

Sustainability

In 2025 we continued to execute our sustainability strategy, focusing on the three areas we defined as key to enabling VAT's business success: people, planet and performance. In doing so, we further ingrained the sustainability mindset in our entire value chain and successfully worked towards achieving our targets.

Sustainability is crucial for VAT's business on more than one level. It enables us to contribute to addressing global challenges, but also to mitigate corporate risks and make our business more resilient. At the same time we are able to create competitive advantages by meeting our customers' requirements. We believe that long-term economic success can only be achieved by embracing our responsibility to operate in a way that minimizes our impact on the environment, supports our people and the communities in which we operate, and complies with the highest ethical standards. The aim of VAT's sustainability strategy is to help us achieve lasting business success and position VAT as the preferred partner for our employees, customers, suppliers, local communities, and shareholders. As such, our goal is to excel in sustainability the way we excel in vacuum solutions, and to transform the way our industry works.

VAT's sustainability strategy

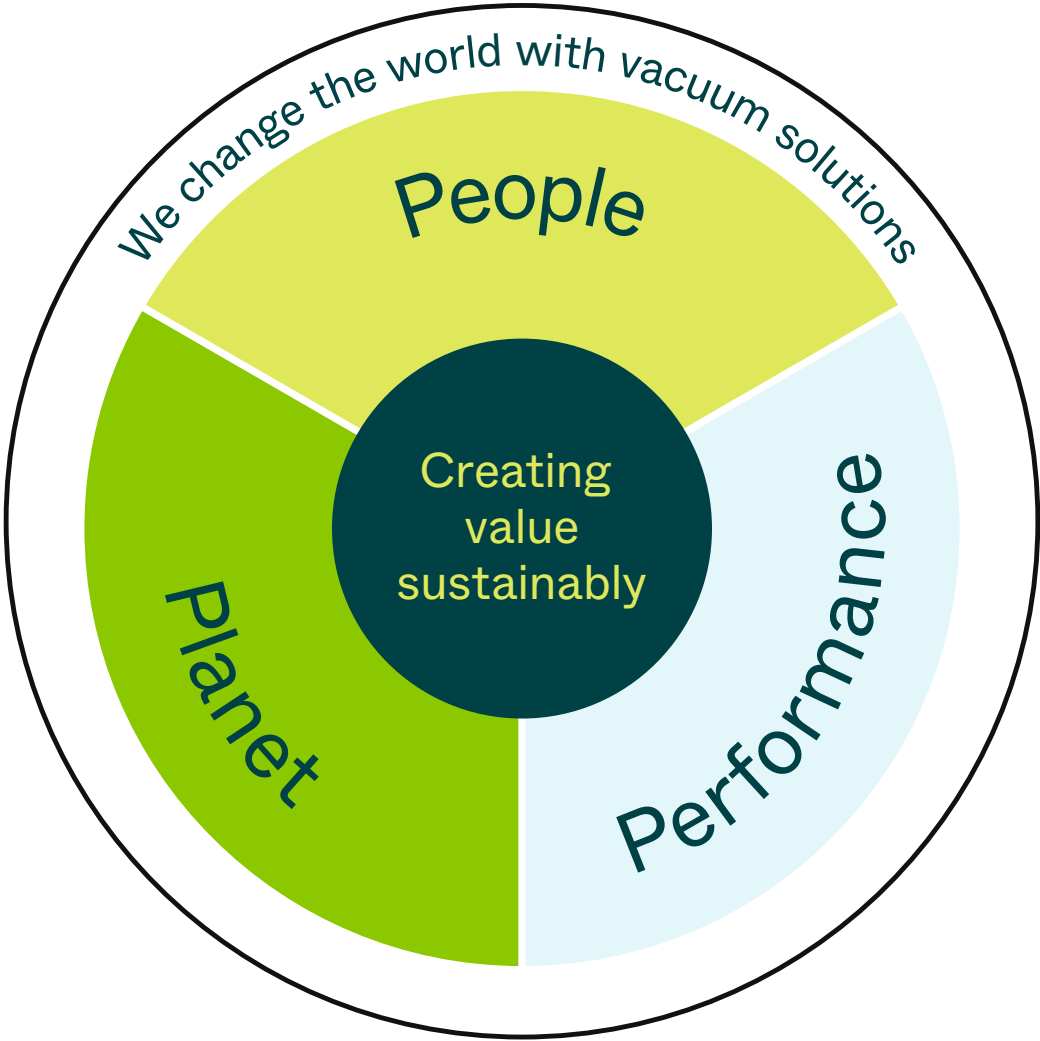
VAT has always paid attention to the impact of its manufacturing activities on the environment. This reflects our origins in Switzerland, a country where environmental protection has a long tradition. Building on this, we continue tackling sustainability strategically, beyond mere legal requirements. In 2025, we further optimized our sustainability framework based on the material topics identified around our environmental impact, our social responsibility, our governance structure, and the company's performance. To ensure a solid ground for all our efforts, we updated the double materiality assessment to integrate all our key stakeholders and reflect their perspectives. We considered our environmental and social impact along the entire value chain as well as sustainability-related opportunities and risks for the financial development of the company.

Our sustainability strategy is designed to make us more resilient, ensure compliance with regulatory requirements, and meet the increasing demand for sustainable solutions and practices. For this to happen, it must be aligned with our wider business strategy and executed effectively. Following the implementation of a Sustainability Committee at the Board of Directors level in 2024, responsible for the strategic steering of sustainability across the entire organization, we further invested in people and in training on sustainability matters in 2025. Four members of staff are now dedicated full time to working on all aspects of sustainability together with the respective functions in operations, human resources, procurement or legal.

Both the framework of our sustainability strategy and the results of the double materiality assessment are presented below.

VAT's sustainability strategy

Long-term success can only be achieved when we consider the impact of our business on all stakeholders.



In line with the enhanced structures involved in managing sustainability at VAT and the implementation of the topic along the entire value chain, we are for the first time publishing the Sustainability Report at the same time as the Annual Report. The Sustainability Report can be found online at www.vatgroup.com/sustainability, featuring detailed targets and facts and figures underpinning VAT's progress. A selection of the highlights in 2025 is presented below.

Environmentally certified new buildings

In 2025, VAT inaugurated three new buildings at its main manufacturing sites in Romania, Malaysia, and Switzerland. To support future growth, VAT completed a new plant in Arad, Romania, combining high-precision manufacturing, modern offices, and wellbeing spaces. Sustainability was integral from the outset, earning the building a BREEAM Outstanding certification, thanks to careful design, impact monitoring, and local, traceable sourcing. In Malaysia, the Penang site was expanded with the new 1B factory, which achieved LEED Gold certification, reflecting strong performance in energy, water efficiency, transportation, and indoor environment. In Switzerland, VAT completed its Innovation Center in Haag in spring 2025, consolidating the Swiss R&D activities of over 300 engineers. While certification is still under way, a positive outcome is expected thanks to the project's strong sustainability focus. Beyond the certifications themselves, the insights gained will help VAT further reduce the environmental impact of its operations.

Increased share of renewable energy and increased energy efficiency

In recent years, VAT has already prioritized the areas that are within the company's sphere of control, such as the electricity we source. Starting from a share of 65% renewable energy in 2023, we have constantly increased and have now reached a share of 89% for our production sites. The new buildings mentioned above are all equipped with state-of-the-art energy efficiency features. The new site in Romania, for example, is already up to 50% self-sufficient thanks to solar panels and heat recovery systems. Also at the other sites, we are continuing to reduce energy consumption, for example through improvements in the way the utilization of machinery is managed, as well as enhancements to the building infrastructure, such as an air compressor system optimization project in Malaysia, significantly improving the overall efficiency of the compressed dry air (CDA) system.

Reduced greenhouse gas (GHG) emissions and submitted SBTi targets

Building on both the switch to renewable energy outlined above, as well as the implementation of sustainable practices improvements in the data used to track our emissions, we were able to reduce GHG emission intensity (Scope 1 and 2) by 15%, compared with 2024. This progress gave us the confidence to establish a detailed and thorough GHG transition plan and ultimately submit near-term targets to the Science Based Target initiative (SBTi), backed by the Board of Director's approval of our reduction targets.

Strong results in sustainability ratings

Our efforts to make VAT more sustainable were reflected in improved sustainability scores in the past year. We received a silver medal from EcoVadis, placing us among the top 15% of all rated companies. Our S&P CSA score also improved, ranking us in the top quartile of our industry, and for the first time we received a B rating from the Carbon Disclosure Project (CDP). Furthermore, we maintained a perfect AAA rating from MSCI and remained in the medium risk range according to Morningstar Sustainalytics. These acknowledgements are the result of efforts across all teams and departments in recent years to drive sustainability forward.

Materiality matrix

Impact and financial relevance of sustainability topics that are material to VAT (DMA 2025).

- Environmental
- Social
- Governance

Financial materiality (outside in)	<ul style="list-style-type: none"> ● Data security, IP protection, and cybersecurity <p>Financially material</p>	<ul style="list-style-type: none"> ● Greenhouse gas emissions ● Supply chain management, material and resource use ● Energy usage ● Circularity practices <p>Financially & impact material</p>	<ul style="list-style-type: none"> ● Employee engagement and development ● Health and safety performance, wellbeing ● Workers in the value chain ● Diversity and equal opportunities ● Sustainability strategy integration ● Corporate governance practices
	<ul style="list-style-type: none"> ● Biodiversity and ecosystems ● Marine/ocean resources ● End-consumers <p>Immaterial</p>	<ul style="list-style-type: none"> ● Pollution ● Waste management ● Water management <p>Impact material</p>	<ul style="list-style-type: none"> ● Local communities and community engagement

Impact materiality (inside out)



Planet: the environmental dimension

Our priority is to implement measures to limit climate change by reducing the greenhouse gas (GHG) emissions of our sites and along our entire value chain. We are also striving for more efficient use of energy while reducing our impact on natural resources such as water and land. Following our commitment to the Science Based Target initiative (SBTi) in 2024, we handed in our near-term GHG reduction targets in late 2025, based on a thorough GHG transition plan which was signed off by the Board of Directors.



People: the social dimension

We foster a diverse and inclusive work environment and encourage our employees to learn and develop, and we also make sure that the same ethical standards are applied along our supply chain, protecting workers' rights. We also take initiatives to increase our positive impact on the communities where we operate and on society at large. One highlight of 2025 was the reduction by over 50% in lost time accidents (LTA), thanks to VAT's continuous efforts in training and accident prevention.



Performance: the economic dimension

To continue creating value and growing our business, we want to harness the benefits of resource efficiency, circularity, and sustainable innovation. Our vacuum valves are important enablers of the green energy transition, in particular when it comes to manufacturing solar photovoltaic cells, operating electric vehicles, and improving the energy and resource efficiency of a wide variety of industrial processes.

