportunities, integrate people with disabilities and deliver equal pay for equal work.

Environment and climate protection



Our business activities generate greenhouse gas emissions. In particular, this includes the energy consumed by our production processes, heating and logistics. V-ZUG is taking action to avoid and reduce these emissions. We are investing in intelligent and efficient energy technology systems, optimizing our transportation flows and switching over almost exclusively to renewable energy. We are offsetting the remaining emissions. Environmental management at our Zug site is certified in accordance with ISO 14001.

Avoiding, reducing and offsetting

There is fundamentally only one conclusive approach to tackling climate change – avoiding, reducing and, where necessary, offsetting CO₂ emissions. Despite strenuous efforts, we have not yet succeeded in completely avoiding or reducing our emissions. So as to be carbon-neutral today nonetheless, we have since 2020 been fully offsetting our direct emissions and also some of our indirect emissions in collaboration with the Ripa Gar Foundation. All our offsetting contributions are going towards the V-Forest, a reforestation project in Scotland.

In doing so, V-ZUG is offsetting what the Greenhouse Gas Protocol (GHGP) refers to as Scope 1 emissions, which we directly cause by the fuel consumption of our vehicles or the natural gas or oil heating in the buildings in which we work. We are also offsetting indirect emissions that arise during the production of the energy we purchase (Scope 2) as well as the emissions we cause due to our business flights (Scope 3). However, the latter only represent a fraction of our Scope 3 emissions. To obtain a more holistic view of this emissions category, we conducted a screening exercise for the 15 categories of GHGs in the reporting year. Based on this exercise, we will draw up future targets for Scope 3 emissions. We want to reduce Scope 1 and 2 emissions by 80 percent by 2030.

V-Forest, Scotland



Internal levy for CO₂ emissions

We are also supporting sustainable business decisions with a voluntary internal CO₂ levy. V-ZUG and the companies within the Metall Zug Group pay CHF 120 into an internal company fund for every tonne of CO₂ emitted. We are using this fund to finance sustainable projects and measures, such as expanding the use of waste heat and covering the extra costs for vehicles with alternative transmission systems. The largest contribution from the fund, which amounts to a total of CHF 700,000, supports the promising project for producing and using hydrogen at the Zug site. V-ZUG has also signed a target agreement with the Swiss Confederation on reducing CO₂, which includes a fixed reduction schedule. In recent years, we have had to accept that we have not met the fixed reduction schedule at the Zug site because we have been investing in forward-looking energy supplies instead of short-term measures.



Renewing infrastructure

V-ZUG is investing in socially, economically and also environmentally sustainable sites (see "Real estate projects", 2021 Annual Report, page 28ff). We are building ecologically and using innovative methods. In developing V-ZUG's main site into an innovation hub, we are setting new standards in terms of construction and energy supply, working in close collaboration with Tech Cluster Zug ("Planning and building for the future", page 65). The most sustainable innovation here is the Multi Energy Hub (MEH), which will supply the site and neighbouring area with renewable energy from photovoltaic systems, groundwater and lake water from the 2022/23 heating period onwards ("Smaller environmental footprint despite growth", page 57). At the new V-ZUG Kühltechnik AG building in Sulgen, we have also laid the foundations for an environmentally friendly energy supply ("Energy from the sun and the ground", page 56).

Life cycle assessments

In the reporting year, we joined forces with Carbotech AG to produce an initial operational life cycle assessment for our three production sites at Zug, Arbon and Changzhou ("Transparent reporting", page 54). The aim was to find out more about the actual impact of the resources used in daily operations. Using the ecological scarcity method, we calculated our ecopoints (EP). On this basis, we will in future be able to track our target attainment in energy and resource efficiency more precisely.

Electrifying transport

Transport also causes emissions. We are decreasing distances and thereby transport routes by ensuring that the majority of our suppliers are located in Switzerland or nearby European countries (see section "Entrepreneurship for sustainable prosperity", page 59). We are also constantly improving our logistics processes. In the reporting year, we conducted pilot trials with battery-powered service vehicles. Based on this experience, we have budgeted for the first few electric vehicles in 2022. We aim to convert our entire fleet by 2030. We will also be taking delivery of an electric battery-powered post bus for internal logistics in 2022. Our use of alternative energy sources will be multi-faceted. V-ZUG sees great potential in hydrogen in particular. We want to manufacture hydrogen incrementally, fuel our truck fleet with it, and eventually heat our enamelling ovens with it.

Recycling waste

We ensure that as little waste as possible results from all our work processes; in other words, that the materials we use and process are largely recycled. Single-origin punching waste from manufacturing processes is automatically sorted into purpose-built containers and then recycled. As well as metal, our operations produce waste cardboard, paper and wood. Materials that we cannot recycle are disposed of appropriately. Around 80 percent of our waste, including returned appliances, goes to be recycled. In Switzerland, for example, the Swiss Recycling Foundation (SENS eRecycling) operates a nationwide return system for electrical appliances with a pre-paid recycling charge. This system ensures that all appliances that are taken out of circulation are recycled appropriately. We are continuously optimizing our waste management processes.

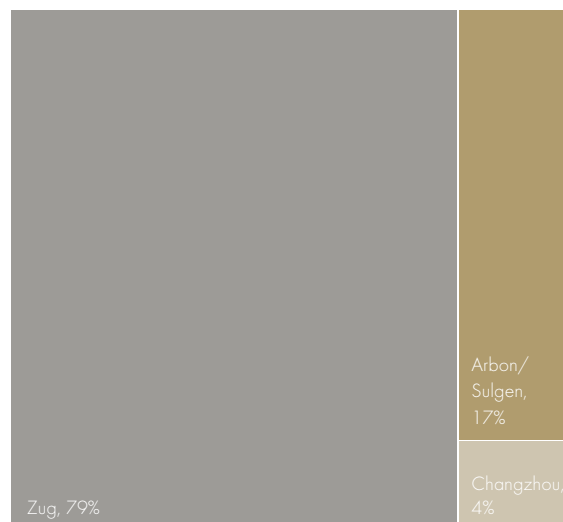
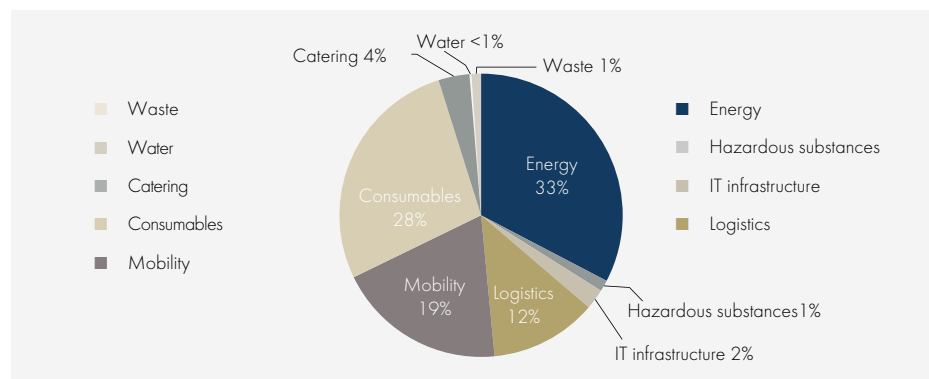


Fig. 15 Share of total environmental footprint per site (left) - percentage distribution of ecopoints (EP) overall per category (above)

Targets, facts and figures

Targets	Baseline and target years	2021 results	Status	Key figures
CO ₂ emissions				
To be carbon-neutral at all production sites within scopes 1 & 2 (incl. offsetting)	Annual	The remaining emissions in the 2021 reporting year will once again be offset in collaboration with the Ripa Gar Foundation with high-quality reforestation in the V-Forest.	Achieved (since 2020)	Scope 1 and 2 emissions as per Greenhouse Gas Protocol
To reduce the remaining Scope 1 & 2 emissions incl. air travel by 80% (long-term ambition: 100%)	2020; 2030	2020: 4,518 tonnes CO ₂ 2021: 4,608 tonnes CO ₂ Slight increase (+2%) compared with 2020 due to parallel operation of buildings and production processes (enamelling with natural gas at Zug / new refrigerator factory in Sulgen in parallel with old factory in Arbon with oil heating). Transformation-related effect. See GRI index for details	On track	Scope 1 and 2 emissions as per Greenhouse Gas Protocol
To have transparency regarding our Scope 3 emissions	-; 2021	Recorded for both the 2020 and 2021 financial years - 11 out of 15 categories are relevant for V-ZUG - two categories together account for around 90% of emissions: 3.1.1: Use of Sold Products / 3.1: Purchased Goods and Services - see GRI index for details	Achieved	Scope 3 emissions as per Greenhouse Gas Protocol
To reduce Scope 3 emissions by 2030 significantly (target definition 2022)	2020; 2030	Target to be defined in 2022, based on the Scope 3 survey in the 2021 financial year. We have already been reducing indirect emissions for years through constant increases in the energy efficiency of our products, a mobility strategy at our Zug headquarters, our geographical proximity to suppliers, the use of wood as a construction material for buildings, the professional disposal of waste, and the extensive return and recycling of household appliances at the end of their life cycle.	Initiated	Scope 3 emissions as per Greenhouse Gas Protocol, annual survey of main categories

Targets	Baseline and target years	2021 results	Status	Key figures
Environment and waste				
To continuously reduce the amount of waste through targeted initiatives and by optimizing disposal methods. For years, we have not disposed of any waste in landfill sites, and maintain this approach.	-; 2030	Survey of waste and disposal methods: 2021: Recycling 79.6% / composting 0.3% / incineration: 19.5% / special waste: 0.6%, landfill: 0% (see GRI index for details) Targets defined in 2021, no specific actions initiated yet - focus for 2022: packaging and paper	Initiated	Waste amount and type in tonnes. Type of disposal
To reduce the relative impact on the environment (ecological efficiency) by 2030 by at least 40% (environmental impact, relative to net sales)	2020; 2030	The corporate life cycle assessment method was introduced and applied for the first time in the reporting year. Life cycle assessments were produced for the three production sites at Zug, Arbon and Changzhou for 2020 and 2021 2020: Environmental footprint: 18,723 million EP / net sales: CHF 569.4 million 2021: Environmental footprint: 19,725 million EP / net sales: CHF 623.7 million / increase in ecological efficiency: +4%	On track	Ecopoints (EP) (in accordance with the Swiss ecological scarcity method of life cycle assessment, version 2021), indexed net sales adjusted for currency effects, environmental impact relative to net sales

Possible statuses: Achieved, On track, Delayed, Not achieved (if new target: Initiated)

Table 5 Targets, results and status in relation to the focus topic "Environment and climate protection"

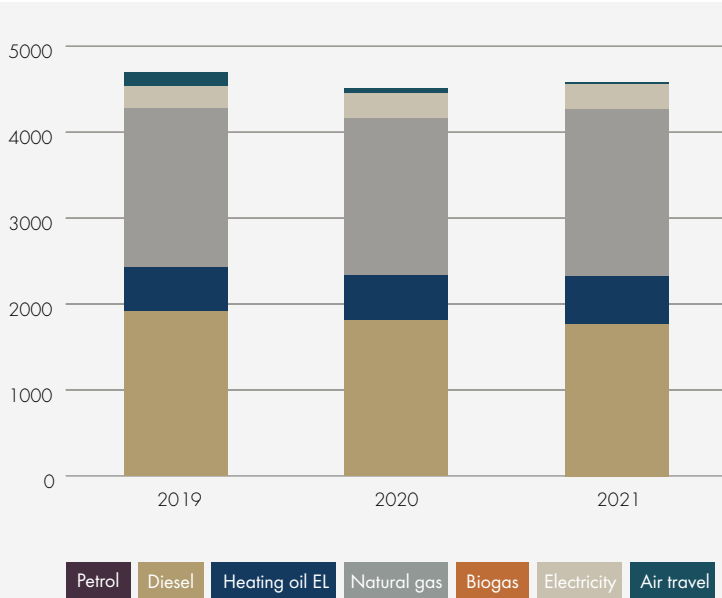


Fig. 16 CO₂ emissions (in tonnes of CO₂)

No substantial increase in CO₂ emissions despite parallel operation of buildings and processes

Direct and indirect CO₂ emissions amounted to around 4,600 tonnes in 2021, with CO₂ emissions therefore standing at around the same level as the previous year. The reason for the 2% increase compared with 2020 was the increased gas consumption in Zug (using the “Zephyr Hangar” as the new location for the coating technology system and test operations for the new equipment; parallel use of enamelling ovens and buildings). The phased commissioning of the Sulgen site, which was designed to be energy-efficient, with simultaneous production in Arbon, did not fundamentally influence the increase in CO₂ emissions. During the reporting year, screening of all Scope 3 emissions was carried out for the first time. The details of this screening are shown in «GRI index», page 70.

100% hydropower has been purchased for the production site at Zug for many years, in order to facilitate the expansion of renewable energy. The CO₂ emissions are declared accordingly by certified source (market-based, in accordance with the reporting regulations of the Greenhouse Gas Protocol). The emissions factor used is composed of the direct (Scope 2) and indirect (Scope 3) emissions. For reasons of comparability, the emissions of the power used (location-based) are also shown, based on a calculation method developed by the University of Geneva. This is based on a model that uses actual Swiss market data and an aggregated hourly load profile at the Zug site. This comparison is helpful in discussions regarding the known discrepancy between the power that is purchased and that which is actually used.

Absolute energy consumption only slightly increased despite growth and transformation

In 2021, V-ZUG's absolute energy consumption was 117.4 terajoules. This is broken down as follows: electricity (43.3%), natural gas (29.7%), biogas (0.03%) and heating oil (6.5%), plus the diesel (20.5%) and petrol (0.02%) used by our fleet of vehicles. Compared with 2020, energy consumption increased slightly (+3.7%) for the reasons mentioned above - not least due to parallel operations at Arbon and Sulgen.

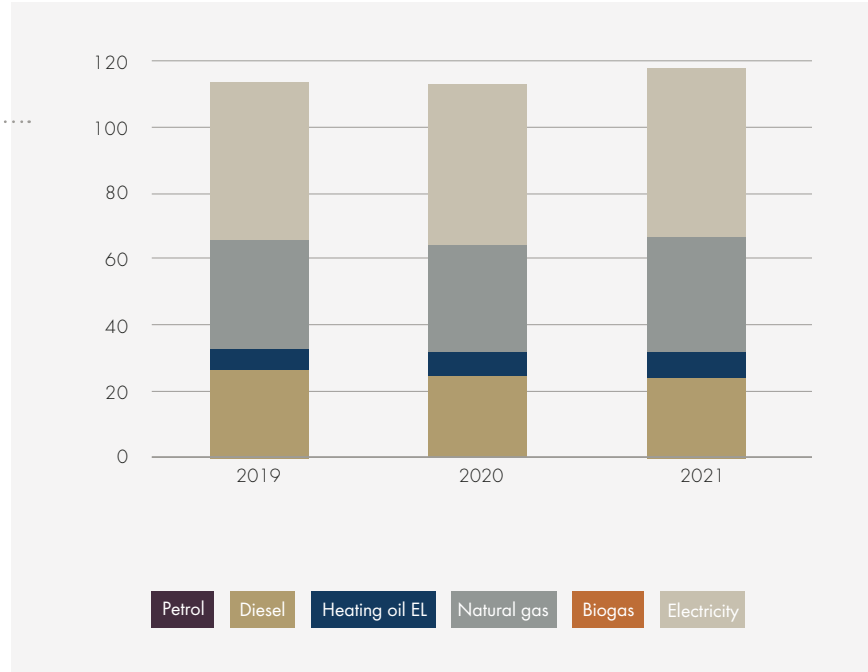


Fig. 17 Energy consumption at V-ZUG by energy source (in terajoules)

Transparent reporting

In 2021, V-ZUG compiled operational life cycle assessments at Zug, Arbon and Changzhou for the first time. "Now we know the impact our production operations are having on the environment," explains Operations Project Manager Marta Bribian. The new life cycle assessments are based on consumption figures from 2020 and 2021. Together with the product life cycle assessments, we will in future be quantifying all the environmental impacts that our production processes, products and services cause throughout their entire life cycle. "We are using an integrated method for this, in order to be more resource-efficient," says Environmental Manager Manuela Schneider-Hirth.

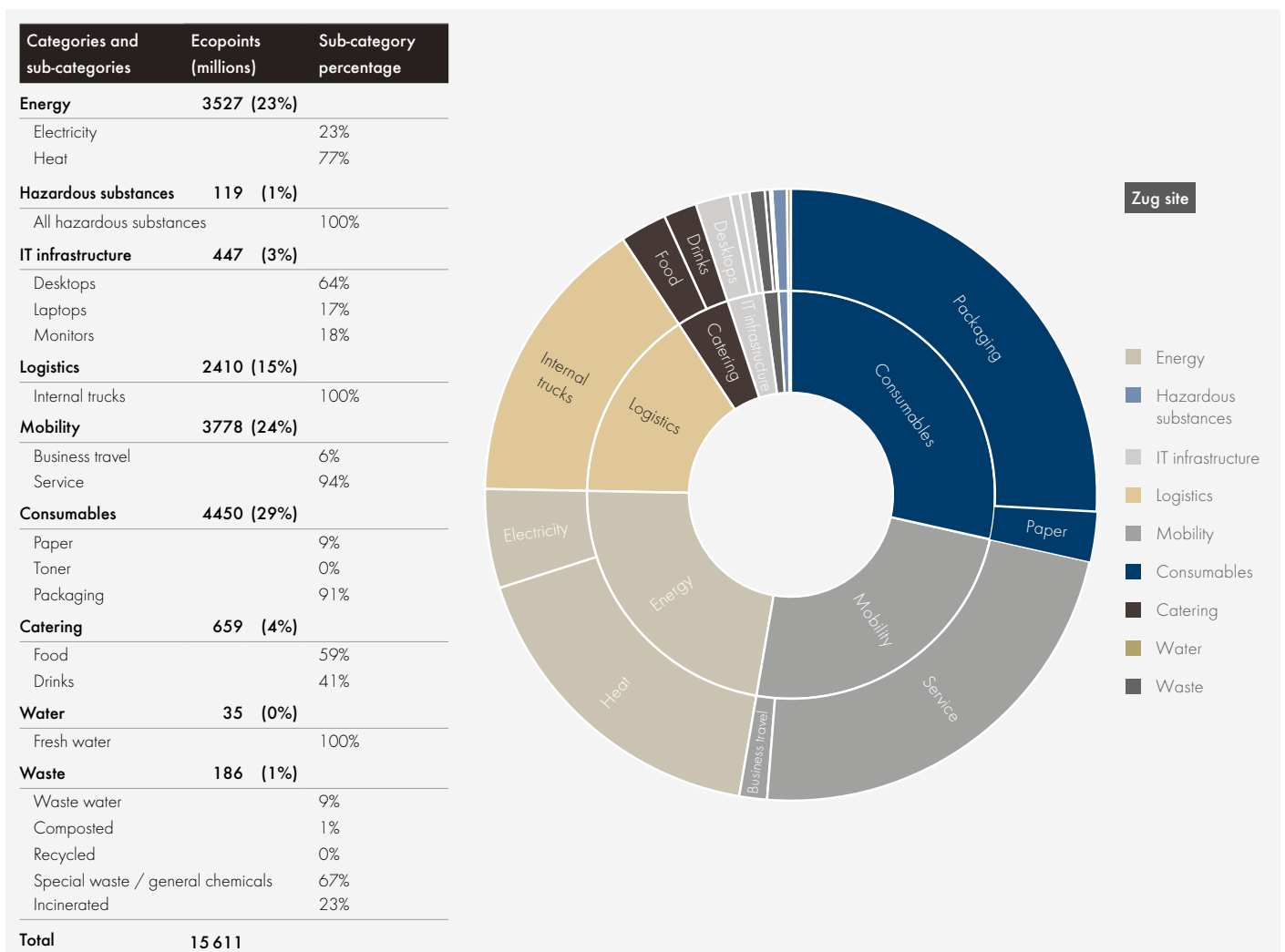


Fig. 18 Operational life cycle assessment for Zug site (headquarters), 2021

The key objective of environmental reporting is transparency. "For instance, we were very surprised at the resource consumption of packaging material," recounts Jason Zhou, General Manager at V-ZUG Special Components. Because the material used is classed as packaging at one location but as waste at another, possible improvements will carry twice as much weight. With the help of the operational life cycle assessments, we can illustrate the effect of environmental measures across all categories, such as energy, mobility and logistics, in a fact-based manner. The software used for environmental reporting can also evaluate the use of alternative materials, which will benefit sustainable decision-making. "In 2021, we drew up binding sustainability targets. In our strategies, projects and measures, we will in future focus even more closely on reducing our environmental footprint, ideally decoupled from operational growth," asserts Marcel Niederberger, Head of Sustainability at V-ZUG.



“With product and operational life cycle assessments, we are delighted to be able to provide V-ZUG with a new tool. We are convinced that V-ZUG will successfully incorporate the knowledge gained into the decision-making process, thereby optimizing its development and production processes.”

Mischa Zschokke, Senior Partner, Carbotech AG

Energy from the sun and the ground

For V-ZUG Kühltechnik AG, it was time to pack their boxes in 2021. In the reporting year, we progressively moved into the new Buran building in Sulgen, which was completed in 2020. Moving into a production facility is rather more complex than moving house: “We couldn’t just finish production in Arbon and resume it in Sulgen from one day to the next,” explains Andreas Albrecht, CEO of V-ZUG Kühltechnik AG. Instead, it was a case of a parallel shut down and start up over several months.

But what’s different about the new site? “Our main focus was on temperature regulation,” explains Björn Weiss, project manager for the new building in Sulgen. The centrepiece is a groundwater well. Using a highly efficient heat pump, we can cover more than 95 percent of our heating requirements carbon-neutrally. We only have to use gas heating to tide us over in longer periods of cold weather with freezing temperatures. And what happens if it gets too hot around the fridges? “Instead of using air conditioning, we use cooling,” stresses Weiss. “So in summer we use the groundwater directly and feed it into the radiators”. That way, we cool down the production facilities and offices on hot days without consuming any additional energy. Under optimal conditions, we can meet our energy requirements for heating and lighting using the 537 kWp photovoltaic system on the roof.

But changes are evident inside the unusually light building as well. Because we are now only operating in a single hall, our flow of materials is completely linear. That means that the fridges move from one side of the hall to the other, and travel virtually no distance at all between the individual stages of production. So we no longer need to use forklift trucks inside the building. At the end of March 2022, the plant at Sulgen will be fully operational, “then we can finally bring the entire building to life,” declares Weiss delightedly.



Björn Weiss, Project Manager for the new building at Sulgen, on the roof of the production facility

Smaller environmental footprint despite growth

“I don’t use the term ‘flagship project’ lightly,” says Tobias Frei, Project Manager for the multi-energy hub (MEH) at Tech Cluster Zug, “but a site development with an integrated energy solution of this magnitude is, in my opinion, unique in Switzerland.” From 2022 onwards, the MEH will supply Tech Cluster Zug with heating, cooling and renewable energy, by intelligently linking the different energy sources. The MEH will be operated by a joint venture between WWZ AG and Tech Cluster Zug AG (Metall Zug Group).

We installed the MEH energy hub in autumn 2021 in the existing ZUGgate warehouse building. In future, two heat pumps there will control the energy flows from internal waste heat, the cooling and heating requirements of processes and buildings, and the Circulago lake water consortium. They will also store excess energy in the groundwater. Once it is connected to the site network, the new energy supply system will enable us to decouple operational growth from our environmental footprint. A comparison of the ecological assessments for 2020 and 2033 has shown that growth-related energy consumption will increase by 60 percent, while the environmental footprint will be reduced by 27 percent.

In this forecast, we replaced the environmental impact of our current energy sources by those of the MEH. “So we can quantify the different environmental impacts of the future heat pumps and today’s natural gas heating, for example,” explains Carina Heuberger, Coordinator for Lean Management and Strategic Projects.

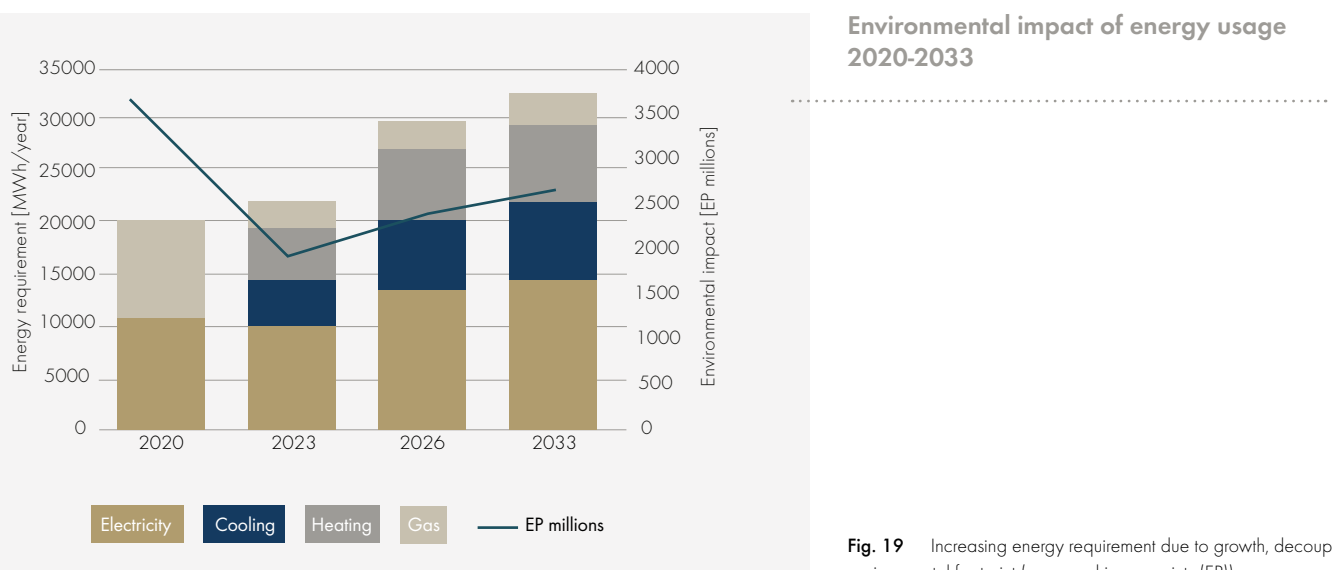


Fig. 19 Increasing energy requirement due to growth, decoupled from environmental footprint (measured in ecopoints (EP))



Installation of power facilities for the Multi Energy Hub in the existing "ZUGgate" warehouse building



Contribution to SDGs 7, 9, 12 and 13

Climate change, environmental pollution and loss of biodiversity are global problems that affect us all. For the Tech Cluster Zug, V-ZUG is quite literally turning production upside down and reducing its ground footprint. The use of ecological construction solutions is creating innovative, sustainable workplaces. With pioneering projects such as the MEH, we want to send out a strong signal and make an impact. In Zug and in Sulgen, we are increasingly using renewable energy. At the same time, we are optimizing our processes and machinery,

in order to manufacture V-ZUG appliances energy-efficiently and resource-efficiently. An internal CO₂ levy provides specific incentives for this. We are offsetting our remaining CO₂ emissions, and the offsetting contributions are helping to plant trees as part of V-Forest, our own forestry project. This growing forest is removing CO₂ from the atmosphere and sequestering it long term. At the same time, it is helping to restore and boost biodiversity in the long term in a region that has been badly affected by deforestation.

Entrepreneurship
for sustainable
prosperity



Since the founding of Verzinkerei Zug in 1913, our company has been firmly rooted in Zug society. Not only do we take our corporate responsibility seriously when it comes to our employees, we also put it into practice in our relationships with our neighbours, civil society and the authorities. V-ZUG is making future-oriented investments in its location, thereby sustainably strengthening the economic ecosystem. Our business relationships are founded on principles of ethical governance, focusing on integrity, quality and sustainability. And we are convinced that economic success and sustainable development go hand in hand. Only by flourishing in the long term can V-ZUG make the greatest possible contribution to society.

New standards for Zug and V-ZUG

Our company has a vital interest in an innovative site in Zug and in a future-oriented Swiss economy. V-ZUG is therefore determined to be a leading light in the sustainable transformation of the local workplace. Our investments also bear witness to this fact. In the past three years, we have invested over CHF 50 million per year in new fixed assets, particularly production facilities and buildings. The centrepiece is the transformation of the original Zug site in collaboration with Tech Cluster Zug (Metall Zug Group). With state-of-the-art factory and working spaces, an integrated mobility strategy plus environmentally friendly and affordable housing in the planned avant-garde timber house "Project Pi", the Tech Cluster can be likened to a "laboratory" for sustainable living and working ("Planning and building for the future", page 65). The hall built from Swiss wood on the upper floor of the "Zephyr Hangar" building filled up with production equipment during the reporting year. Construction work also started on the "Zephyr East" assembly building scheduled for 2023, which will be built partly from recycled concrete. This will optimize the logistics and manufacturing processes, and complete uninterrupted vertical production at the Zug site. Since summer 2021, operations have also gradually commenced in the new refrigerator factory building in Sulgen, in the canton of Thurgau ("Energy from the sun and the ground", page 56). As our company's success has always been closely linked with the strengths of our Swiss locations, we want to safeguard these locations in the long term with further investments. Over the coming years, V-ZUG has plans for additional capital investments likely to total around CHF 50 million per year.

Multifaceted commitment

Our understanding of corporate responsibility is broad. Alongside our core business, we support a society that is fit for the future in many different ways. For instance, the investment strategy of our own V-ZUG pension fund, which manages capital of over CHF 700 million, factors in carbon-neutral and “low carbon” investments, the reduction of climate risks and additional ESG issues. It is compatible with the widely regarded SVVK – ASIR exclusion list, and is checked against MSCI’s ESG ratings each year. As a result, we support investments in sustainable fields of business, from which society as a whole benefits. In addition, we regularly sponsor cultural and sporting events (“Our commitment”) At Tech Cluster Zug, we are creating new public interaction zones and green spaces. We also support civic and non-profit organizations that are active in the region. In the reporting year, several employees implemented a social project as part of our talent programme. This project also acted as a pilot for new business models in the field of circular economy (“Refurbishing appliances for a good cause”, page 66). And finally, with our V-ZUG products we help customers to have healthier and more sustainable eating habits (“A food coach for sustainable consumption”, page 30).

Integral value creation

V-ZUG’s supplier network is of strategic significance. Around 60 percent of our suppliers are based in Switzerland, and another 30 percent or so are located in nearby European countries. We obtain most of our electronics components from highly specialized markets in Asia. Through our international procurement office in Shanghai, we are in direct contact with these suppliers, which is helpful, not least during the turmoil of the COVID pandemic. V-ZUG’s supplier management is based on its procurement strategy, which follows clear quality and sustainability standards. We consider the inclusion of a supplier into our portfolio to be an investment. The onboarding process for each supplier entails self-assessments, confidentiality agreements, obtaining financial information and, if applicable, conducting pre-audits. We take our responsibility within the entire chain seriously and, together with our suppliers, endeavour to regularly monitor and improve their ESG and compliance performance. When selecting and auditing suppliers, we take account of social and



environmental factors such as working conditions, the use of reusable packaging and geographical proximity. We have a zero-tolerance attitude towards forced labour and child labour ("Together we are strong", page 68). Via regular audits, most of which we conduct ourselves, we check whether our requirements are being adhered to. In 2021, due to pandemic-related travel restrictions, we depended on the services of leading audit and certification provider SGS for audits abroad. If our standards are not adhered to, we draw up action plans together with our suppliers. These joint efforts generate trust and form resilient partnerships. In the future, we want to strengthen strategic supplier relations and further consolidate our network. Based on our Code of Conduct, we are currently drawing up a supplier code.

Value-based business operations

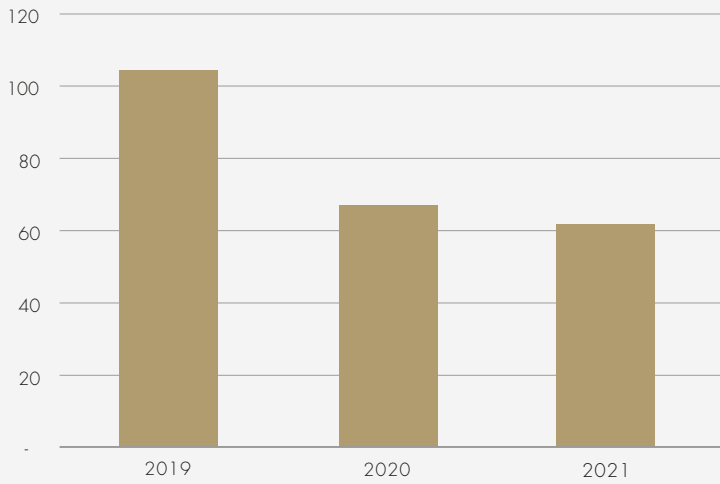
Our business activities are always guided by strong core values. We firmly believe that we can only achieve sustainable, long-term value creation as well as excellence and innovation through integrity. We take responsibility, act fairly, communicate transparently and protect our customers' privacy and data in accordance with current legal regulations. V-ZUG's core values are laid down in its *Code of Conduct*, which is binding for all employees, including members of the Board of Directors. Particularly during our strategic transformation, this set of values serves as a guiding light. We all have a duty to live out our vision, mission and core values, both internally and externally. To ensure the Code of Conduct is observed, we conduct training sessions for managers. Employees must report improper behaviour to their own manager, the internal legal department or the external reporting point of the Stiftung Krisenintervention Schweiz [The Swiss Crisis Intervention Foundation]. During the reporting year, we established a partnership with them for reporting serious grievances. Such reports are always treated in confidence. Employees who make a report in good faith need not fear that this will have any negative repercussions for their employment at the company.

Targets, facts and figures

Targets	Baseline and target years	2021 results	Status	Key figures
To generate a significant two-digit EBIT margin in the medium term, in order to be able to invest sustainably and thereby maintain our future viability	Annually	EBIT margin 2020: 8.6% EBIT margin 2021: 10% See 2021 Annual Report for background and details	Achieved	EBIT margin as a percentage as per Annual Report
To achieve organic sales growth of 2-3%	Annually	Sales growth 2020: +4.7% Sales growth 2021: +9.5% See 2021 Annual Report for background and details	Achieved	Sales growth as a percentage as per Annual Report
To have audited all our key suppliers (covering at least 80% of our sales volume) in line with sustainability criteria	-; 2025	Initial target defined, tools and process under development. Specific measures from 2022 onwards Regular supplier audits conducted, including sustainability aspects. Scope reduced due to pandemic.	Initiated	Procurement volumes and number of suppliers
To account for one core element per product category, with a transparent supply chain down to the lowest possible level	-; 2025	New subject - initial target defined, tools and process under development. Specific measures from 2022 onwards	Initiated	Core element per product category

Possible statuses: Achieved, On track, Delayed, Not achieved (if new target: Initiated)

Table 6 Targets, results and status in relation to the focus topic "Entrepreneurship for sustainable prosperity"



Decline in supplier audits due to COVID-19 pandemic

V-ZUG audits its suppliers regularly. Due to our suppliers' more stringent access regulations and restricted travel during the COVID-19 pandemic, significantly fewer audits took place in 2020 and 2021.

Fig. 20 Number of supplier audits involving social and environmental criteria

Planning and building for the future

Building site for the "Zephyr East" production and assembly building



"Tech Cluster Zug is the basis upon which V-ZUG will continue to exist at its historic site in the long term, with economic success and while using resources efficiently, within an ecosystem of innovative companies and services," concludes Beat Weiss, CEO of Tech Cluster Zug AG. Under his leadership, the industrial district of Zug will be structurally transformed, with a focus on holistic solutions. "When we are planning and building, we are constantly fathoming out where and how we can take the next step towards a world that is fit for the future. That's the only way to stay ahead of the game," declares Weiss, whether it be in infrastructure, operations, mobility, or in planning and constructing buildings.

To achieve long-term improvements, just a few principles apply for on-site construction: the buildings are designed compactly, without making any architectural compromises. The preferred material for the framework is timber. Concrete, which is a resource-intensive and emission-intensive building material, will either be replaced by other materials or manufactured more resource-efficiently. The largest construction project in Switzerland to date in which CO₂-enriched concrete and high-quality recycled concrete will be used is the new "Zephyr East" production and assembly building.

Tech Cluster Zug is a networked location for innovation, production, education and living, right in the middle of the town. This orientation suits V-ZUG, and it is one of a kind in Switzerland. Thanks to the Cluster's attractive allure, Weiss has some strong reasons why other ambitious companies should move in too. There is a good chance that this "laboratory", as Weiss calls it, will gradually and astutely develop into a pioneering showcase district.

Refurbishing appliances for a good cause

Appliances that are returned to our technicians as a result of early exchanges are usually recycled appropriately. In line with our commitment to greater sustainability, we wondered how we could continue to use the resources tied up in our appliances for longer before they were recycled. So as part of our 2021 talent programme, three employees got to grips with the subject of the circular economy. "As a team, we looked at the idea of refurbishing returned appliances and donating them to a local social or non-profit organization," explains Mauro Odoni, Head HR Business Partner and HR Services at V-ZUG.



Delivering and installing the refurbished fridge at the Bad Knutwil Youth Centre

Consequently, two V-ZUG service technicians refurbished a CombiCooler V4000 refrigerator in the "Refurbishment for charity" project, and in November 2021 they delivered it to the Bad Knutwil Youth Centre. For almost a hundred years, this social institution been implementing civil and criminal measures for young men with behavioural problems - and helping them to live independent lives.

Everyone involved was delighted with the successful donation. The youngsters now have an appliance with lots of room for their food. And the V-ZUG project team is satisfied too. "While working together, we've learned a lot from each other and about the market in used appliances. It absolutely makes sense to recycle second-hand models by giving them a second life," explains Odoni. The "Refurbishment for charity" project will therefore continue in 2022 and be expanded to become a business model.



"I really appreciate the fact that this project has come about. For us as a social institution finances can be tight, so we're especially pleased that V-ZUG has chosen to support us. It's a huge help for us."

Gilbert Henzen, Head of the Bad Knutwil Youth Centre

“Together we are strong”

Since the outbreak of the COVID pandemic, Virginie Erny, Head of Procurement at V-ZUG, and her team have faced particular difficulties. In light of these unprecedented challenges, her department’s motto became “Make the impossible possible”. The aim was to maintain the security of production and supplies despite global supplier bottlenecks – while adhering to sustainability standards. Once again, V-ZUG’s long-standing supplier relationships are paying off. “Although we had to adapt our production schedules, we never had to interrupt production,” says Erny.

Alongside tried and tested partnerships, integrated risk management is key for procurement – as it is for sustainability too. So V-ZUG introduced two new tools in the reporting year. Firstly, the service provider *riskmethods* is giving us real-time information about the possible ESG risks of suppliers. This allows us to carry out proactive supplier management. Thanks to this warning system, we were able to take measures speedily during the pandemic, such as when we anticipated supply bottlenecks in China. Secondly, we want to supplement our audits with a solution provided by *IntegrityNext*. This platform offers customer-specific reviews of suppliers relating to sustainability and compliance. For example, we can determine how they deal with conflict minerals, hazardous chemicals, energy and adherence to the EU RoHS guideline. Combined with the monitoring of critical messages on social media, systematic supplier self-assessments help to provide greater transparency. In 2021, a questionnaire was developed that we have rolled out in a pilot involving 50 key suppliers in the first quarter of 2022. “This approach will help us to develop strategic supplier relationships and achieve our sustainability ambitions,” explains Erny.



Contribution to SDGs 8, 9 and 12

Innovative solutions are the drivers for our future viability. We are purposefully boosting our internal innovative energy and strengthening it with external partnerships. This is also illustrated in the fact that we are investing in a modern, resource-efficient industry. At our sites, we are developing a sustainable, integrated infrastructure in dialogue with local stakeholder groups for the benefit of society, business and the environment. We are creating attractive industrial jobs and supporting local

businesses by buying regional goods and services wherever possible. With our cooperative relations, we are promoting environmental and social standards along the entire length of the supply chain. We are also committed to a sustainable business model. Via transparent product information, we are facilitating sustainable consumption, raising customer awareness of environmental protection via our appliances, helping to reduce food waste and promoting healthy eating.

About this report

This sustainability report covers V-ZUG's significant economic, environmental and social impacts and explains our commitment to a sustainable future. The report relates to the 2021 financial year (1 January - 31 December).

The four sections "Products and services for a future-fit society", "Healthy and committed employees", "Environment and climate protection" and "Entrepreneurship for sustainable prosperity" essentially describe the key management approaches of the V-ZUG Group's three production locations. These are: V-ZUG AG, headquartered in Zug, V-ZUG Kühltechnik AG, headquartered in Arbon (in Sulgen from 2022 onwards), and the foreign subsidiary V-ZUG (Changzhou) Special Components Co. Ltd., which is based west of Shanghai. The report scope, including the key figures for 2019 to 2021, therefore comprises a total of 1,761 FTE employees (excluding temporary employees). This equates to 85% of the total number of V-ZUG Group employees which, on 31 December 2021, amounted to 2,080 FTEs (including temporary employees).

Details that relate to the Swiss market, irrespective of the organizational units, are indicated as such. This report has been prepared in accordance with the GRI Standards, "Core" option. The selection of key figures, activities and impacts portrayed has its roots in the materiality matrix ("Fig. 2, Priority sustainability topics at V-ZUG", page 16), an analysis based on the Sustainable Development Goals ("Fig. 3, V-ZUG's scope of impact in relation to SDGs", page 19) and a series of interviews with internal managers and experts conducted during the period from December 2021 to February 2022.

For the sake of legibility, in some parts of the text only the male gender is used. The information of course applies to members of both genders.

We are publishing this report for the ninth time because we see it as an important prerequisite for the ongoing systematic dialogue with our stakeholder groups. We seek to depict progress and challenges in a transparent, comprehensible and verifiable manner. We will be pleased to receive any questions or feedback via marcel.niederberger@vzug.com.

GRI index

The following GRI index is based on V-ZUG's current materiality matrix ("Fig. 2, Priority sustainability topics at V-ZUG", page 16), which it drew up in 2021 with input from external and internal stakeholders. Relevant information is presented transparently in this sustainability report and in the 2021 Annual Report, and is supplemented with additional details in the index. The following table shows the association between the relevant GRI Standards and the subjects evaluated in the materiality process, plus the top-level focus topics.

Focus topic	Subject	GRI indicator
Products and services for a future-fit society	Circular product design	GRI 301, GRI 306
	Sustainable consumption and healthy nutrition	GRI 416
Healthy and committed employees	Health and safety	GRI 403
	Developing potential and know-how management	GRI 401, GRI 404
	Diverse and inclusive culture	GRI 401, GRI 405
Environment and climate protection	Resource-efficient sites	GRI 302, GRI 303
	Logistics and mobility	GRI 305
Entrepreneurship for sustainable prosperity	Responsible and resilient supply chain	GRI 204, GRI 308, GRI 414
	Long-term corporate success as added value for society	GRI 201, GRI 203
	Business ethics and compliance	GRI 102-16, GRI 419

General details

Indicator	Description	Comment/reference
Organizational profile (2016)		
GRI 102-1	Name of the company	V-ZUG Holding AG
GRI 102-2	Key brands, products and services	See "Company profile", page 8, "Products and services for a future-fit society", page 20.
GRI 102-3	Company's headquarters	Zug, Switzerland
GRI 102-4	Name and number of countries in which V-ZUG operates or has significant operations	See "Company profile", page 8.
GRI 102-5	Ownership and legal form	Company limited by shares under Swiss law; listed on the SIX Swiss Exchange stock market
GRI 102-6	Markets supplied	<p>V-ZUG has its own sales companies or branches in Australia, Belgium (for the EU-Markets in Belgium, Germany, France, Luxembourg, Netherlands and Austria), China, United Kingdom, Hong Kong and Singapore. V-ZUG products are also available via distributors in Israel, Italy, Lebanon, Russia, Turkey, Ukraine, the USA and Vietnam. V-ZUG serves a total of 20 markets including Switzerland, its home market.</p> <p>Sectors supplied: private customers, specialist retailers, property management companies and real estate owners.</p> <p>Types of customers and beneficiaries: V-ZUG's products are sold on the one hand through the trade. The trade sells them to installers and presents them in various settings including showrooms, where end consumers can obtain information about the products. V-ZUG also operates 16 exhibition and advisory centres (known as ZUGORAMAs) worldwide. In addition to commercial firms and kitchen designers, key customer groups primarily include property management companies and real estate owners, as well as their agents (such as architects and general contractors). Private customers purchase V-ZUG appliances via specialist retailers, kitchen designers, general contractors and architects.</p>
GRI 102-7	Size of the business	<p>Number of employees (incl. temporary employees): 1867 (reporting date: 31 December 2021 for V-ZUG AG, V-ZUG Kühltechnik AG and V-ZUG (Changzhou) Special Components Co. Ltd.)</p> <p>Organizational structure and number of companies: see 2021 Annual Report, page 10</p> <p>Net sales: see 2021 Annual Report, page 68</p> <p>Products and services: see "Company profile", page 8, and "Products" on the website</p>

Indicator	Description	Comment/reference
GRI 102-8	Information about employees	<p>Number of employees by type of employment contract</p> <ul style="list-style-type: none"> ▪ Permanent employees: 1761 ▪ Temporary employees: 106 <p>Number of permanent employees by employment type</p> <ul style="list-style-type: none"> ▪ Full-time employees: 1503 ▪ Part-time employees: 258 <p>Number of employees by gender:</p> <ul style="list-style-type: none"> ▪ Number of female employees: 382 ▪ Number of male employees: 1379 <p>Number of employees by region:</p> <p>V-ZUG AG:</p> <ul style="list-style-type: none"> ▪ Employees from Switzerland: 1216 ▪ Employees from abroad (EU): 210 ▪ Employees from non-EU countries: 162 <p>V-ZUG Kühltechnik AG:</p> <ul style="list-style-type: none"> ▪ Employees from Switzerland: 40 ▪ Employees from abroad (EU): 75 ▪ Employees from non-EU countries: 21 <p>V-ZUG (Changzhou) Special Components Co. Ltd.</p> <ul style="list-style-type: none"> ▪ Employees from Switzerland: 0 ▪ Employees from abroad (EU): 0 ▪ Employees from non-EU countries: 37 <p>These key figures relate to permanent employees at V-ZUG AG, V-ZUG Kühltechnik AG and V-ZUG (Changzhou) Special Components Co. Ltd. as at the reporting date: 31 December 2021. A second-level categorization by gender is not currently carried out.</p> <p>See "Healthy and committed employees", page 32.</p>
GRI 102-9	Description of supply chain	See "Entrepreneurship for sustainable prosperity", page 59, and GRI 102-6 on distribution channels.
GRI 102-10	Significant changes to the size, structure or ownership of the company	<p>In June 2020, the V-ZUG Group broke away from the Metall Zug Group, and was simultaneously listed on the SIX Swiss Exchange. Metall Zug AG retains around 30% of V-ZUG Holding AG shares and remains an anchor shareholder.</p> <p>See "Spin-off and listing" on the website.</p>

Indicator	Description	Comment/reference
GRI 102-11	Precautionary approach and precautionary principle	<p>The precautionary principle is enshrined in V-ZUG's ethical principles and management guidelines and is monitored by an integrated management system (quality, environment and occupational safety). Certifications in accordance with ISO 9001, ISO 14001 and ISO 45001 at the Zug site (incl. service centres and ZUGORAMAS in Switzerland) also contribute to the precautionary principle, in the shape of preventive measures within the company's operations.</p> <p>Published documents (accessible via website):</p> <ul style="list-style-type: none"> ▪ ISO 9001 certificate (ZUG site) ▪ ISO 14001 certificate (ZUG site) ▪ ISO 45001 certificate (ZUG site)
GRI 102-12	External initiatives	<p>V-ZUG is involved in the following partnerships:</p> <ul style="list-style-type: none"> ▪ ActionJam ▪ aha! Swiss Allergy Centre (joint venture) ▪ amk - "The Modern Kitchen" working group ▪ EEBUS ▪ Electrosuisse - Association for electrical, energy and information technology ▪ ETH Foundation ▪ Europa Forum ▪ HSLU - University of Applied Sciences Council ▪ Swiss Kitchen Association ▪ LACE - Laboratory for a Circular Economy, National Science Foundation Project 73 (project partner) ▪ MINERGIE® Switzerland (Executive Committee and Leading Partner) ▪ PWN Professional Women's Network ▪ öbu - Swiss Business Council for Sustainable Development ▪ Reffnet (Swiss Resource Efficiency Network) ▪ SENS eRecycling ▪ SIA Swiss Society of Engineers and Architects ▪ Suissetec ▪ Swiss Triple Impact programme (STI programme) ▪ Switzerland Innovation Park Central ▪ ifz - Technologie Forum Zug (Executive Committee) ▪ Zug Chamber of Commerce, member ▪ Zurich Chamber of Commerce <p>At its production facilities in Zug, V-ZUG AG works with the zuwebe Foundation, enabling people with disabilities to integrate into the work process. V-ZUG Kühltechnik AG in Arbon has for many years maintained a partnership with Obvita, which supports the integration of people with visual disabilities and mental disorders into professional and social life. Via this collaborative initiative, a working group from Obvita regularly carries out assembly tasks at V-ZUG's refrigerator production facilities.</p>
GRI 102-13	Membership of associations and advocacy organizations	<p>V-ZUG is a member of, among others, SWISSMEM, the Swiss association for mechanical and electrical engineering industries, and the FEA (the Swiss association for household and commercial appliances). V-ZUG is represented on the executive committees of both these organizations. The company is also a member of the IG exact (Excellence in Applied Electronics and Technologies) association and economiesuisse.</p>

Indicator	Description	Comment/reference
Strategy (2016)		
GRI 102-14	Statement from the company's senior decision-maker on the importance of sustainability for strategy and the organization.	See editorial "Step by step towards greater sustainability", page 5.
Ethics and integrity (2016)		
GRI 102-16	The organization's values, principles, standards and norms of behaviour	<p>V-ZUG's key mission statements, codes of conduct and principles are:</p> <ul style="list-style-type: none"> ▪ The Code of Conduct of the V-ZUG Group (accessible via website), including guidelines for ethical business decisions The Code of Conduct is available in six languages and is signed by all employees. ▪ Vision, mission, core values (accessible via website) ▪ Principles of collaboration ▪ Terms of Employment ▪ Annex 1 of the Terms of Employment (ethical principles) ▪ ISO 9001, 14001 and 45001 certificates (including annexes, accessible via website) ▪ EU General Data Protection Regulation ▪ Swiss Data Protection Act ▪ Internal competency model
GRI 102-17	Mechanisms for advice and concerns about ethics	<p>Employees who believe in good faith that certain behaviour violates our Code of Conduct have a duty to report such behaviour to their manager or, ultimately, to the legal department (compliance@vzug.com).</p> <p>Such reports are treated in confidence. Employees who report in good faith a potential violation of the Code of Conduct need have no fear that reporting their suspicions will have negative repercussions for their employment at the company.</p>

Indicator	Description	Comment/reference
Corporate management (2016)		
GRI 102-18	Management structure	<p>The Board of Directors of the V-ZUG Group has an audit committee and a human resources and compensation committee (details under "Corporate Governance" on the website).</p> <p>The Executive Committee's operational management structure is made up of the following departments (details under "Executive Committee" on the website):</p> <ul style="list-style-type: none"> ▪ CEO V-ZUG Group: Digital Transformation, Sustainability ▪ International Department: Market Subsidiaries, Distributors, OEM Business ▪ Finance Department: Group Finance and Controlling, Business Controlling, Legal and Compliance ▪ Sales and Service Department: Market Switzerland, Global Service and Support, Market Project Management Office Marketing Controlling, Marketing Services Switzerland ▪ Operations Department: Supply Chain Management, Project Management, Global Quality Management, Industrial Engineering, Cross Product Manufacturing, Manufacturing, Procurement, Infrastructure and Maintenance ▪ Engineering Department: Innovation/Services and Technology, Engineering Appliances, Engineering Electronics/SW and Shared Services, Strategic Industrial Engineering, Corporate Design ▪ Human Resources Department ▪ Marketing Department: Global Product Management, Global Marketing and Communications, Communications Process Center, Global Commercial Excellence <p>Committees responsible for decision-making on environmental and social topics:</p> <ul style="list-style-type: none"> ▪ Executive Committee ▪ "V-ZUG Sustainability Workforce" working group led by the Head of Sustainability ▪ Internal Auditors for Quality, Environment and Occupational Safety
Stakeholder engagement (2016)		
GRI 102-40	List of stakeholder groups	<p>The stakeholder groups engaged in the 2021 materiality process were: end customers, sales partners, suppliers, investors and stakeholders from the fields of research, finance and politics. Also internal stakeholders such as employees, management and the Board of Directors. The materiality matrix that resulted from the consultation ("Fig. 2, Priority sustainability topics at V-ZUG", page 16) forms an important basis for reporting.</p> <p>See also GRI 102-43.</p>

Indicator	Description	Comment/reference
GRI 102-41	Collective bargaining	<p>All employees in Switzerland are subject to the collective employment agreement (CEA) of the Association of Swiss Engineering Employers (ASM). The current CEA was revised as scheduled on 1 July 2018 and is valid for five years, until 30 June 2023. The employers' associations Angestellte Schweiz, Unia, Syna, Swiss Association of Commercial Employees, Schweizer Kader Organisation (SKO) and the ASM are involved as negotiation partners.</p> <p>It is important for V-ZUG that employees represent their interests and can participate in the company's development. According to the CEA, the employee representative body represents the interests of the workforce to HR and the Executive Committee, and works to ensure the CEA provisions are adhered to. It also wants to promote trusting collaboration between the Executive Committee and employees, helps to create attractive working conditions and acts as a contact and advisory point for differences of opinion. The members of the employee representative body are elected in predefined electoral groups by all employees up to management level 2.</p>
GRI 102-42	Identifying and selecting stakeholders	<p>The key stakeholder groups were defined in dialogue with internal departments. To achieve broad-based support for our materiality process, we consulted 68 representatives of V-ZUG's central stakeholders in an online survey. These included the Board of Directors, Executive Committee, employees, customers, partners, suppliers, banks and investors, along with representatives from politics and academia.</p>
GRI 102-43	Approach for engaging stakeholders	<p>V-ZUG's stakeholders are engaged as follows:</p> <ul style="list-style-type: none"> ▪ Customers: Customer surveys, customer contact (around 300 service technicians in field sales and customer service), customer magazine ("ZugerRötel" in the Swiss market, "V-ZUG Inspirations" in international markets), guided tours of the Zug manufacturing facilities. In order to experience the wide variety of product functions, free appliance demonstrations are additionally offered by V-ZUG customer advisors. ▪ Employees: Employee survey, "BLUEline" employee magazine, intranet and Yammer (internal social media platform); specialist internal communication unit and various central and local functions (including human resources, legal and compliance, and management) ▪ Investors/shareholders: General Meetings of Shareholders, Annual Report, investor roadshows ▪ Suppliers: Supplier audits ▪ Sales partners: Annual product presentation and various symposiums, Swissbau and other trade fairs (it was not possible to hold many trade fairs in 2021 due to the COVID-19 pandemic; symposiums were held online) ▪ Trade unions: Within the context of the collective employment agreement (CEA) ▪ Media: Information provided by Corporate Communications & Investor Relations ▪ Research and education: Board activities (e.g. on the board of the MINERGIE association), lecturing activities by senior executives, participation in working groups with educational institutions, advisory board of the WERZ institute for knowledge, energy and raw materials in Zug (see GRI 102-12). ▪ See also GRI 102-40 <p>In order to experience the wide variety of product functions, free appliance demonstrations are additionally offered by V-ZUG customer advisors.</p> <p>See also "GRI 102-40", page 75.</p>
GRI 102-44	Important matters and concerns expressed	<p>None.</p> <p>See "Materiality matrix", "Fig. 2, Priority sustainability topics at V-ZUG", page 16.</p>

Indicator	Description	Comment/reference
Reporting procedure (2016)		
GRI 102-45	Scope of report	<p>The Annual Report includes all companies of the V-ZUG Group held directly or indirectly by V-ZUG Holding AG (see Annual Report 2021, page 93)</p> <p>Unless otherwise stated, the sustainability report covers the following three companies: V-ZUG AG, V-ZUG Kühltechnik AG and V-ZUG (Changzhou) Special Components Co., Ltd. (see "About this report", page 69).</p>
GRI 102-46	Procedure for defining report content and topic boundaries	<p>In the reporting year, we refined our sustainability priorities. As a first step, the Sustainability Workforce revised the list of potentially relevant sustainability topics. We then combined these 11 topics into four priority areas, and consolidated them to form groundbreaking focus topics. These provide the structure for our reporting. To achieve broad-based support for our materiality process, we consulted 68 representatives of V-ZUG's central stakeholders in an online survey. These included the Board of Directors, Executive Committee, employees, customers, partners, suppliers, banks and investors, along with representatives from politics and academia. The results were subsequently discussed and finalized with selected members of the Executive Committee and the Board of Directors. Here too, we based our deliberations on the findings of our life cycle and CO₂ assessments. We then drew up an appropriate materiality matrix (see "Fig. 2, Priority sustainability topics at V-ZUG", page 16).</p> <p>See "Company profile", page 8 and GRI 102-48.</p>
GRI 102-47	List of material topics	See "Company profile", page 8.
GRI 102-48	Restatements of information	<p>Whereas in the previous report, we compared "relevance from a stakeholder perspective" with "relevance from V-ZUG's perspective", we are now comparing "relevance from a stakeholder perspective" with "impact on the environment, society and the economy".</p> <p>The revised materiality matrix (see GRI 102-46) has made our focus topics more future-oriented. This is particularly apparent in the focus topic "Products and services for a future-fit society", with its subjects of "Circular product design" and "Sustainable consumption and healthy nutrition".</p> <p>In 2021, we set ourselves specific targets for 2030 for the four focus topics, and illustrated these in a 2025 roadmap with tangible measures and key performance indicators. An overview of the specific targets and results can be found under "Targets, facts and figures" in each of the sections.</p> <p>See "Company profile", page 8.</p>
GRI 102-49	Changes in reporting	No significant changes were made during the reporting period. Adjustments to the emphasis of the content are explained in GRI 102-46 and GRI 102-48. This resulted in the following GRI indicators being supplemented: GRI 102-17, GRI 204, GRI 303 (2018) and GRI 306 (2020).
GRI 102-50	Reporting period	1 January 2021 to 31 December 2021, reporting date: 31 December 2021
GRI 102-51	Date of most recent report	29 April 2021
GRI 102-52	Reporting cycle	Annual

Indicator	Description	Comment/reference
Reporting procedure (2016)		
GRI 102-53	Contact point for questions regarding the report	Marcel Niederberger, marcel.niederberger@vzug.com (Head of Sustainability)
GRI 102-54	Claims of reporting in accordance with the GRI Standards	V-ZUG's 2021 Sustainability Report was drawn up in accordance with the GRI Standards, "Core" option.
GRI 102-55	GRI content index	This index contains references to the relevant information and data in the report. The version (year) of the GRI Standards upon which the details are based is noted at a suitable point.
GRI 102-56	External assurance	The 2021 Sustainability Report has not been externally audited.

Specific details

Aspect	Indicator	Description	Comment/reference
Economy			
Economic performance GRI 201 (2016)	GRI 103-1 to 3	Management approach disclosures	See "Company profile", page 8.
	GRI 201-1	Direct economic value generated and distributed	See "Financial Report", 2021 Annual Report (page 68 ff).
Indirect economic impacts GRI 203 (2016)	GRI 103-1 to 3	Management approach disclosures	See "Company profile", page 8, "Entrepreneurship for sustainable prosperity", page 59 and on the website.
	GRI 203-1	Infrastructure investments and services supported	V-ZUG invests via various projects and partnerships in its production facilities and a sustainable, integrated infrastructure, particularly at its main site in Zug (see Tech Cluster Zug) and with the new building for V-ZUG Kühltechnik AG in Sulgen. See "Environment and climate protection", page 45, "Entrepreneurship for sustainable prosperity", page 59, and segment report for "Real Estate", 2021 Annual Report, page 26.
Procurement practices GRI 204 (2016)	GRI 103-1 to 3	Management approach disclosures	See "Company profile", page 8 and "Entrepreneurship for sustainable prosperity", page 59. Published documents (accessible via website): <ul style="list-style-type: none"> ▪ V-ZUG Group Code of Conduct
	GRI 204-1	Proportion of spending on local suppliers	Around 60 percent of our suppliers are based in Switzerland, and another 30 percent or so are located in nearby European countries. We obtain most of our electronics components from highly specialized markets in Asia.

Aspect	Indicator	Description	Comment/reference																												
Environment																															
Materials GRI 301 (2016)	GRI 103-1 to 3	Management approach disclosures	<p>See "Products and services for a future-fit society", page 20 and "Environment and climate protection", page 45.</p> <p>Maintaining an intact environment is what motivates us to continually improve our products and processes, use resources sparingly and minimize emissions. V-ZUG's organization and its strategy uncompromisingly support adherence to all applicable laws and regulations in order to safeguard the environmental management system. As well as adhering to all applicable laws, regulations and the ISO 14001 standard (at the Zug site), the environmental management system ensures that environment-related activities are carried out systematically, effectively and in a targeted manner. Numerous supporting processes and specification documents have been drawn up and stored. Subjects such as hazardous goods, dealing with hazardous substances, environmental protection and ensuring RoHS and REACH conformity are therefore documented and ongoing training takes place.</p> <p>Published documents (accessible via website):</p> <ul style="list-style-type: none"> ISO 14001 certificate (ZUG site) 																												
	GRI 301-1	Materials used by weight or volume	<p>Materials used by type (in tonnes):</p> <table border="1"> <thead> <tr> <th>Type of material</th> <th>2019</th> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>Iron</td> <td>6405</td> <td>6884</td> <td>7426</td> </tr> <tr> <td>Stainless steel</td> <td>1796</td> <td>1537</td> <td>1755</td> </tr> <tr> <td>Aluminium</td> <td>171</td> <td>196</td> <td>229</td> </tr> <tr> <td>Non-ferrous metal</td> <td>80</td> <td>87</td> <td>94</td> </tr> <tr> <td>Oils, fats, lubricants</td> <td>24</td> <td>24</td> <td>21</td> </tr> <tr> <td>Hazardous substances</td> <td>430</td> <td>459</td> <td>516</td> </tr> </tbody> </table>	Type of material	2019	2020	2021	Iron	6405	6884	7426	Stainless steel	1796	1537	1755	Aluminium	171	196	229	Non-ferrous metal	80	87	94	Oils, fats, lubricants	24	24	21	Hazardous substances	430	459	516
Type of material	2019	2020	2021																												
Iron	6405	6884	7426																												
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Hazardous substances	430	459	516																												

Aspect	Indicator	Description	Comment/reference																							
Energy GRI 302 (2016)	GRI 103-1 to 3	Management approach disclosures	See "Environment and climate protection", page 45.																							
	GRI 302-1	Energy consumption within the organization	Absolute energy consumption in terajoules: <table border="1"> <thead> <tr> <th>2019</th> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>113.5</td> <td>113.2</td> <td>117.4</td> </tr> </tbody> </table> <p>See "Targets, facts and figures", page 50 in "Environment and climate protection".</p>	2019	2020	2021	113.5	113.2	117.4																	
	2019	2020	2021																							
113.5	113.2	117.4																								
GRI 302-3	Energy intensity	See "Targets, facts and figures", page 50 in "Environment and climate protection".																								
Water and waste water GRI 303 (2018)	GRI 103-1 to 3	Management approach disclosures	See "Products and services for a future-fit society", page 20 and "Environment and climate protection", page 45. Published documents (accessible via website): <ul style="list-style-type: none"> ISO 14001 certificate (ZUG site) Environmental policy (Zug site) 																							
	GRI 303-3	Water withdrawal	Water withdrawal by site in megalitres: <table border="1"> <thead> <tr> <th></th> <th>2019</th> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>Zug</td> <td>25.4</td> <td>26.9</td> <td>29.3</td> </tr> <tr> <td>Arbon</td> <td>14.2</td> <td>19.1</td> <td>19.5</td> </tr> <tr> <td>Sulgen</td> <td>-</td> <td>-</td> <td>0.4</td> </tr> <tr> <td>Changzhou</td> <td>0.3</td> <td>0.5</td> <td>0.4</td> </tr> <tr> <td>Total</td> <td>39.9</td> <td>46.5</td> <td>49.6</td> </tr> </tbody> </table> <p>The water withdrawn is equivalent to the water fed back.</p>		2019	2020	2021	Zug	25.4	26.9	29.3	Arbon	14.2	19.1	19.5	Sulgen	-	-	0.4	Changzhou	0.3	0.5	0.4	Total	39.9	46.5
	2019	2020	2021																							
Zug	25.4	26.9	29.3																							
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Changzhou	0.3	0.5	0.4																							
Total	39.9	46.5	49.6																							

Aspect	Indicator	Description	Comment/reference																								
Emissions GRI 305 (2016)	GRI 103-1 to 3	Management approach disclosures	See "Environment and climate protection", page 45. The CO ₂ assessments in Scope 1 and 2, and also the statement regarding carbon-neutrality at production sites, were externally validated by Swiss Climate (see Assurance Statement: Carbon Footprint and Compensation Measures).																								
	GRI 305-1	Direct GHG emissions (Scope 1)	<p>For Scope 1, the following emissions were taken into account:</p> <ul style="list-style-type: none"> Direct emissions of greenhouse gases from sources that are owned or controlled by V-ZUG. <p>Emissions in tonnes of CO₂ equivalent (Scope 1):</p> <table border="1"> <thead> <tr> <th></th> <th>2019</th> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>Petrol</td> <td>2</td> <td>2</td> <td>2</td> </tr> <tr> <td>Diesel</td> <td>1914</td> <td>1810</td> <td>1770</td> </tr> <tr> <td>Heating oil</td> <td>517</td> <td>528</td> <td>560</td> </tr> <tr> <td>Natural gas</td> <td>1851</td> <td>1829</td> <td>1957</td> </tr> <tr> <td>Total Scope 1</td> <td>4284</td> <td>4169</td> <td>4290</td> </tr> </tbody> </table> <p>See "Targets, facts and figures", page 50, and explanation of scopes for "Carbon neutrality", (Seite 47) in "Environment and climate protection".</p>		2019	2020	2021	Petrol	2	2	2	Diesel	1914	1810	1770	Heating oil	517	528	560	Natural gas	1851	1829	1957	Total Scope 1	4284	4169	4290
	2019	2020	2021																								
Petrol	2	2	2																								
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Total Scope 1	4284	4169	4290																								
	GRI 305-2	Indirect energy-related GHG emissions (Scope 2)	<p>For Scope 2, the following emissions were taken into account:</p> <ul style="list-style-type: none"> Indirect greenhouse gas emissions resulting from the generation of purchased electricity at the headquarters in Zug (V-ZUG AG) and the sites at Arbon / Sulgen (V-ZUG Kühltechnik AG) and Changzhou (V-ZUG (Changzhou) Special Components Co. Ltd.). This corresponds to the reported electricity consumption. Low-emission hydroelectric power is used at Zug and Sulgen. At Arbon, V-ZUG obtains low-emission power from nuclear sources. <p>Emissions in tonnes of CO₂ equivalent (Scope 2):</p> <table border="1"> <thead> <tr> <th>2019</th> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>247</td> <td>280</td> <td>289</td> </tr> </tbody> </table> <p>See "Targets, facts and figures", page 50, and explanation of scopes for "Carbon neutrality", (Seite 47) in "Environment and climate protection".</p> <p>Supplementary note:</p> <p>100% hydropower has been purchased for the production site at Zug for many years, in order to support the expansion of renewable energy. The CO₂ emissions are declared accordingly by certified source (market-based, in accordance with the reporting regulations of the Greenhouse Gas Protocol). The emissions factor used is composed of the direct (Scope 2) and indirect (Scope 3) emissions.</p>	2019	2020	2021	247	280	289																		
2019	2020	2021																									
247	280	289																									

Aspect	Indicator	Description	Comment/reference						
			<p>For reasons of comparability, the emissions of the power used (location-based) are also shown, based on a calculation method developed by the University of Geneva. This is based on a model that uses actual Swiss market data and an aggregated hourly load profile at the Zug site. This comparison is helpful in discussions regarding the known discrepancy between the power that is purchased and that which is actually used.</p> <p>Power consumption for Zug site: 10,809 MWh</p> <p>Emissions based on power purchased (market-based): 43 tonnes CO₂ (Factor: 4 gCO₂/kWh)</p> <p>Emissions based on power used (location-based): 1,081 tonnes CO₂ (Factor: 100 gCO₂/kWh)</p>						
	GRI 305-3	Other indirect GHG emissions (Scope 3)	<p>For Scope 3, the following emissions were taken into account:</p> <ul style="list-style-type: none"> ▪ Indirect emissions resulting from business travel by air <p>Emissions in tonnes of CO₂ equivalent (Scope 3):</p> <table border="1" data-bbox="836 1084 1484 1160"> <thead> <tr> <th data-bbox="836 1084 1034 1122">2019</th> <th data-bbox="1034 1084 1232 1122">2020</th> <th data-bbox="1232 1084 1484 1122">2021</th> </tr> </thead> <tbody> <tr> <td data-bbox="836 1122 1034 1160">178</td> <td data-bbox="1034 1122 1232 1160">69</td> <td data-bbox="1232 1122 1484 1160">29</td> </tr> </tbody> </table> <p>See "Targets, facts and figures", page 50, and explanation of scopes for "Carbon neutrality", (Seite 47) in "Environment and climate protection". V-ZUG has a positive influence on the following indirect emissions within Scope 3:</p> <ul style="list-style-type: none"> ▪ Use of V-ZUG appliances: By reducing the energy consumption of our appliances during the usage phase, we are continually reducing the resulting emissions (see "Products and services for a future-fit society", page 20) ▪ Employee commuting: With the mobility strategy at the Zug site, V-ZUG is motivating its employees to use low-emission transport ▪ Purchased products and services: By consciously selecting suppliers who are largely located in close geographical proximity, V-ZUG is reducing the emissions that are generated as a result of transportation in the supply chain (see "Entrepreneurship for sustainable prosperity", page 59) 	2019	2020	2021	178	69	29
2019	2020	2021							
178	69	29							

Aspect	Indicator	Description	Comment/reference																																										
			Screening emissions in tonnes of CO ₂ (Scope 3):																																										
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			The categories "Downstream transportation and distribution" (9), "Processing of sold products" (10), "Franchises" (14) and "Investments" (15) were not recorded because they are of minimal relevance in our context.																																										
Waste GRI 306 (2020)	GRI 306-1	Waste generation and significant waste-related impacts	See "Products and services for a future-fit society", page 20, "Environment and climate protection", page 45 and website. Published documents (accessible via website): <ul style="list-style-type: none"> Environmental policy (Zug site) 																																										

Aspect	Indicator	Description	Comment/reference																																																																
	GRI 306-2	Management of significant waste-related impacts	<ul style="list-style-type: none"> See "Products and services for a future-fit society", page 20, "Environment and climate protection", page 45 and website. 																																																																
	GRI 306-3	Waste generated	<p>Waste by type (in tonnes):</p> <table border="1"> <thead> <tr> <th>Type of waste</th> <th>2019</th> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>Waste wood</td> <td>832.8</td> <td>600.3</td> <td>688.4</td> </tr> <tr> <td>Bulky industrial/commercial items</td> <td>263.7</td> <td>216.0</td> <td>236.7</td> </tr> <tr> <td>Plastics</td> <td>67.2</td> <td>53.3</td> <td>45.3</td> </tr> <tr> <td>Scrap metal</td> <td>1632.9</td> <td>1624.9</td> <td>1866.6</td> </tr> <tr> <td>Paper/cardboard</td> <td>745.5</td> <td>505.3</td> <td>528.9</td> </tr> <tr> <td>Oils, fats, lubricants</td> <td>6.0</td> <td>9.0</td> <td>14.0</td> </tr> <tr> <td>Special waste</td> <td>13.0</td> <td>13.0</td> <td>28.0</td> </tr> <tr> <td>Returned household appliances*</td> <td>1116.4</td> <td>1086.3</td> <td>1304.8</td> </tr> <tr> <td>Other (old tyres, electrical waste, green waste)</td> <td>52.6</td> <td>26.6</td> <td>26.2</td> </tr> </tbody> </table> <p>*This figure corresponds to the number of household appliances that customers returned to V-ZUG via its own service organization. In the Swiss market (in 2021, approx. 90% of V-ZUG appliances sold were sold in the Swiss market) virtually 100% of the household appliances in circulation are returned for professional disposal (the collection rate is virtually 100%). Details regarding the collection rate and also the recycling rate are published each year in the annual report of the SENS Foundation (tasked by manufacturers to organize the return and professional recycling of electrical appliances). V-ZUG plays an active role in the SENS Foundation, and CEO Peter Spirig sits on Foundation's Board of Trustees.</p> <p>Waste by disposal type:</p> <table border="1"> <thead> <tr> <th>Type of disposal</th> <th>2019</th> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>Recycled</td> <td>76.4%</td> <td>79.7%</td> <td>79.6%</td> </tr> <tr> <td>Composted</td> <td>0.2%</td> <td>0.2%</td> <td>0.3%</td> </tr> <tr> <td>Incinerated</td> <td>23.2%</td> <td>19.7%</td> <td>19.5%</td> </tr> <tr> <td>Special waste</td> <td>0.3%</td> <td>0.3%</td> <td>0.6%</td> </tr> <tr> <td>Landfill</td> <td>0.0%</td> <td>0.0%</td> <td>0.0%</td> </tr> </tbody> </table> <p>Scrap metal and returned household appliances are recycled and waste wood is incinerated. Hazardous waste (oils, fats, lubricants and other special waste) makes up a small proportion of the waste generated, and is disposed of or recycled separately.</p>	Type of waste	2019	2020	2021	Waste wood	832.8	600.3	688.4	Bulky industrial/commercial items	263.7	216.0	236.7	Plastics	67.2	53.3	45.3	Scrap metal	1632.9	1624.9	1866.6	Paper/cardboard	745.5	505.3	528.9	Oils, fats, lubricants	6.0	9.0	14.0	Special waste	13.0	13.0	28.0	Returned household appliances*	1116.4	1086.3	1304.8	Other (old tyres, electrical waste, green waste)	52.6	26.6	26.2	Type of disposal	2019	2020	2021	Recycled	76.4%	79.7%	79.6%	Composted	0.2%	0.2%	0.3%	Incinerated	23.2%	19.7%	19.5%	Special waste	0.3%	0.3%	0.6%	Landfill	0.0%	0.0%	0.0%
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Aspect	Indicator	Description	Comment/reference												
	GRI 306-4	Waste diverted from disposal	<p>Waste by disposal type in tonnes:</p> <table border="1"> <thead> <tr> <th>Type of disposal</th> <th>2019</th> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>Recycled</td> <td>3612.9</td> <td>3297.0</td> <td>3770.3</td> </tr> <tr> <td>Composted</td> <td>8.0</td> <td>8.0</td> <td>15.1</td> </tr> </tbody> </table> <p>Main recycling partner for returned appliances: Thommen Recycling, ISO 14001-certified.</p> <p>We do not export any waste.</p>	Type of disposal	2019	2020	2021	Recycled	3612.9	3297.0	3770.3	Composted	8.0	8.0	15.1
Type of disposal	2019	2020	2021												
Recycled	3612.9	3297.0	3770.3												
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	GRI 306-5	Waste directed to disposal	<p>Waste by disposal type in tonnes:</p> <table border="1"> <thead> <tr> <th>Type of disposal</th> <th>2019</th> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>Incinerated</td> <td>1096.4</td> <td>816.1</td> <td>925.2</td> </tr> <tr> <td>Special waste</td> <td>13.0</td> <td>13.0</td> <td>28.0</td> </tr> </tbody> </table> <p>We do not dispose of any waste in landfill sites.</p>	Type of disposal	2019	2020	2021	Incinerated	1096.4	816.1	925.2	Special waste	13.0	13.0	28.0
Type of disposal	2019	2020	2021												
Incinerated	1096.4	816.1	925.2												
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Supplier environmental assessment GRI 308 (2016)	GRI 103-1 to 3	Management approach disclosures	<p>See "Entrepreneurship for sustainable prosperity", page 59</p> <p>Published documents (accessible via website):</p> <ul style="list-style-type: none"> Environmental policy (Zug site) 												
	GRI 308-2a	Number of suppliers assessed for environmental impact	See "Targets, facts and figures", page 63 in "Entrepreneurship for sustainable prosperity".												
Social															
Employment GRI 401 (2016)	GRI 103-1 to 3	Management approach disclosures	<ul style="list-style-type: none"> See "Healthy and committed employees", page 32. 												

Aspect	Indicator	Description	Comment/reference																		
	GRI 401-1	Total number and rate of newly hired employees and staff turnover	<p>Number of newly hired employees:</p> <table border="1"> <thead> <tr> <th>2019</th> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>185</td> <td>246</td> <td>258</td> </tr> </tbody> </table> <p>Rate of newly hired employees:</p> <table border="1"> <thead> <tr> <th>2019</th> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>10.8%</td> <td>14.2%</td> <td>14.7%</td> </tr> </tbody> </table> <p>Staff turnover:</p> <table border="1"> <thead> <tr> <th>2019</th> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>12.0%</td> <td>11.2%</td> <td>12.5%</td> </tr> </tbody> </table>	2019	2020	2021	185	246	258	2019	2020	2021	10.8%	14.2%	14.7%	2019	2020	2021	12.0%	11.2%	12.5%
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Occupational safety GRI 403 (2018)	GRI 103-1 to 3	Management approach disclosures	<p>See "Healthy and committed employees", page 32.</p> <p>The health and safety at work policy forms part of the management process and supports the V-ZUG organization and its strategy. Numerous processes and specification documents are stored in the internal management system. Safety management conforms with legal requirements and meets the guidelines published by the Federal Commission for Occupational Safety and also the ISO 45001 standard (Zug site). The organization actively seeks not only to meet the minimum legal requirements, but also to get employees to participate actively by involving them in work processes and promptly implementing suggestions for improvements. Internal occupational safety experts and the in-house paramedic (at the Zug site) are available to advise employees in all matters regarding health, the prevention of occupational accidents, occupational illnesses and leisure accidents. Training and campaigns are intended to motivate managers and staff to incorporate occupational health and safety into their everyday activities.</p> <p>Published documents (accessible via website):</p> <ul style="list-style-type: none"> ▪ ISO 45100 certificate (ZUG site) ▪ Policy on health and safety at work (Zug site) 																		

Aspect	Indicator	Description	Comment/reference																				
	GRI 403-9, 403-10	Work-related accidents, illnesses and lost days	<p>For accidents, we make a distinction between significant work-related accidents, minor work-related accidents and leisure accidents. No such distinction is made for illnesses when recording statistics.</p> <p>Lost hours by cause:</p> <table border="1"> <thead> <tr> <th>Cause</th> <th>2019</th> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>Illness</td> <td>96,439</td> <td>100,784</td> <td>109,410</td> </tr> <tr> <td>Work-related accidents</td> <td>6,864</td> <td>6,877</td> <td>9,619</td> </tr> <tr> <td>Non-work-related accidents</td> <td>19,319</td> <td>13,234</td> <td>13,837</td> </tr> <tr> <td>Total</td> <td>122,622</td> <td>120,895</td> <td>132,866</td> </tr> </tbody> </table> <p>See "Targets, facts and figures", Seite 36 in "Healthy and committed employees"</p>	Cause	2019	2020	2021	Illness	96,439	100,784	109,410	Work-related accidents	6,864	6,877	9,619	Non-work-related accidents	19,319	13,234	13,837	Total	122,622	120,895	132,866
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Total	122,622	120,895	132,866																				
Training and education GRI 404 (2016)	GRI 103-1 to 3	Management approach disclosures	See "Healthy and committed employees", page 32																				
	GRI 404-2	Programmes for upgrading employee skills and transition assistance programmes	<p>As a means of enhancing employability, professional development is in the interests, and is the responsibility, of both V-ZUG and its employees. With the three-tier competency model and "V-ZUGconnect", V-ZUG specifically supports the promotion of individual talents and a culture of lifelong learning. Employees have the right, on request, to be released from their work for professional development within or outside the company, provided certain conditions are met. V-ZUG will pay all or part of the costs of the further training on request.</p> <p>For more information, see "Healthy and committed employees", page 32.</p>																				

Aspect	Indicator	Description	Comment/reference																																																											
Diversity and equal opportunities GRI 405 (2016)	GRI 103-1 to 3	Management approach disclosures	See "Healthy and committed employees", page 32 and website. V-ZUG regularly conducts an equal pay analysis with the help of external experts.																																																											
	GRI 405-1	Percentage of people in governance bodies and among employees, by gender and age group	<p>Employees by gender and hierarchical level: (including Board of Directors)</p> <table border="1"> <thead> <tr> <th>Gender</th> <th>2019</th> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>Women on the Board of Directors</td> <td>0</td> <td>3</td> <td>3</td> </tr> <tr> <td>Men on the Board of Directors</td> <td>3</td> <td>3</td> <td>3</td> </tr> <tr> <td>Women on the Executive Committee</td> <td>0</td> <td>1</td> <td>2</td> </tr> <tr> <td>Men on the Executive Committee</td> <td>6</td> <td>7</td> <td>6</td> </tr> <tr> <td>Female managers</td> <td>98</td> <td>104</td> <td>107</td> </tr> <tr> <td>Male managers</td> <td>419</td> <td>413</td> <td>408</td> </tr> <tr> <td>Female employees</td> <td>254</td> <td>274</td> <td>273</td> </tr> <tr> <td>Male employees</td> <td>932</td> <td>933</td> <td>965</td> </tr> <tr> <td>Total women</td> <td>352</td> <td>382</td> <td>385</td> </tr> <tr> <td>Total men</td> <td>1360</td> <td>1356</td> <td>1382</td> </tr> </tbody> </table> <p>Employees by age (excl. Board of Directors):</p> <table border="1"> <thead> <tr> <th>Age group</th> <th>2019</th> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>Under 30</td> <td>286</td> <td>313</td> <td>308</td> </tr> <tr> <td>30 - 50</td> <td>875</td> <td>863</td> <td>907</td> </tr> <tr> <td>Over 50</td> <td>548</td> <td>556</td> <td>546</td> </tr> </tbody> </table> <p>See "Healthy and committed employees", page 32 and "Corporate governance", 2021 Annual Report, page 38, for detailed information on members of the Board of Directors and Executive Committee (including ages).</p>	Gender	2019	2020	2021	Women on the Board of Directors	0	3	3	Men on the Board of Directors	3	3	3	Women on the Executive Committee	0	1	2	Men on the Executive Committee	6	7	6	Female managers	98	104	107	Male managers	419	413	408	Female employees	254	274	273	Male employees	932	933	965	Total women	352	382	385	Total men	1360	1356	1382	Age group	2019	2020	2021	Under 30	286	313	308	30 - 50	875	863	907	Over 50	548	556
Gender	2019	2020	2021																																																											
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Supplier social assessment GRI 414 (2016)	GRI 103-1 to 3	Management approach disclosures	See "Entrepreneurship for sustainable prosperity", page 59. Examples of relevant internal documents: <ul style="list-style-type: none"> ▪ Supplier audit questionnaire ▪ Supplier contract 																																																											
	GRI 414-2a	Number of suppliers assessed for social impact	See "Targets, facts and figures", page 63 in "Entrepreneurship for sustainable prosperity"																																																											

Aspect	Indicator	Description	Comment/reference
Customer health and safety GRI 416 (2016)	GRI 103-1 to 3	Management approach disclosures	See "Products and services for a future-fit society", page 20 and "Entrepreneurship for sustainable prosperity", page 59
	GRI 416-1	Assessment of the health and safety impacts of product and service categories	All operating instructions for our appliances contain information on safe use, proper disposal of packaging materials and of the appliance, as well as tips for saving energy (and water, in the case of washing machines). Our appliances meet the IEC 60335-1 standard (Safety of electrical appliances for household use). Furthermore, our appliances satisfy the EU's RoHS and the WEEE directives. For the WEEE directive, this means in particular that all V-ZUG appliances are labelled according to the standard and the operating instructions contain information about proper disposal. In addition, in the installation instructions for the appliances, which are aimed directly at installation professionals, we describe what needs to be taken into account when installing our appliances for them to function as well as possible, with maximum energy efficiency.
	GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No incidents.
Socio-economic compliance GRI 419 (2016)	GRI 103-1 to 3	Management approach disclosures	See "Entrepreneurship for sustainable prosperity", page 59
	GRI 419-1	Non-compliance with laws and regulations in the social and economic area	No detailed information published for reasons of confidentiality.

