

Supplier Code of Conduct

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1. Principles

VAT is a leading global developer, manufacturer and supplier of high-end vacuum valves. VAT vacuum valves are mission-critical components for advanced manufacturing processes of innovative products used in daily life such as portable devices, flat screen monitors or solar panels. VAT is organized into two different reporting segments: Valves and Global Service offering high-end vacuum valves, multi-valve modules, edge-welded bellows and related value-added services for an array of vacuum applications. VAT Group is a global player with over 2'500 employees and main manufacturing sites in Haag (Switzerland), Penang (Malaysia) and Arad (Romania).

The present VAT Supplier Code of Conduct is fully aligned with the overarching “VAT Code of Conduct” and constitutes an integral part of responsible and sustainable management at VAT. Compliance with the VAT Supplier Code of Conduct or an equivalent binding declaration on lawful, sustainable and social conduct is mandatory for all VAT suppliers worldwide. The VAT Supplier Code of Conduct reflects the principles of the Responsible Business Alliance Code of Conduct, which is applicable as a minimum standard.

VAT and all suppliers must comply with all applicable local, national and international laws and regulations wherever we do business. Our foremost aim is to act in a high ethically and legally irreproachable manner. VAT cannot tolerate violations of any applicable law or violations of this Supplier Code of Conduct, regardless of the country in which we are working or doing business.

All suppliers are obliged to carefully study the rules and regulations pertinent to their area of responsibility and ensure full compliance. In case of doubt or queries, they are obliged to seek additional information and guidance from the appropriate channels or persons in charge.

2. Environment

VAT is deeply committed to protecting our air, water, soil, and climate for current and future generations. Therefore VAT not only requires its suppliers to fully comply with all applicable environmental laws and regulations applicable to their operations as well as the achievement of their own set goals to improve their environmental footprint, but VAT commits its suppliers to incorporate the following actions into their manufacturing and purchasing efforts: environmentally preferable supplies and services; conservation of water; efficient energy use; waste prevention; reuse and recycle materials in a manner that maximizes their reuse; sustainable transportation choices; pollution prevention; low toxicity for public health & safety; and reduced greenhouse gas emissions on Scope 1 and 2 which are to be tracked and reported on.

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3. Social

3.1. Labor

3.1.1. Protection of human rights

The Supplier commits to uphold the human rights of employees, and to treat them with dignity and respect as understood by the international community. The same principles for the treatment of employees apply to all employees including temporary, migrant, student, contract, direct employees, and any other type of employees, former employees as well as external business partners and associates.

3.1.2. Involuntary employment and minors

All employees are employed at their free choice, explicitly excluding forced, bonded (including debt bondage) or indentured labor, involuntary or exploitative prison labor, slavery or trafficking of persons. The Supplier is bound to entertain employment management processes to enhance transparency with and enable access to the protection of employees' rights.

Child labor is not to be used in any stage of manufacturing and the supplier commits to install appropriate measures to ensure sufficient protection of minor employees.

3.1.3. Wages and Working Hours

Compensation paid to workers shall comply with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits. All overtime must be voluntary, a workweek should not be more than 60 hours and employees shall be allowed at least one day off every seven days.

3.1.4. No Discrimination or Harassment

VAT expects from its suppliers that they respect different ways of life, different cultures as well as region- and ethnicity- specific customs.

VAT suppliers are guided solely by objective and fully transparent criteria in all dealings with VAT and other business associates. VAT suppliers provide a working environment for their employees where there is zero tolerance for any form of discrimination, harassment or disadvantages due to race, ethnic background, gender, religion, belief system, disability, age or sexual identity and prohibit any gender-based violence, sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, bullying, public shaming, or verbal abuse of workers

VAT and its suppliers commit to the ILO Discrimination (Employment and Occupation) Convention.

3.1.5. Employees' rights of participation

In conformance with local law, suppliers shall respect the right of all workers to form and join trade unions of their own choosing, to bargain collectively, and to engage in peaceful assembly as well as respect the right of workers to refrain from such activities. Workers and/or their representatives shall be able to openly communicate and share ideas and concerns with management regarding working conditions and management practices without fear of discrimination, reprisal, intimidation, or harassment.

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3.2. Health and Safety

The supplier recognizes that in addition to minimizing the incidence of work-related injuries and illness, a safe and healthy work environment is crucial for sustainable operations.

VAT and its suppliers commit to the ILO Guidelines on Occupational Safety and Health.

4. Governance

4.1. Ethics

4.1.1. Fair competition

VAT expects all suppliers to fully comply with applicable statute so as to protect fair competition in the marketplace. As a matter of principle, applicable laws prohibit: the fixing of prices, terms and conditions among competitors; agreements between competitors on dividing up markets and customers among themselves; coordinated actions among competitors with a view to prices, terms, conditions, markets and customers; as well as any other illegal or unfair practices

4.1.2. No corruption

VAT firmly believes in the high quality of its products and the high performance of its suppliers. VAT is strictly against any form of direct or indirect bribery of business associates or public officials. It is strictly prohibited for VAT suppliers to request, ask for, or accept any form of personal gratification when procuring supplies or services. VAT suppliers are also prohibited from offering or granting any advantages or gratifications to any business associates.

4.1.3. Preventing conflicts of interest

VAT expects from its suppliers not to engage in any activities or accept any tasks that might be in conflict with the interests of VAT

4.1.4. Compliance with national and international foreign trade regulations

VAT fully complies with all national and international trade regulations. All VAT suppliers are requested to observe applicable export and import restrictions, public authorization requirements as well as governing customs and tax regulations.

VAT places utmost importance on compliance with national and international regulations prohibiting money laundering as well as responsible handling of critical raw materials (e.g., conflict minerals).

4.1.5. Insider dealings

VAT Group AG is listed on the SIX Swiss Stock Exchange. This means that we must observe a range of rules and regulations derived from Swiss legislation governing capital markets. Breaches of these rules and regulations can damage VAT's reputation and destroy investors' trust and confidence in the company. VAT and all of its customers and suppliers are prohibited from using non-public inside information, directly or through an intermediary or to the advantage of any third person, at any time to acquire or sell securities of VAT. This especially includes the relationship with and performance of the supplier, which may have a significant effect on the price of VAT securities. The supplier is aware of the prohibition of insider dealings with such information, refrains from using confidential information for other means than the performance of his supplier obligations and installs appropriate measures to prevent insider dealings with information he is in possession of.

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4.2. Management Systems

4.2.1. Protecting VAT assets

VAT expects from all of its suppliers to handle the assets of VAT conscientiously and responsibly. All business decisions must be based on a transparent commercial assessment of risks and benefits. This also includes a diligent check of the integrity of all business associates of VAT suppliers.

VAT places utmost importance on the integrity of its suppliers. VAT reserves the right to check the financial situation and personal integrity of suppliers, based on the type of business transactions or activities they are engaged in, and on the locations where they conduct business.

VAT will not sell VAT intellectual property but may provide suppliers with licenses limited in time and scope to the performance of suppliers' obligations with VAT.

4.2.2. Data protection

VAT respects the personal and privacy rights of its suppliers and any personal data. VAT compiles, processes and uses personal data of its suppliers solely to the extent to which this is necessary for the business operations of VAT. All applicable data protection provisions are fully observed. Personal data are stored safely and are suitably protected against unauthorized access. VAT expects all its suppliers to strictly comply with applicable data protection laws and regulations as well.

Any provision of personal data by VAT to a supplier not covered by law requires the supplier to offer a data processing agreement with suitable safeguards to meet the protection standards required by law.

4.2.3. Handling public media

In the interest of a strong global image, VAT is committed to transparent, consistent two-way communication with the public and public media. Official statements on behalf of VAT may only be made by specifically authorized VAT personnel.

4.2.4. Implementing the VAT Supplier Code of Conduct

The management of each individual entity within a supplier's organization is responsible for implementing the VAT Supplier Code of Conduct in their respective area of responsibility. They are obliged to take all appropriate action and provide the required structures and resources to ensure that all employees in the entity are familiar with the VAT Supplier Code of Conduct and that its principles are fully implemented.

VAT suppliers apply this Supplier Code of Conduct or an equivalent binding declaration on lawful, sustainable and social conduct themselves and commit their entire supply chain to the same standards, which they monitor, report on and are accountable for.

All VAT suppliers are encouraged to direct any questions they might have with regard to the contents, interpretation or implementation of the VAT Supplier Code of Conduct to the VAT Strategic Procurement function

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We, the undersigned, hereby confirm and declare in the name and on behalf of our company that

1. we have received the VAT Supplier Code of Conduct;
2. by signing this declaration, we accept and commit to complying with all rules and requirements as laid out in the VAT Supplier Code of Conduct;
3. we accept that this declaration shall be exclusively governed by the material laws of Switzerland, excluding the UN Law of Sales (CISG).

Place/Date:

Company

Street

Post code/city

Name of authorized signatory

X

Signature

:

1. **Please sign one (1) original copy of this document.**
2. *Please note that only duly authorized personnel of your company may sign this document.*
3. *Please send the duly signed document via email, signature tool or in original copy by conventional mail to:*

VAT VAKUUMVENTILE AG, SEELISTRASSE 1, STRATEGISCHER EINKAUF; CH-9469 HAAG