



variosystems

# Variosystems ESG Report 2024

*Generated by*



*February 2025*

# Disclaimer

---

This report (the "Report") is prepared by Holtara Limited ("Holtara"). Holtara's client ("Capvis") may request that the Report be made available to certain other recipient(s) ("Third Party(s)"). Holtara has agreed to such disclosure to any Third Party(s) only on a non-reliance basis and subject to the terms and qualifications set forth in this disclaimer ("Disclaimer") each of which are deemed accepted by each Third Party(s).

(1) Whilst care has been taken in compiling this document, no representation, warranty or undertaking (expressed or implied) is given and neither responsibility nor liability is accepted by Holtara or any of its affiliates, their respective directors, consultants, employees and/or agents (together, "Protected Persons") as to the accuracy, efficacy or application of the information contained herein. The Protected Persons shall not be held liable by any Third Party(s) on any basis for any use and / or reliance upon findings contained herein.

(2) The Report has been prepared for the use of Capvis based on the instructions given by Capvis. The Report consequently reflects the priorities, knowledge and focus of Capvis as discussed by Capvis with Holtara at the time of the preparation of the Report. The general bases, assumptions, qualifications and limitations which shall apply in respect of our Report and our due diligence are set out in the relevant sections of the Report. The Report was not prepared on the basis of any consultation of or discussion with Third Party(s) and therefore the Report does not necessarily take account of those matters which may be of particular interest to such Third Party(s). It will be the Third Party(s)'s own responsibility to determine the extent to which the contents of our Report may be suitable for their respective purposes.

(3) The Report is based on the information that was provided by Capvis and Capvis' Portfolio Company. We have not reviewed any other materials other than those provided to us.

(4) The Report has not been, and will not be, updated or corrected since the date of the Report.

(5) In accepting this report, each Third Party(s) agrees to the terms of this Disclaimer and acknowledges and agrees that (i) Holtara does not owe or accept any duty to any such Third Party(s), whether in contract or in tort or however otherwise arising, and (ii) Holtara shall not be liable to the Third Party(s) for any losses, damages, costs whatsoever arising from or relating to the receipt or use of the Report by the Third Party(s) or any other party who receives the Report from the Third Party(s). As consideration for receiving the Report, the Third Party(s) (for itself and its successors and assigns) waives and releases any and all rights, claims and causes of action it may have at any time against Holtara in connection to the Report. If the Third Party(s) wishes to rely upon the Report, it does so entirely at its own risk.

(6) Holtara does not accept responsibility for the work, representations or opinions of others that are summarised, reported on or assumed in the Report. In particular, certain statements made in the Report are, as described therein, based upon: (i) oral representations or opinions of the management of Capvis or its Portfolio companies, and/or; (ii) written reports, memoranda and similar material prepared or collated by others such as management of Capvis or its Portfolio Companies or advisers, and have not been independently verified by Holtara. Holtara has relied on the accuracy of such representations, opinions and material and any matters in the Report that are based on any of it have been prepared on the assumption that such representations, opinions and material were correct and complete.

(7) The Report does not necessarily deal with matters covered in other potentially relevant reports prepared for Capvis by advisers other than Holtara. The Report should, therefore, be read in the context of such other advisers' reports.

(8) Third Party(s) agree not to make the Report available to any other person, without the prior written consent of Holtara, except (i), to their affiliates and their (and their affiliates') officers, directors, employees and professional advisers. Such copies shall be deemed to have been so provided subject to the terms of this Disclaimer; or (ii), their lenders, insurers and re-insurers; or (iii), if required to be disclosed by mandatory applicable law or regulation, the rules of any listing authority or stock exchange or court order and, in such case, the Third Party(s) shall, if permitted by applicable law, notify us of any such mandatory disclosure.

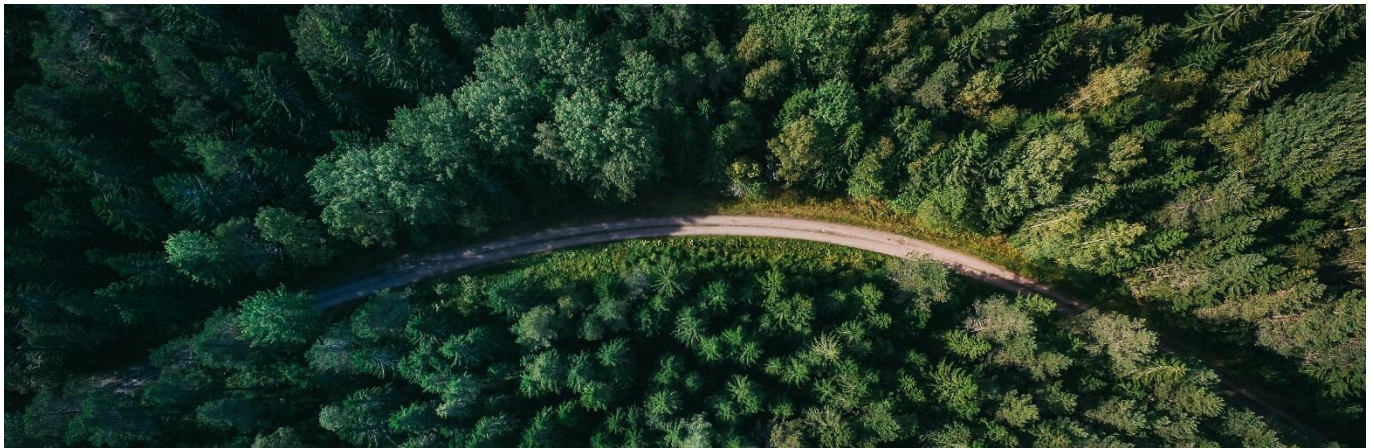
(9) The Report is not to be used for any purpose other than set out herein.

(10) The Report may only be incorporated inside any offering circular or other document with our prior written consent.

(11) Nothing herein constitutes an invitation to make any type of investment. This document is intended for Capvis and Capvis' Portfolio Company only. Any prospective investor should take appropriate separate advice prior to making any investment.

## Executive Summary

---



This year marks the sixth annual ESG assessment of Variosystems, as part of the Capvis ESG review cycle.

In 2024, Variosystems demonstrated strong ESG performance, enhancing its sustainability practices and reinforcing its commitment to responsible business. The company also underwent a comprehensive rebranding, reflecting its focus on innovation and sustainability. Additionally, the acquisition of two businesses opened new markets and expanded technological offerings, delivering synergies that enhance operational efficiency and service capabilities. These initiatives underscore Variosystems' commitment to growth, employee well-being, and sustainability.

Environmentally, Variosystems has made significant strides in reducing its footprint, achieving a 22% reduction in logistics-related CO<sub>2</sub> emissions compared to 2022. This reduction is largely attributed to reshoring initiatives that optimised supply routes and reduced transportation distances, coupled with a strategic shift from air to sea freight. Additionally, an internal supply chain optimisation focused on direct supply to the point of use is expected to bring visible CO<sub>2</sub> reductions by 2025. The company also increased its renewable energy usage by 11% compared to 2023. Investments in recycling infrastructure have raised solder waste recycling to 75%. These efforts are part of a broader strategy to improve resource efficiency and reduce waste intensity relative to revenue. Despite some challenges with waste intensity, Variosystems remains committed to meeting its sustainability targets. Further supporting its long-term energy and emissions goals, Variosystems has entered a 10-year agreement with the Swiss federal government to track and assess energy potentials.

From a social perspective, in 2024, Variosystems launched the Variosystems Academy, a platform designed to provide role-specific training and support individual development. This initiative reflects the company's ongoing commitment to talent growth. Given challenges in talent retention, turnover increased from 27% in 2022 to 36%, influenced by the integration of newly acquired companies, natural employee transitions due to management changes, and broader market trends. The company has implemented proactive measures to address this issue. These include conducting exit interviews and participating in external salary benchmarking to foster a more supportive work environment and improve retention. Leadership development programs, with a focus on succession planning, ensure that future leaders at the company are developed from within.

Additionally, Variosystems is committed to investing in social responsibility programs within local communities, particularly in Sri Lanka and China. Furthermore, the company plans to introduce a formal diversity and inclusion policy in 2025, supporting an inclusive workplace and fostering diverse talent across its global operations.

On governance, Variosystems upholds high standards, with a focus on sustainability and compliance with global ESG frameworks. All suppliers must adhere to the Variosystems Code of Conduct, ensuring compliance with human rights, conflict material, and environmental responsibility standards. In addition to ISO 9001 certification for all facilities, Variosystems is working toward obtaining ISO 14001 (Environmental Management) and ISO 45001 (Occupational Health and Safety) certifications by 2025 for all locations.

Looking ahead to 2025, Variosystems remains focused on its long-term ESG strategy, integrating sustainability principles throughout the business. All efforts are aligned with the company’s core values of integrity, courage, and responsibility, which were reinforced by the 2024 rebranding and will continue to guide its culture and decision-making. The integration of two new companies into its operations has enhanced Variosystems’ technological capabilities, creating new opportunities for innovation and sustainable practices across the value chain. With these efforts, Variosystems is committed to maintaining its leadership role in the electronic manufacturing industry, driving positive change, and contributing to a sustainable future.

#### Key performance indicators 2024

<b>143</b>	<b>107</b>	<b>55%</b>	<b>6</b>	<b>2</b>
tCO <sub>2</sub> e / €m net rev	#	%	#/6	#/3
Carbon intensity	Days lost due to injury	Gender diversity of the workforce <sup>1</sup>	Governance policies in place	SDG projects achieved

<sup>1</sup> 55% women in the workforce at Variosystems.

# Company Overview

---

## About Variosystems

Variosystems is an international electronics services partner in the field of the development, industrialisation, production and life-cycle management of electronics solutions.

---

**Country, City of HQ & Operations**

Steinach, Switzerland

---

**Primary industry**

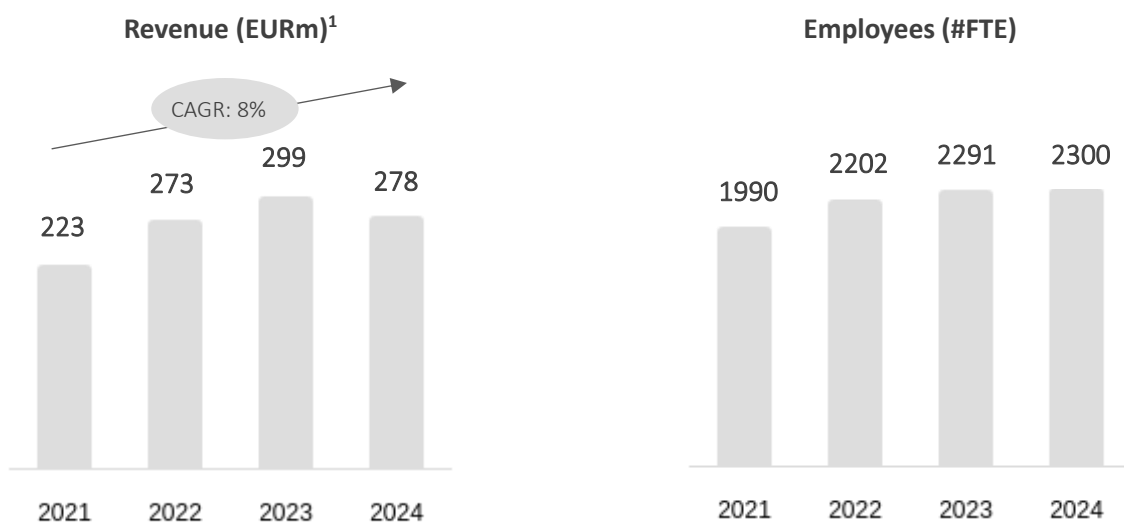
Electronic Manufacturing Services

---

**Website**

[www.variosystems.com](http://www.variosystems.com)

---



## Relevance of ESG:

- Sustainability is a key priority across the supply chain in the Electronics Services industry. Within operations, emphasising product longevity and material circularity is crucial for maintaining high standards while reducing electronic waste.
- Upstream, strong supply chain management is vital to ensuring ethical labor practices, particularly for mineworkers, and preventing the use of conflict minerals. The CS3D<sup>2</sup> regulation, though targeted at large businesses, will likely cascade requirements needing businesses to conduct due diligence on direct supply chain partners to ensure human rights are met and environmental protection is maximised.
- Despite the industry's potential for sustainable innovation, significant challenges must be addressed. Companies that lead in ESG initiatives can gain a competitive edge. To secure long-term viability, businesses should enhance product durability and circularity by incorporating premium recycled materials and facilitating e-waste reuse and recycling. Additionally, maintaining an ethically responsible and sustainable supply chain is essential. Reducing the carbon footprint of both operations and products is also a critical step toward achieving carbon neutrality.

---






<sup>1</sup> Revenue converted from CHF to EUR using Eurostat annual average exchange rates.

<sup>2</sup> (CS3D) CSDDD: Corporate Sustainability Due Diligence Directive.

## ESG Theme Performance

Please see below an overview of the selected material ESG themes. For each of the selected material themes, a self-assessment has been conducted on a 5-point performance scale, ranging from 'reactive' to 'future proof' performance. For an overview of the tailored ESG performance descriptions for each selected theme, please see the Theme Performance Overview Section in the Annex. While proprietary to ESG Advantage, the performance levels are aligned with science-based and international standards wherever possible.

### Performance of ESG material themes

	<b>Carbon footprint management</b>	<b>Theme performance rating<sup>1</sup></b>	<b>2</b>
<p><b>Theme progress 2023-24:</b> In 2023 Variosystems conducted energy and carbon accounting for all scopes. In 2024, scope 3 categories related to use of sold products were not reported. A 10-year agreement has been formalised with the Swiss government with a focus on maximising energy efficiency. The company plans to increase usage of renewable energy on all locations in the next 3 years, concentrating primarily on own production of energy through solar panels.</p>			
	<b>Employee engagement &amp; well-being</b>	<b>Theme performance rating</b>	<b>3</b>
<p><b>Theme progress 2023-24:</b> Variosystems monitors and discusses KPIs including turnover and absenteeism at board level and trend below industrial benchmarks. Related-HR policies and employee handbooks are harmonised across all locations. Employee wellbeing is monitored, and engagement surveys are conducted bi-annually. Variosystems Academy provides well-being, technical and leadership training programs.</p>			
	<b>Integration of ESG strategy</b>	<b>Theme performance rating</b>	<b>4</b>
<p><b>Theme progress 2023-24:</b> Variosystem's ESG policy, strategy and related reporting are updated annually and communicated publicly to stakeholders. ESG is formally discussed at board level on a regular basis. The company has a dedicated manager that oversees ESG integration performance along with team members ensuring implementation of strategies.</p>			
	<b>Supply chain control</b>	<b>Theme performance rating</b>	<b>2</b>
<p><b>Theme progress 2023-24:</b> Variosystems conducts ESG supplier due diligence assessments of its first-tier suppliers. A supplier code of conduct is publicly available on the company website.</p>			
	<b>Resource efficiency &amp; waste management</b>	<b>Theme performance rating</b>	<b>3</b>
<p><b>Theme progress 2023-24:</b> Variosystems implements its Operational Excellence strategy, which focuses on productivity and efficiency, maximising resource use. Waste KPIs are tracked to compliment annual improvement targets for waste intensity per production site.</p>			
<b>ESG Performance Rating<sup>2</sup></b>			<b>2.8</b>

<sup>1</sup> Theme performance rating is based on Holtara's 5-point maturity scale, please see annex for more details on methodology.

<sup>2</sup> Overall performance rating is a simple average of the individual theme ratings listed above.

## SDG Projects 2024 - Progress

This section contains self-defined action plans and initiatives aimed at improving the ESG performance over the coming years. The action plans contain a description of the planned initiative, a progress description, to which ESG theme the initiative is linked, a target date, a responsible person, and a status. Please see below an overview of the ESG initiatives.

### Project 1



**Initiative:** Define Target KPIs for Scope 1 & 2 emissions and Social KPIs, as well as increase scope 3 data quality.

**Aligned SDG target:** Target 13.2 to integrate climate change measures into national policies, strategies and planning.

**Progress description:** This project aims to set an ambition level for selected KPIs (notably, operation emissions and certain social metrics), whilst also increasing data quality for scope 3 emissions, with the ambition of setting decarbonisation in the future. This initiative is still in progress and the target date has been updated from 2024/12/31 to 2025/12/31. In 2025 Variosystems plans to implement concrete KPIs, increase quality and availability of Scope 3 data and make decarbonisation plans.

ESG Theme	Target date	Responsible	Status
Carbon footprint management	2025/12/31	Sara Foršek Pažin	In Progress

### Project 2



**Initiative:** Harmonise HR practices across locations in terms of learning and development possibilities.

**Aligned SDG target:** Target 8.5 to achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

**Progress description:** Empower employees through Variosystems Academy with various learning opportunities, including clear roles & responsibilities, new hires orientation, role specific trainings, soft skill trainings. Variosystems Academy will also introduce DEI training for all leaders & unconscious bias training for all hiring managers and recruiters. Other initiatives include a roll out of leadership trainings on all locations, globally harmonised and updated Performance Management process, global compensation benchmark for defined groups and finally, Succession Management process for defined groups.

ESG Theme	Target date	Responsible	Status
Employee engagement & well-being	2024/12/31	Christine Peter	Completed

## Project 3



**Initiative:** Increase the percentage of suppliers for which improvement policies or programmes are in place (e.g. Supplier Code of Conduct)

**Aligned SDG target:** Target 16.6 to develop effective, accountable and transparent institutions at all levels

**Progress description:** In 2024, provide training to staff, focused on managing Variosystems' own practices and relationships with suppliers to enable the suppliers to improve their performance. Further, increase the percentage of suppliers for which improvement policies or programmes are in place. In 2024, Supplier Code of Conduct was introduced. In 2025 Variosystems will concentrate on ESG evaluation of its suppliers, working with them on improving their current status, experience and know how sharing and working together in decreasing the Scope 3 emissions.

ESG Theme	Target date	Responsible	Status
Supply chain control	2024/12/31	Head of Global Procurement	Completed



## SDG Projects 2025

This section contains self-defined action plans and initiatives aimed at improving the ESG performance over the coming years. The action plans contain a description of the planned initiative, a progress description, to which ESG theme the initiative is linked, a target date, a responsible person, and a status. Please see below an overview of the ESG initiatives, and their alignment with relevant SDGs.

### Project 1

**Initiative:** Sustainable Supply Chain Initiative: ESG Assessment of Top and Critical Suppliers



**Aligned SDG target:** Target 12.6 to encourage companies to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

**Description:** This project aims to enhance the sustainability and transparency of the supply chain by identifying top suppliers and conducting comprehensive ESG (Environmental, Social, and Governance) assessments. The goal is to ensure compliance with sustainability standards, mitigate risks, and align supplier practices with corporate sustainability objectives and global frameworks like the Sustainable Development Goals (SDGs).

ESG Theme	Target date	Responsible	Status
Supply chain control	2025/12/31	Sara Foršek Pažin	In progress

### Project 2

**Initiative:** Empowerment Through Education: Employee Development Initiative



**Aligned SDG target:** Target 4.4 to increase the number of people who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.

**Description:** This project focuses on empowering employees by enhancing their skills and knowledge through targeted educational programs offered by Variosystems Academy. The initiative aims to foster a culture of continuous learning, improve employee satisfaction and retention, and align workforce development with the company's sustainability goals.

ESG Theme	Target date	Responsible	Status
Employee engagement & well-being	2025/12/31	Christine Peter	In progress

## Project 3



**Initiative:** Internal Supply Chain Optimisation

**Aligned SDG target:** Target 13.2 to integrate climate change measures into national policies, strategies and planning.

**Description:** Streamline internal supply chain routes by reorganising direct material flows between suppliers, assembly plants, and customers. This project eliminates redundant transportation steps (e.g., raw material transfers between multiple plants) to reduce costs, minimise carbon emissions, and enhance operational efficiency.

The initiative will enhance operational transparency, lower costs, and position the company as a leader in sustainable supply chain management, directly contributing to ESG reporting goals.

ESG Theme	Target date	Responsible	Status
Carbon footprint management	2025/12/31	Sara Foršek Pažin	In progress











# Variosystems ESG Report 2024

**Annex 1 - ESG Indicators & Policies**

## ESG Indicators

This section provides an overview of a number of key ESG indicators, including the Carbon Footprint. Progress on the ESG indicators is displayed over the last three years.

Carbon Indicators	Progress over time	2022	2023	2024
Scope 1 emissions (tCO <sub>2</sub> e) [*]		264	255	358
Scope 2 emissions (tCO <sub>2</sub> e) [*]		4800	5588	4235
Scope 3 emissions (tCO <sub>2</sub> e) [*] <sup>1</sup>		905	217589	35084 <sup>3</sup>
Scope 1+2 emissions (tCO <sub>2</sub> e)		5064	5847	4594
Total emissions (tCO <sub>2</sub> e)		5970	223432	39689
Scope 1+2 revenue intensity (tCO <sub>2</sub> e/€m Rev) <sup>2</sup>		19	20	17
Revenue intensity (tCO <sub>2</sub> e/€m Rev) <sup>2</sup>		-	746	143
Employee intensity (tCO <sub>2</sub> e/FTE)		-	98	17

### Report notes:

\* EDCI indicator.

<sup>1</sup> In 2023, Variosystems measured full scope 1+2+3 emissions. However, Scope 3 emissions from 2021 and 2022 are limited to business travel and indirect emissions from purchased natural gas and electricity.

<sup>2</sup> Revenue converted from CHF to EUR using Eurostat annual average exchange rates.

<sup>3</sup> Variosystems' self-reported scope 3 emissions were 84% lower in 2024 than in 2023, partly attributable to the omission of the 'Use of sold products' and 'End-of-life treatment of sold products' categories in this year's reporting. To address the omissions, a proxy-based emissions approach can be used to better estimate scope 3 figures for 2024. This would result in 138,842 tCO<sub>2</sub>e. Please find further detail in the 'Carbon Report'.

Environmental Indicators	Progress over time	2022	2023	2024
Renewable energy use (%)		19%	15%	25%
Total renewable energy consumption (MWh) [*]		2525	2236	4088
Total energy consumption (MWh) [*]		13072	15149	16560
Energy Intensity (MWh/€m rev) <sup>1</sup>		48	51	60
Total electricity consumption (MWh)		11787	13857	14704
Renewable electricity use (%)		21%	16 %	28%
Renewable energy produced (MWh)		1027	695	823
Non-renewable energy produced (MWh)		0	0	0
Total energy production (MWh)		1027	695	823
Emissions to water (Tonnes)		0	0	0
Hazardous or radioactive waste (Tonnes)		-	-	48
Non-hazardous waste generated (Tonnes) <sup>2</sup>		231	314	396
Non-hazardous waste recycled (Tonnes) <sup>3</sup>		-	168	128
Water consumed (Tonnes) <sup>4</sup>		41042	49572	40847

#### Report notes:

\* EDCI indicator.















<sup>1</sup> Revenue converted from CHF to EUR using Eurostat annual average exchange rates.

<sup>2</sup> 2023 & 2024 values include Mexico location. 2024 value includes Romania.

<sup>3</sup> Non-hazardous waste recycled includes Electronics, Paper, Metals.

<sup>4</sup> 2024 value includes Romania.

Social Indicators	Progress over time	2022	2023	2024
Total number of board members (#)[*]		6	6	6
Number of women on the board (#)[*]		0	0	0
Gender diversity of the board (%)		0%	0%	0%
Total number of employees in executive management (FTE) [*]		9	8	8
Total number of women in executive management (FTE) [*] <sup>1</sup>		1	1	1
Gender diversity of executive management (%)		11%	13%	13%
Number of middle management members (excl. group executive mgmt.)(FTE)		53	73	73
Number of female middle management members (excl. group executive mgmt.)(FTE)		8	12	17
Total number of women in the workforce (FTE)		1263	1322	1264
Gender diversity of the workforce (%)		57.4%	57.7%	55%
Percentage women among top 10 highest paid in the company at end of year (%)		20%	20%	10%
Employee engagement survey response rate (%) <sup>2</sup>		94%	-	84%
Employee turnover (%)		27%	31%	36%
Absenteeism rate (%)		2.1%	2.0%	2.6%
Total absenteeism hours (#)		86592	116704	149864
Number of employees trained over the reporting period (#)		1500	1500	2027
Average training hours per FTE during the last 12 months (#)		98	87	120
New hires excluding those from M&A (FTE)		1021	820	460
Female hires excluding those from M&A (FTE)		-	-	178
Leavers due to M&A (FTE)		-	-	14

Leavers excluding those from M&A (FTE) [*]		805	731	672
Net change in FTEs due to M&A (#FTE) [*]		-	42	275
Employees benefitting from the profit sharing scheme (FTE)		66	81	81
Number of permanent employees covered by public/private health insurance (#) <sup>3</sup>		2202	2291	1611
Number of permanent employees covered by public/private death or disability insurance (#)		2181	2288	2250
Work-related injuries (#)[*] <sup>4</sup>		5	12	9
Days lost due to injury (#)[*] <sup>5</sup>		32	219	107
Number of work-related injuries (>1 day leave)(#)		3	10	11
Work-related fatalities (#)[*]		0	0	0
Accident rate (#)		1.1	2.6	2
Sexual harassment or discrimination issues (#)		0	0	0
Non-permanent employees (FTE)		330	378	242
Total hours worked (labour hours)(#)		4178890	4309044	3445238
Average hours worked per FTE/year (#)		1898	1847	1498

#### Report notes:

\* EDCI indicator.

<sup>1</sup> Global Head of HR.

<sup>2</sup> Employee engagement survey is conducted every two years, next conducted in 2026.

<sup>3</sup> Data decrease in 2024 due to misinterpretation in previous years. In Sri Lanka there is only public/private death or disability insurance.

<sup>4</sup> Management confirms that most injuries in 2024 were minor.

<sup>5</sup> One case in the US resulted in 90 days of absence, contributing to higher figure in 2023. In 2024, almost 80 days of the reported 107 relate to a single injury resulting in long term leave of an employee.

Custom Indicators	SDG <sup>1</sup>	Progress over time	2022	2023	2024
Group level complaints (#)(#)			1367	1830	1704
Partners with ISO 14001 certification (%)#)			92%	88%	-
Employee perception of sustainability importance (%) <sup>2</sup>			86%	-	-
Employee perception regarding sustainable production (%) <sup>2</sup>			89%	-	-
Suppliers with ISO 9001 certification for aviation, space & defence customer (%)			100%	100%	100%
Absenteeism (SDG 8.8.)(%)			2.1%	2.0%	2.6%
LTIF (SDG 8.8.)(#)			1.1	2.6	48.5
Production sites audited on fair labour conditions (SDG 8.8.)(%)			50%	50%	58%
Total waste volumes (SDG 12.2.)(tonnes) <sup>3</sup>			231	314	475
Water intensity (SDG 12.2.)(m3 / €M revenue) <sup>3</sup>			150	170	187
Renewable energy consumption (SDG 13.2.)(MWh)			2525	2237	4087
Renewable energy production (SDG 13.2.)(MWh)			1027	695	823
Total net carbon footprint reduction through the Reshoring Initiative (SDG 13.2.)(tCO <sub>2</sub> e) <sup>4</sup>			437	-	-
Total net carbon footprint reduction using sea instead of air freight (tCO <sub>2</sub> e) <sup>4</sup>			-	340	-
Total net carbon footprint reduction logistics (tCO <sub>2</sub> e)			-	-	444
Total net carbon footprint reduction air freight (tCO <sub>2</sub> e)			-	-	488

#### Report notes:

<sup>1</sup>The UN Sustainable Development Goals (SDG) targets in brackets indicate the KPIs which have been developed to better measure our progress in supporting certain SDGs. Please refer to the UN SDG targets on <https://sdgs.un.org/goals> for a full description.

<sup>2</sup> This question was replaced with statement: ESG has a high level of importance at Variosystems, statement was rated from 1-4, 4 being strongly agree and 1 being strongly disagree. Average grade was 3.07.

<sup>3</sup> 2023 value includes Mexico.

<sup>4</sup> Data not tracked for 2024.



## ESG Policies

This section highlights which ESG-related policies are in place.

ESG Policies	
Anti-bribery and anti-corruption policy [*]	Yes
Biodiversity policy	Yes
Data security and privacy policy [*]	Yes
Diversity, equity and inclusion policy	Yes
Employee Code of Conduct [*]	Yes
Environmental policy	Yes
ESG / sustainability policy [*]	Yes
Gifts and hospitality policy [*]	Yes
Health and safety policy	Yes
Human rights policy	Yes
Purchasing policy	Yes
Supplier Code of Conduct	Yes
Whistleblowing policy [*]	Yes
Cybersecurity policy	Yes
Energy consumption policy	No
Climate / carbon policy	No
Waste management policy	No
Workplace accident prevention policy	Yes
Modern Slavery statement	Yes

---

Employee survey conducted in the reporting year

Yes

---

Employee survey conducted at least bi-annually

Yes

---

**Report notes:**

\* Policy required by Capvis – total of 6/6 policies in place.



# Variosystems ESG Report 2024

## **Annex 2 - ESG Performance Ratings**

## **Theme Performance Overview**

Please see below an overview of the tailored ESG performance descriptions for each selected material ESG theme.

Please note that information within the maturity scale is used as an indicative guide for ESG performance. Companies are required to select the performance level that best matches their current performance with the view that the majority of requirements must be met to fall within that level.

# Carbon footprint management- Performance Overview

**Rationale:** Companies that focus on reducing carbon emissions can reduce their exposure to fluctuating energy prices and lower costs spent on energy and business travel. Additionally, a sustainable proposition can help to attract talent, provide an edge in tenders, and boost the firm's image.

## 2023-24 progress:

- In 2024, Variosystems engaged in a new 10-year agreement with the federal government in Switzerland. As part of the agreement, energy potentials will be evaluated and tracked in order to achieve the agreed targets.
- Certain energy improvement initiatives are in place including energy audits, on-site renewable energy potential assessments, and renewable energy production.
- Emissions resulting from business travel and employee commuting are monitored and ad-hoc initiatives are in place to improve sustainability in this respect e.g. low-carbon criteria on business travel and commuting, encouraged video conferencing, and business travel must be approved by a supervisor.

		2023 Assessment	2024 Assessment		
1. Reactive	2. Involved	3. Committed	4. Integrated	5. Future proof	
Reactive ESG management driven by regulations.	Ambition to improve ESG has been formulated, baseline identified and initial progress mode.	Strategy for improved ESG risk and opportunity management has led to strong performance.	Company-wide integration of ESG has brought a future-proof business within reach.	Business proposition and management is fully aligned with a future-proof society.	
<ul style="list-style-type: none"> <li>• Management aims to adhere to (local) energy regulations (i.e. EED (EU), ESOS (UK), Wet Milieubeheer (NL))</li> <li>• No insight into employee commuting &amp; business travel</li> </ul>	<ul style="list-style-type: none"> <li>• Basic monitoring of energy and carbon emissions and targets set for net-zero before 2050 (Scope 1 + 2)</li> <li>• Ad-hoc initiatives to improve business travel sustainability</li> <li>• &gt;70% of the electricity is sourced from renewable sources (not necessarily local)</li> <li>• Energy audit conducted and quick-wins addressed (e.g. procurement of green electricity)</li> </ul>	<ul style="list-style-type: none"> <li>• Comprehensive monitoring of Scope 1 + 2 emission sources according to recognised accounting standards (e.g. CO2 Prestatieladder, GHG Protocol)</li> <li>• Encouraging video conferencing, including monitoring of avoided emissions due to avoided flights</li> <li>• Monitoring emissions resulting from business travel and employee commuting</li> <li>• Onsite renewable energy generation potential assessed (e.g. rooftop potential assessed for solar panels)</li> <li>• &gt;90% of electricity is derived from local renewable sources</li> <li>• Scope 1, 2 and 3 emission target for net-zero before 2045 set and officially committed to Science-Based Target Initiative (SBTi)</li> </ul>	<ul style="list-style-type: none"> <li>• Science-Based Targets set in line with the 1.5°C climate scenario (X ≥ 4.2% annual linear reduction)</li> <li>• All distances reachable within 6 hours by train are travelled by train</li> <li>• Onsite renewable energy generation deployed, if possible (e.g. full rooftop potential realised for solar panels)</li> <li>• Science-Based Targets set in line with well-below 2°C climate scenario (X ≥ 2.5% annual linear reduction) on business travel emissions</li> </ul>	<ul style="list-style-type: none"> <li>• Net-zero emissions achieved for Scope 1 and 2</li> <li>• Employees only commute by bike, public transport or electric vehicles</li> <li>• Net-zero carbon footprint achieved (business travel reduced to absolute minimum)</li> <li>• Total energy consumption reduced to absolute minimum</li> <li>• Year-on-year progress realised on Scope 3 emissions of at least 2.5% linear annual reduction rate (in line with SBTi)</li> </ul>	

# Employee engagement & well-being- Performance Overview

**Rationale:** Relates to a company's ability to attract, develop, and retain high-quality employees. Includes HR practices, employee well-being, satisfaction, as well as learning & development. Could be material for companies that depend on a highly-skilled workforce.

## 2023-24 progress:

- In 2024, Variosystems launched its Variosystems Academy, a learning platform which all employees have access to and through which they are supported regarding technical, leadership, well-being and DEI-related trainings. There is a central training budget allocated to employees to bridge development gaps.
- An HR policy and employee handbook are in place and provided to every employee. Employee well-being is discussed with turnover and absenteeism monitored monthly at Board level.
- Given challenges in talent retention, turnover increased from 27% in 2022 to 36%, influenced by the integration of newly acquired companies, natural employee transitions due to management changes, and broader market trends. The company has implemented proactive measures to address this issue. These include conducting exit interviews and participating in external salary benchmarking to foster a more supportive work environment and improve retention.

		2019 Assessment	2024 Assessment		
1. Reactive	2. Involved	3. Committed	4. Integrated	5. Future proof	
<p>Reactive ESG management driven by regulations.</p> <ul style="list-style-type: none"> <li>• No policies in place, employee engagement managed on an ad hoc basis</li> <li>• Diversity, Equity &amp; Inclusion (DEI) not taken into account, beyond regulatory requirements</li> <li>• Obligatory learning opportunities in place (e.g. compliance, GDPR)</li> <li>• Informal monitoring of turnover and absenteeism. No improvement plans in place</li> <li>• Employee well-being is not measured and there are no specific initiatives in place or benefits provided</li> </ul>	<p>Ambition to improve ESG has been formulated, baseline identified and initial progress mode.</p> <ul style="list-style-type: none"> <li>• Informal HR and employee guidelines available</li> <li>• Ad hoc initiatives in place to improve DEI (e.g. unconscious bias training)</li> <li>• Market-conforming educational and vocational L&amp;D in place</li> <li>• Monitoring of new hires, turnover, and absenteeism. Targets set in line with industry benchmarks. Risks on work-related issues are mitigated</li> <li>• Employee satisfaction and well-being managed on an ad hoc basis and quick-wins are implemented by HR. Employees have annual evaluation periods with their supervisor/manager</li> </ul>	<p>Strategy for improved ESG risk and opportunity management has led to strong performance.</p> <ul style="list-style-type: none"> <li>• Company-wide HR policy and employee handbook in place</li> <li>• DEI strategy in place covering all relevant dimensions (e.g. gender, social background, neurological diversity)</li> <li>• L&amp;D offerings in place tailored to employees' needs, and personal L&amp;D budget available for everyone</li> <li>• Continuous monitoring of turnover and absenteeism. Figures are below industry benchmark</li> <li>• Employee well-being is monitored and discussed on management level annually and basic secondary benefits are in place (e.g. trust person, flexible working hours).</li> <li>• Employee satisfaction survey conducted annually with scores above industry average and formal follow-up. Formal evaluation system including 360 feedback in place</li> </ul>	<p>Company-wide integration of ESG has brought a future-proof business within reach.</p> <ul style="list-style-type: none"> <li>• Company-wide HR policy and employee engagement strategy reviewed regularly with employees</li> <li>• Processes in place to eliminate institutional inequalities and biases across the employee lifecycle (e.g. gender neutral parental leave, back-to-work programs, blind CV screening)</li> <li>• Extensive L&amp;D opportunities provided, including budget which &gt;70% of employees use annually</li> <li>• Turnover and absenteeism rates are below industry benchmark for &gt;3 years</li> <li>• Employee well-being is monitored and reported to management monthly. Programme available, including extensive set of benefits</li> <li>• Evaluation system focused on personal development twice a year, 360 feedback including transparency on promotion and growth potential. Exit interviews are conducted</li> </ul>	<p>Business proposition and management is fully aligned with a future-proof society.</p> <ul style="list-style-type: none"> <li>• Employee satisfaction results are in the highest quartiles for &gt;5 years. Employees have evaluation discussions twice a year based on their development needs and self-assessments</li> <li>• DEI performance is considered industry leading, with DEI integrated into every stage of the employee lifecycle and performance regularly reviewed</li> <li>• L&amp;D budget in place that &gt;85% of employees use annually</li> <li>• Turnover and absenteeism rates are below industry average for &gt;5 years</li> <li>• Well-being is a main agenda item in board meetings and monitored continuously. A wide range of offerings are in place (e.g. coaching, healthy food, team events etc.)</li> </ul>	

# Integration of ESG strategy- Performance Overview

**Rationale:** Relates to a company's ability to implement an ESG/sustainability strategy, responsibilities and decision-making processes, and ESG board oversight. Could be material for companies that want an overall theme describing ESG governance, public companies that have to report on ESG, and private companies that voluntarily report on ESG initiatives/targets.

## 2023-24 progress:

- Variosystems acknowledges the importance of ESG and has established a dedicated ESG organization to lead its sustainability efforts. This organization is led by a Global Head of ESG, responsible for overseeing the implementation of ESG strategies and ensuring alignment with corporate objectives. Supporting this leadership, ESG Coordinators have been appointed at each site to drive ESG initiatives and embed sustainability principles within their respective locations.
- ESG is regularly addressed at the board level, not only focusing on risk mitigation but also incorporating strategic value creation. Clear progress in ESG governance and oversight is consistently demonstrated.
- Several ISO certifications are in place at different locations including ISO 9001<sup>1</sup>, ISO 13485<sup>2</sup>, ISO 45001<sup>3</sup>, ISO 14001<sup>4</sup>.

			2019 Assessment	2024 Assessment
<b>1. Reactive</b>	<b>2. Involved</b>	<b>3. Committed</b>	<b>4. Integrated</b>	<b>5. Future proof</b>
Reactive ESG management driven by regulations.	Ambition to improve ESG has been formulated, baseline identified and initial progress mode.	Strategy for improved ESG risk and opportunity management has led to strong performance.	Company-wide integration of ESG has brought a future-proof business within reach.	Business proposition and management is fully aligned with a future-proof society.
<ul style="list-style-type: none"> <li>• No ESG statement on the website and no other (external) visibility with regards to ESG</li> <li>• ESG criteria are not included in the remuneration policy and/or incentives are not linked to sustainability performance</li> <li>• ESG is discussed on an ad hoc basis on the board agenda (mostly from a risk or cost efficiency perspective)</li> <li>• No (internal or publicly disclosed) ESG policy or strategy (including materiality assessment, KPIs and targets) in place</li> </ul>	<ul style="list-style-type: none"> <li>• Limited ESG statement on the company website</li> <li>• Limited ESG incentive schemes in place (&lt;5% of management bonus)</li> <li>• Limited C level ESG accountability and responsibilities are in place</li> <li>• Limited ESG-related memberships, industry standards and/or certifications in place</li> <li>• Limited (internal or publicly disclosed) ESG policy, and/or ESG strategy (including materiality assessment, KPIs and targets) in place</li> </ul>	<ul style="list-style-type: none"> <li>• ESG (internal or publicly disclosed) policy in place</li> <li>• Incentives for ESG performance are in place (between 5% and 15% of management bonus)</li> <li>• ESG is formally discussed at the board level on a regular basis, also including more strategic value creation topics (instead of solely ESG risk mitigation)</li> <li>• ESG- related memberships, industry standards and/or certifications are in place</li> <li>• ESG (internal or publicly disclosed) strategy in place (including materiality assessment, KPIs, and targets, such as ensuring minimalised product disposal effects or mitigated ESG risks)</li> </ul>	<ul style="list-style-type: none"> <li>• ESG policy and strategy (including materiality assessment, KPIs, and targets) are updated annually and communicated to stakeholders (e.g. through public disclosure)</li> <li>• Dedicated manager in place that oversees the ESG integration performance of the company</li> <li>• Incentives for ESG performance are pioneering the sector (&gt;15% of management bonus)</li> <li>• ESG is formally discussed at the board level on a regular basis, also including more strategic value creation topics (instead of solely ESG risk mitigation) and tangible ESG board oversight progress is demonstrated (YoY)</li> <li>• On track to reach ESG (KPI) targets</li> <li>• YoY progress on ESG strategy integration is demonstrated</li> </ul>	<ul style="list-style-type: none"> <li>• The company's ESG measures and strategy (including materiality assessment, KPIs, and targets) are amongst the top of the industry and peers, as well as demonstrating (best-practice) results</li> <li>• Dedicated business unit in place that oversees and executes the ESG integration plan of the company</li> <li>• Incentives for sustainability performance are pioneering the sector (&gt;15% of management bonus)</li> <li>• ESG board oversight acts as a role model for the sector and/or other organisations (e.g. board is strongly involved in the company's ESG processes)</li> <li>• Initiator/frontrunner of ESG strategy initiatives and pushing ESG standards in the industry</li> </ul>

<sup>1</sup> Quality Management Systems.

<sup>2</sup> Medical Devices – Quality Management Systems.

<sup>3</sup> Occupational H&S.

<sup>4</sup> Environmental Management Systems.

# Resource efficiency & waste management- Performance Overview

**Rationale:** Relates to using resources in an efficient and sustainable manner, and optimising the value of waste. Could be material for production and manufacturing companies. Companies that reduce input volumes and maximise the value of waste can minimise their environmental impact and simultaneously reduce material costs.

## 2023-24 progress:

- As an electronics service provider, Variosystems has only limited control over the raw materials used in production. However, the company actively collaborates with customers during both the product development and lifecycle management phases, contributing to sustainable material choices and design optimization.
- In 2024, Variosystem's sites in Switzerland, Sri Lanka, China, Croatia and USA successfully obtained ISO 14001 certification.
- Key performance indicators (KPIs) related to waste management are monitored and reported annually in the company's ESG report. The organization aims for a year-over-year reduction in waste intensity per site, measured as a percentage of revenue.

		2023 Assessment	2024 Assessment	
1. Reactive	2. Involved	3. Committed	4. Integrated	5. Future proof
Reactive ESG management driven by regulations.	Ambition to improve ESG has been formulated, baseline identified and initial progress mode.	Strategy for improved ESG risk and opportunity management has led to strong performance.	Company-wide integration of ESG has brought a future-proof business within reach.	Business proposition and management is fully aligned with a future-proof society.
<ul style="list-style-type: none"> <li>Management aims to adhere to local laws and regulations related to waste</li> <li>No monitoring of waste streams (quantities and characteristics)</li> <li>Limited insight into resource use (i.e. no monitoring of input and output volumes)</li> </ul>	<ul style="list-style-type: none"> <li>Basic monitoring of input and output volumes</li> <li>insight into different types of waste streams and their treatment methods (e.g. wood, paper, metal, glass, organics, hazardous)</li> <li>Quick-win initiatives implemented to increase resource efficiency and reduce waste volumes (e.g. by standardising production processes, identifying bottlenecks, providing employee training, reusing scrap)</li> </ul>	<ul style="list-style-type: none"> <li>Action plan in place, including KPIs and targets on resource efficiency and waste volumes</li> <li>Focus on reducing the amount of input required to produce one unit of output</li> <li>Opportunities identified to integrate waste in circular system (e.g. by implementing an environmental or waste management system, improving waste segregation for recycling)</li> </ul>	<ul style="list-style-type: none"> <li>YoY improvement of KPIs (e.g. lower waste as a percentage of input, lower absolute waste volumes, lower volume of waste-to-landfill)</li> <li>Innovative methods used to foster resource efficiency (e.g. by updating production technology, light weighting the product, linking resource efficiency to remuneration)</li> <li>Structural changes implemented to maximise value of waste (e.g. by phasing out the use of hazardous substances, increasing waste recycling)</li> </ul>	<ul style="list-style-type: none"> <li>KPIs are as low as technically feasible; feedback loop in place to continuously improve KPI performance</li> <li>Waste is minimised and its value is maximised (e.g. zero waste-to-landfill, minimal waste-to-incineration, maximum recycling)</li> <li>Production process aligned to become part of a circular economy (e.g. by rethinking and redesigning the production process)</li> </ul>



# Supply chain control- Performance Overview

**Rationale:** Companies can mitigate potential reputational and litigation risks associated with their supply chain while also increasing consumer demand/ market opportunities by engaging with suppliers to integrate ESG practices.

## 2023-24 progress:

- Variosystems has established a Supplier Code of Conduct, which is publicly available on its website.
- Variosystems conducts ESG supplier due diligence assessments on its first-tier suppliers, which includes assessing the following criteria: child, forced or compulsory labour, H&S, discrimination, disciplinary practices and working hours.
- In 2024, the company completed plans to introduce supplier relationship management training for its staff, aimed at supporting suppliers in enhancing their performance. Additionally, Variosystems will work toward expanding the percentage of suppliers engaged in improvement programs. At present, fewer than 25% of first-tier suppliers have signed the Supplier Code of Conduct.

		2019 Assessment	2024 Assessment		
1. Reactive	2. Involved	3. Committed	4. Integrated	5. Future proof	
Reactive ESG management driven by regulations.	Ambition to improve ESG has been formulated, baseline identified and initial progress mode.	Strategy for improved ESG risk and opportunity management has led to strong performance.	Company-wide integration of ESG has brought a future-proof business within reach.	Business proposition and management is fully aligned with a future-proof society.	
<ul style="list-style-type: none"> <li>• Management aims to adhere to minimum regulatory and international standards (e.g. ILO &amp; UN Global Compact principles including reference to the respect of human rights stated in supplier contracts)</li> <li>• Little to no insight into the impact and responsible conduct of suppliers</li> </ul>	<ul style="list-style-type: none"> <li>• ESG supplier due diligence assessments of first tier suppliers (including tracking of indicators such as fair labour conditions, modern slavery, waste management, and hazardous materials).</li> <li>• Material risks and mitigation opportunities (i.e. policy, GRI auditing and certification schemes) identified throughout the supply chain, including first-tier suppliers, services, and input materials</li> <li>• Supplier code of conduct signed by &gt;90% of first-tier suppliers</li> </ul>	<ul style="list-style-type: none"> <li>• Strategy in place (including KPIs and targets) to eliminate risk exposure through supplier risk assessment, standards and audits (e.g. SA8000, SMETA 4P, Amfori BSCI, GRI 414, Sedex) as well as responsible product certification schemes</li> <li>• Based on due diligence findings, site-visit audits are conducted, and first-tier suppliers are assisted when implementing corrective actions</li> <li>• Engagement with first-tier suppliers to identify risks from indirect suppliers</li> </ul>	<ul style="list-style-type: none"> <li>• Strategy and policy fully embedded in operations</li> <li>• First-tier suppliers and products meet the highest audit scores and responsible conduct (e.g. sourcing certified products or suppliers, obtaining certifications and labels)</li> <li>• Actively propagating responsible value proposition</li> <li>• Pro-active chain engagement to raise the bar of responsible conduct (e.g. through training and/or resources, collaborative initiatives with other players in the supply chain to improve social or environmental impact)</li> <li>• Maximised efforts directed towards establishing full transparency from source to gate</li> </ul>	<ul style="list-style-type: none"> <li>• Supply chain risks fully mitigated and active contribution to sustainable development</li> <li>• Collaborative efforts and partnerships in place to support stakeholders in the supply chain, both to improve sustainability performance and to raise the bar in the wider industry</li> <li>• Company proactively takes up innovative and far-reaching initiatives to tackle supply chain issues and improve the industry standard (i.e. on packaging, living wage, sustainable transport)</li> <li>• Full supply chain transparency with the ability to trace products from source to consumer (i.e. farm-to-fork strategy)</li> </ul>	

# Carbon Report

2024



variosystems

*Company profile*



Variosystems is an electronic engineering and manufacturing services provider, with products including complete devices with wire harness assembly and box build services. The company is headquartered in Steinach, Switzerland, with global production plants in Mexico, Croatia, Sri Lanka, China, and the US. Designing and prototyping occur in the US and Switzerland. The company serves multiple end-markets globally.

*Temporal limits*



2021 - 2024

*Standard*



GHG Protocol Corporate Standard and Corporate Value Chain (Scope 3) Standard

*Study approach*



Operational Control Approach<sup>1</sup>  
With the aim of covering 100% of the activities carried out

*Exclusions from study*

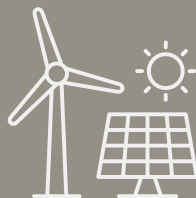


Emission sources exclusion criteria are based on:  
1. Low materiality (negligible effect on footprint)  
2. Low data quality, integrity or accessibility of information  
Details can be found on the Materiality page

This document presents the greenhouse gas footprint assessment of Variosystems conducted in Q1 2025, based on desk research, data provided by the company, its suppliers, and customers, as well as several discussions between company management and Holtara.



Overview



Scope 1 & 2



Scope 3



Annex

<sup>1</sup> Scope 2 values are reported using the market-based approach, unless otherwise stated.



### Total carbon footprint & carbon intensity (Scope 1, 2 & 3)

39,689

2024, tCO<sub>2</sub>e<sup>1</sup>

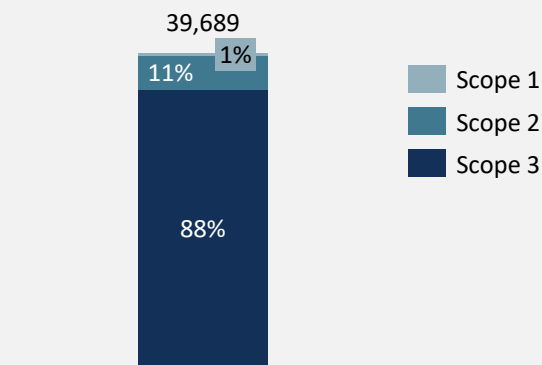
143

2024, tCO<sub>2</sub>e/mEUR

Of Variosystems' total emissions, 88% fall under the Scope 3 category, ~11% fall under Scope 2 emissions, and ~1% of the emissions fall under Scope 1. Unlike last year's reporting, no data was provided for Scope 3 categories 'Use of Sold Products' and 'End-of-Life Treatment of Sold Products.' Proxy-based emissions are estimated and displayed in Scope 3 graphs to highlight the data gaps. Overall, Scope 3 emissions have decreased, partly due to a threefold decrease of 'Purchased goods & services' in 2024 compared to 2023 levels

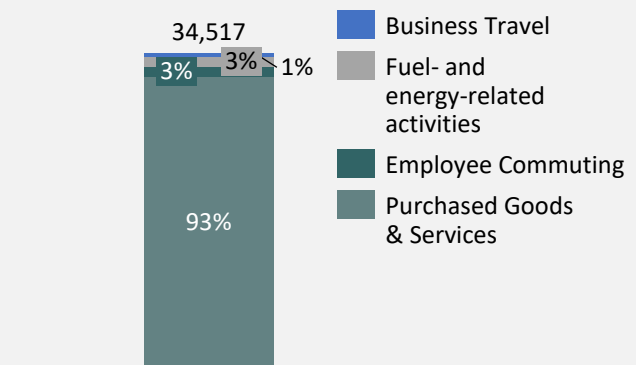
#### GHG Protocol scope breakdown

GHG Emissions (2024, tCO<sub>2</sub>e)



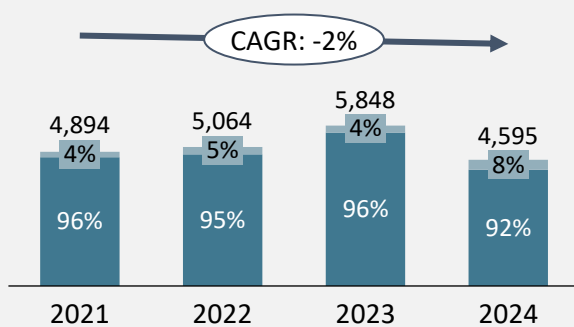
#### Top 2024 Scope 3 reported emissions categories

GHG Emissions (2024, tCO<sub>2</sub>e)



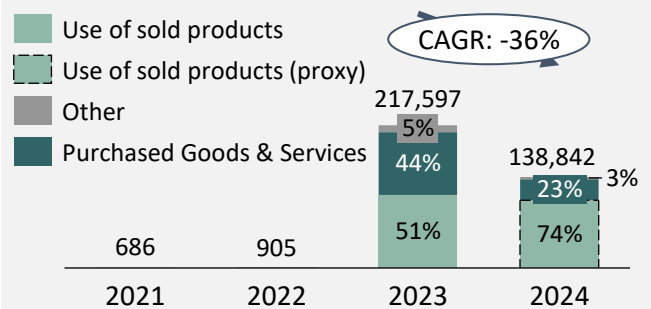
#### Scope 1 & 2 emissions<sup>2</sup>

GHG Emissions (2021-24, tCO<sub>2</sub>e)



#### Scope 3 emissions<sup>3</sup>

GHG Emissions (2021-24, tCO<sub>2</sub>e)



#### Data quality

MEDIUM

Indicative data quality

Data quality is moderate, with emissions predominantly estimated based on activity and expenditure data.

#### Variosystem's 2024 hypothetical carbon costs<sup>4</sup>

€335 k

Company carbon cost based on €73/tCO<sub>2</sub>e carbon price

0.12%

Carbon cost vs revenue

<sup>1</sup> The carbon footprint includes the GHG emissions CO<sub>2</sub>, SF<sub>6</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, and is usually expressed in equivalent tons of carbon dioxide (tCO<sub>2</sub>e); <sup>2</sup> This shows a market-based approach. Location-based emissions can be found on the next page; <sup>3</sup> To address the 2024 data gaps, proxy-based emissions were estimated using the previous year's carbon footprint for 'Use of sold goods' and 'End-of-life treatment of sold goods' and corresponding revenue figures. <sup>4</sup> Figures are indicative; these figures give an insight into annual costs if an internal or external carbon price would be set to €73/tCO<sub>2</sub>e. Reference: EU Carbon Permits - Price - Chart - Historical Data - News, dated March 20, 2025.



### Performance

Overall, Scope 1 has increased by 40%, while Scope 2 has decreased by 24% in 2024 compared to 2023 levels. The rise in Scope 1 emissions can be attributed to higher natural gas usage in Mexico due to a longer and colder winter, increased data coverage across newly acquired sites (Romania and Mendrisio), and increased vehicle usage. While overall electricity consumption has increased, the associated market-based emissions have decreased due to the higher share of renewable electricity.

### Main actions

25% of Variosystems' electricity consumption comes from renewable sources. In addition to the procurement of renewable electricity, the company also generates its own electricity through on-site solar panel installations, particularly at its Sri Lanka location.

### Data quality

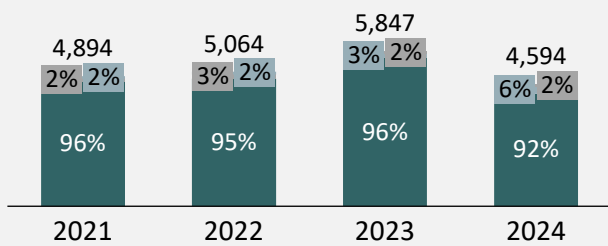
Data quality for both Scope 1 and Scope 2 emissions is high, thanks to Variosystems' use of activity-based data. Holtara recommends that the company continue this practice to maintain data accuracy and ensure reliable emissions reporting.

#### Scope 1 & 2 emissions (market-based)<sup>1</sup>

2021-24 (tCO<sub>2</sub>e)

Stationary combustion    Purchased electricity  
Mobile combustion

CAGR: -2%

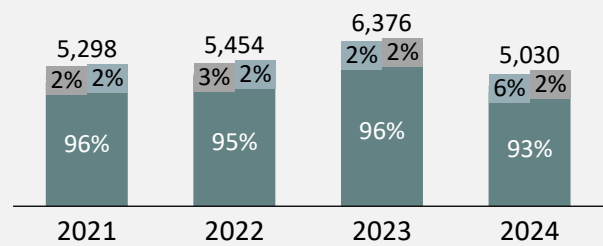


#### Scope 1 & 2 emissions (location-based)

2021-24 (tCO<sub>2</sub>e)

Stationary combustion    Purchased electricity  
Mobile combustion

CAGR: -3%

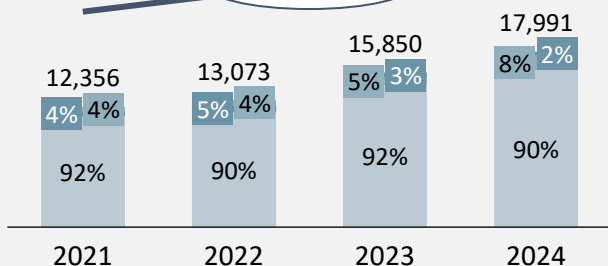


#### Energy consumption

Per fuel type, 2021-24 (MWh, %)

Electricity  
Natural gas  
Crude oil & Petroleum

CAGR: +13%

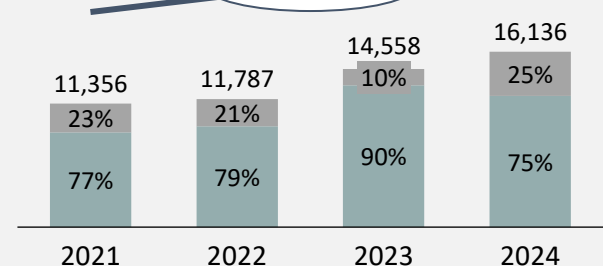


#### Electricity consumption

Renewable vs non-renewable, 2021-24 (MWh, %)

Renewable  
Non-renewable

CAGR: +12%



<sup>1</sup> The market-based approach reflects emissions for the type of electricity procured, whereas location-based reflects the emissions from the local grid.



### Performance

Variosystems’ self-reported Scope 3 emissions were 84% lower in 2024 than in 2023, which is partly attributable to the omission of the ‘Use of sold products’ and ‘End-of-life treatment of sold products’ categories in this year’s reporting. To address this omission, proxy-based emissions were estimated using the previous year’s carbon footprint for these categories and corresponding revenue figures, which are displayed in the graph below.

### Main actions

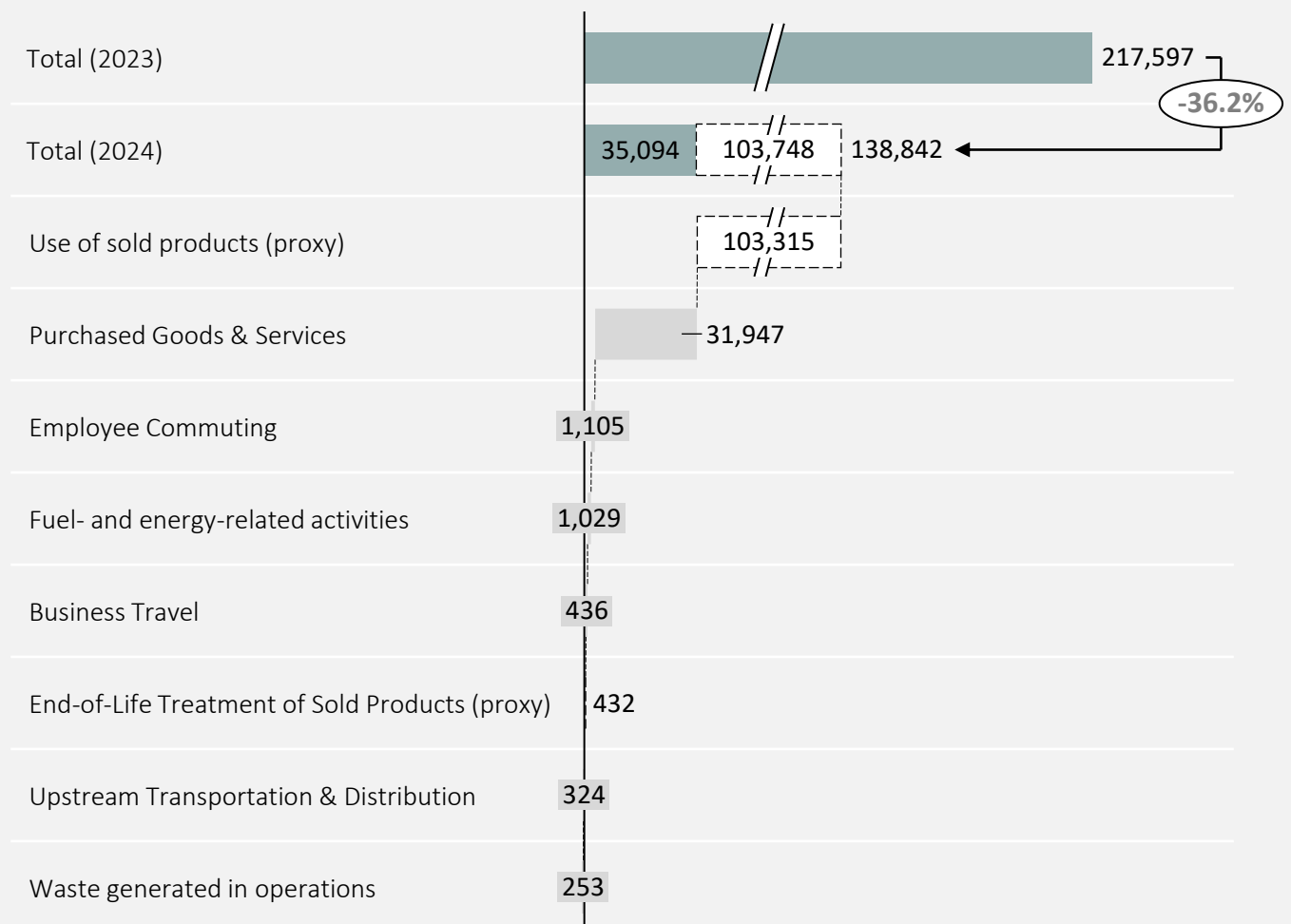
In 2025 the company plans to develop a decarbonisation plan and implement concrete KPIs including. Additionally, it aims to increase the quality and availability of Scope 3 data. The company is already taking steps to reduce the impact of products through waste monitoring and supporting customers with lifecycle and maintenance of their products.

### Data quality

Variosystems had moderate Scope 3 data quality in 2024, as it was comprised of a mix of activity-based, supplier-specific, and spend data. Data coverage decreased in 2024 compared to 2023 levels.

### Scope 3 emissions breakdown<sup>1</sup>






2023-24 (tCO<sub>2</sub>e)



<sup>1</sup> Scope 3 emissions for 2024 displayed in this graph include estimations for ‘Use of sold products’ and ‘End of life treatment of sold products’. Emissions for these categories were estimated using 2023 carbon emissions, extrapolated based on revenue figures.



# Annex


 <p>Boundary setting &amp; materiality assessment</p>	<p>1 The boundaries and scope of the study are defined based on company activities.</p>	<p>Organisational and operational boundaries are defined to determine the scope of the report. An analysis of the company's business offerings, operations, and their supply chain interactions informs whether, specific emission categories are identified as relevant and material.</p>
 <p>Data collection</p>	<p>2 Data is requested and collected for all material emission categories.</p>	<p>A custom data request is prepared for the company based on relevant emissions categories. A carbon data collection is established across a company's operations. This can involve direct communication with suppliers, monitoring the company's operational data (e.g. energy bills), and other means.</p>
 <p>Data validation</p>	<p>3 The data is checked, classified and validated.</p>	<p>The data undergoes a review for relevance, completeness, and consistency to ensure an accurate emissions assessment. During this process, emphasis is placed on the most accurate data types, prioritising supplier-specific data, followed by activity data, and finally, spend-based data.</p>
 <p>Carbon measurement</p>	<p>4 The carbon footprint is calculated in line with the GHG protocol.</p>	<p>When applicable, geographically and temporally relevant emission factors are applied to convert activity- or spend-based data, enabling the calculation of the carbon footprint for a particular activity. In cases of data gaps, estimation models may be employed to derive the carbon footprint for that activity.</p>
 <p>High-level reduction opportunities</p>	<p>5 High-level reduction opportunities are identified for the company.</p>	<p>The carbon footprint assessment offers insights into the primary emission drivers of the company, revealing crucial information and pinpointing avenues for reduction. This analysis can lead to the formulation of carbon reduction measures aligned with the company's objectives.</p>




### Scope 1 & 2 – Materiality assessment

To enable an effective and efficient carbon monitoring and - reduction process, it is key to focus on material emissions sources. An analysis of the company's business offerings and operations was performed, informing whether specific emission categories are identified as relevant and material. Material emission sources contribute significantly to the company's overall footprint, whereas a category is deemed immaterial if its contribution to the overall footprint is negligible (<5% of overall footprint).

#### Analysis boundary

**Organisational boundary**  Variosystems has direct operational control for the company HQ in Switzerland, as well as its production locations globally in the US, China, Mexico, Croatia, Sri Lanka, and Romania.

**Scope of activities**  Variosystems' downstream value chain actors are predominately the end users of the electronic components and services produced by Variosystems.

Emission category	Materiality	Reason for inclusion/exclusion
Scope 1	Stationary combustion	✓ Variosystems heats its locations through the combustion of natural gas, and emissions are calculated based on energy consumption in kWh.
	Mobile combustion	✓ Variosystems operates a vehicle fleet, that consume a mix of petrol and diesel, and emissions are calculated based on petrol and diesel consumption.
	Fugitive and process emissions	✗ Variosystems is not involved in activities or in possession of equipment that could materially lead to process or fugitive emissions.
Scope 2	Purchased electricity (facility use)	✓ Variosystems procures renewable electricity as part of its energy mix.
	Purchased electricity (vehicle use)	✗ Variosystems does not operate an electric vehicle fleet, so this category is excluded from the assessment.
	Purchased heat and steam	✗ Variosystems does not procure heat or steam energy, so this category is excluded from the assessment.

✓ Material and included     
 → Material but not included in assessment     
 ✗ Deemed not material

### Scope 3 Upstream – Materiality assessment

For the scope 3 emission categories, a materiality analysis was performed based on the company's business offerings, and supply chain interactions, informing whether specific emission categories are identified as relevant and material. Categories are deemed immaterial if they are either not applicable to the company's operations and/or supply chain, or their contribution to the overall footprint is negligible (<5% of overall footprint).

#### Analysis boundary

Organisational boundary		Variosystems has direct operational control for the company HQ in Switzerland, as well as its production locations globally in the US, China, Mexico, Croatia, Sri Lanka, and Romania.
Scope of activities		Variosystems' downstream value chain actors are predominately the end users of the electronic components and services produced by Variosystems.


Emission category		Materiality	Reason for inclusion/exclusion
Scope 3 Up-stream	Purchased goods & services	✓	Variosystems purchase goods and services, including PCBs and other electronic components, and emissions are calculated based on volumes of purchases and expenditures.
	Capital goods	→	Variosystem's capital goods were not included in the analysis this year.
	Fuel-and energy-related activities	✓	Variosystems purchases natural gas and electricity (scope 1 and 2), so indirect emissions from sourcing these energy sources are calculated based on energy consumption.
	Upstream transportation & distribution	✓	Variosystems purchases transportation and distribution services and emissions are calculated based on weights, distance travelled for outbound logistics, and expenditure for upstream logistics.
	Waste generated in operations	✓	Variosystems produces waste during its operations, and emissions are calculated based on volumes and waste type, as well as assumed disposal type.
	Business travel	✓	Variosystems' employees travel for business-related activities (in vehicles not owned or controlled by the company) and emissions are estimated based on distance travelled per transportation type per company location.
	Employee commuting	✓	Variosystems employees commute to work, with emissions estimated based on kilometres travelled per transport type.


✓ Material and included     
 → Material but not included in assessment     
 ✗ Deemed not material

### Scope 3 Downstream – Materiality assessment

For the scope 3 emission categories, a materiality analysis was performed based on the company's business offerings, and supply chain interactions, informing whether specific emission categories are identified as relevant and material. Categories are deemed immaterial if they are either not applicable to the company's operations and/or supply chain, or their contribution to the overall footprint is negligible (<5% of overall footprint).

#### Analysis boundary

**Organisational boundary**  Variosystems has direct operational control for the company HQ in Switzerland, as well as its production locations globally in the US, China, Mexico, Croatia, Sri Lanka and Romania.

**Scope of activities**  Variosystems' downstream value chain actors are predominately the end users of the electronic components and services produced by Variosystems.

Emission category	Materiality	Reason for inclusion/exclusion
Downstream transportation & distribution	X	Variosystems pays for all outbound logistics meaning all transportation of goods is covered under upstream transportation and distribution, so this category is not included in the analysis.
Processing of sold products	X	Variosystems does not sell intermediate products, so this category is not considered in the analysis.
Use of sold products	→	Variosystems sells products that consume energy, so this category is applicable to the analysis. No 2024 data was provided.
End-of-life treatment of sold products	→	Variosystems sells products that will turn into waste at the end of their lifetime; these emissions are estimated based on the material and total weight of sold products.
Downstream leased assets	X	Variosystems does not lease to others, so this category is not considered in the analysis.
Franchises	X	Variosystems does not operate franchises, so this category is not considered in the analysis.
Investments	X	Variosystems does not have investments, so this category is not considered in the analysis.

✓ Material and included      → Material but not included in assessment      X Deemed not material

Metric	Unit	Definition
Total energy consumption	MWh	The calculated total energy consumption from all sources (scope 1 and 2; including electricity, fuel, gas, and if relevant, steam and heat), during a reporting period.
Carbon intensity	tCO <sub>2</sub> e / €M rev	Carbon emissions in metric tonnes per millions of net revenue, during a reporting period.
Scope 1 emissions	tCO <sub>2</sub> e	Direct emissions due to owned, controlled sources accounted for using the GHG Protocol, during a reporting period.
Scope 2 emissions	tCO <sub>2</sub> e	Indirect emissions due to purchase of electricity, heat, steam, etc. accounted for using the GHG Protocol <sup>2</sup> , during a reporting period.
Scope 3 emissions	tCO <sub>2</sub> e	All indirect emissions (i.e. not included in scope 1 or 2) that occur in the company value chain, including both upstream and downstream emissions. Accounted for using the GHG Protocol, during a reporting period.
Proxy data	-	Proxy data refers to indirect or substitute information used to estimate GHG emissions when direct emissions data is unavailable or difficult to obtain.
Activity data	-	Activity data specifies how many units of a particular product or material that a company has purchased. For example, it could be litres of fuel, kilograms of textile, etc.
Spend data	-	Spend data relates to the financial expenditures associated with GHG emissions. It involves tracking the monetary costs associated with activities, processes, or purchases that lead to emissions.
Supplier data	-	Supplier-specific data is information provided by suppliers or vendors that is relevant to GHG emissions accounting. This data typically includes details about the emissions associated with the production, transportation, or provision of goods and services by suppliers.
Market-based approach	-	A market-based method reflects emissions from electricity that companies have purposefully chosen (or their lack of choice).
Location-based approach	-	A location-based approach accounts for emissions based on the average emissions intensity of grids where energy consumption takes place, primarily utilizing grid-average emission factor data.
Base year	Year	A historic datum (a specific year or an average over multiple years) against which a company's emissions are tracked over time.
CO <sub>2</sub> equivalent	CO <sub>2</sub> e	The universal unit of measurement to indicate the global warming potential (GWP) of each of the six greenhouse gases, expressed in terms of the GWP of one unit of carbon dioxide. It is used to evaluate different greenhouse gases against a common basis.

# variosystems

Josipa Maršanić

[josipa.marsanic@variosystems.com](mailto:josipa.marsanic@variosystems.com)

Sara Foršek Pažin

[sara.forsekpazin@variosystems.com](mailto:sara.forsekpazin@variosystems.com)

# capvis

Daniel Wendel

[daniel.wendel@capvis.com](mailto:daniel.wendel@capvis.com)

Stefanie Hehenberger

[stefanie.hehenberger@capvis.com](mailto:stefanie.hehenberger@capvis.com)

Andreas Hugener

[andreas.hugener@capvis.com](mailto:andreas.hugener@capvis.com)

Capvis AG

Grabenstrasse 17

CH-6340 Baar, Switzerland

# Holtara

Kumail Haider

[kumail.haider@holtara.earth](mailto:kumail.haider@holtara.earth)

Hannah Spratt

[hannah.spratt@holtara.earth](mailto:hannah.spratt@holtara.earth)

Amber Tijisma

[amber.tijisma@holtara.earth](mailto:amber.tijisma@holtara.earth)

Simone van den Akker

[simone.vandenakker@holtara.earth](mailto:simone.vandenakker@holtara.earth)

Lidia Mancini

[lidia.mancini@holtara.earth](mailto:lidia.mancini@holtara.earth)

Douwe Muller

[douwe.muller@holtara.earth](mailto:douwe.muller@holtara.earth)

Holtara Ltd.

Vierwindenstraat 149,

1013 LA Amsterdam, Netherlands