



# Sustainability Committee (SC) Charter of the VAT Group

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# 1. Purpose

The Sustainability Committee (SC) is an expert committee formally appointed by the Board of Directors (BoD) of VAT. Its purpose is to support the BoD on the development of a sustainable development and social responsibility strategy and the BoD's supervisory duty towards all VAT stakeholders, namely employees, customers, suppliers and the communities VAT operates in.

Sustainability, as defined in this charter, is used as the summary term for all environmental, social and governance (ESG) aspects of VAT's business activities.

The SC advises the BoD namely regarding:

(a) the development of a sustainability culture in the company

(b) the review of the choices to comply with the sustainability regulatory requirements and initiatives and the implications of those choices on VAT's business activities

(c) the facilitation of an in-depth discussion within the BoD on these choices to consider these for the strategic development of VAT and its ability to create sustainable value that is shared among all stakeholders

(d) the proposal of adequate sustainability targets for the company, related accountabilities as appropriate and targets related to the executive remuneration incentive scheme

(e) the assessment of the company's performance against the set environmental, social and governance targets

## 2. Powers

The SC has oversight over the company's sustainability initiatives and validates that the overall approach is in line with the company's sustainability strategy.

The SC in addition has oversight over the accuracy of the company's non-financial reporting and validates that the data reported complies with applicable sustainability reporting requirements and regulations.

To exercise its tasks as defined here, the SC has therefore unlimited access to all relevant information and to properly carry out its work is authorized to request the information it needs from all Group employees and to invite members of the BoD and employees to attend SC meetings for questioning as needed.

The SC is authorized to call in suitable external advisors to provide support in carrying out its duties. The SC submits proposals concerning its remit to the BoD for decisions that must be taken by the latter.

The SC advises the BoD in relation to its responsibilities and may prepare resolutions of the BoD related thereto. The BoD may delegate its authority to make decisions in relation to the responsibilities listed below. However, the full BoD remains responsible for all decisions taken by the SC.

The responsibilities of the SC comprise in the broadest sense:

(a) review the annual Sustainability Report

(b) review, comment and provide guidance on the company's plans and actions regarding sustainability topics including, but not limited to:

a. climate change and related matters, including nature and biodiversity

b. responsible sourcing in the company's key materials and components

(c) ensure the company carries out human rights' due diligence and reports

(d) review the company's diversity and inclusion strategy and execution

(e) monitor the company's performance against selected external sustainability indexes and internal metrics

(f) periodically discuss (together with the AC) how other material non-financial issues affect financial performance and how the company's long-term strategy relates to its ability to create shared value

(g) periodically review the company's significant stakeholders and their material interests and review emerging trends in sustainability, assessment of and study of sustainability

### 3. Organization

The SC consists of at least two (2) members who are elected by the BoD from among its members.

The BoD also elects the Chairperson of the SC. The Chairperson shall be primarily responsible for the proper functioning of the SC.

The Chairperson shall act as the spokesperson of the SC, shall make recommendations for persons to be invited as advisors to the SC and shall be the main contact for the BoD.

The term of office of the SC members corresponds to their term of office as a member of the BoD and runs for one year or until the next Annual General Meeting (AGM). The SC meets upon invitation of its Chairperson as often as business requires, at least three (3) meetings per year and usually before the regular Board meetings. Other meetings may be convened by the Chairperson of the SC or by any of its other members or by the BoD.

SC meetings are generally held at the offices of VAT, but may also take place virtually or elsewhere.

SC meetings shall be convened by the Secretary of the SC on behalf of the Chairperson of the SC or on behalf of any other person authorized to convene such a meeting.

The invitation to the meeting:

(a) is made in writing (including by e-mail) at least 10 working days in advance

(b) indicates the day, time and venue as well as the items on the agenda

(c) is followed by the relevant documents for the meeting at least 7 calendar days before the meeting.

If the matter is urgent, shorter deadlines are acceptable; the Chairperson can decide whether a matter is urgent.

Deviations from these formal requirements are permitted if all the members are present and agree; the SC may in particular also pass resolutions on matters that are not included in the agenda for the meeting.

Meetings using electronic communication (telephone, MS Teams, WhatsApp, etc.) are also possible.

The provisions of the attendance meetings apply accordingly.

In addition to the elected SC members, other members of the Group Executive Committee (GEC) and other persons may attend the meeting by invitation of the Chairperson.

The SC may pass resolutions and formulate proposals if at least half of its members are present in person (but always at least two members) or participate in the meeting through electronic communication means.

Minutes of the meetings shall be prepared by the SC Secretary. These minutes shall generally be submitted for adoption in the next meeting of the SC. If all members of the SC agree on the contents of the minutes, they may be adopted earlier. The minutes shall be signed for adoption by the Chairperson and the SC Secretary and shall be distributed as soon as practically possible to

all members of the BoD, the Chief Executive Officer (CEO) and to the other participants, the latter as deemed necessary by the Chairperson.

The SC also reports on its activities to the BoD at the next regular Board meeting, or immediately if the matter is urgent.

The SC can submit proposals it deems suitable to the BoD concerning all areas of its remit where measures or improvements are needed.

Resolutions must be passed and proposals to the BoD must be formulated with the majority of the votes cast. Abstentions do not count as votes. If votes are tied, the matter must be submitted to the BoD.

Resolutions and proposals to the BoD may also be made by circular letter, unless one of the members requests that the matter be discussed verbally.

The Chairperson of the SC is suitably prepared when attending the AGM so that any questions received from the shareholders during the AGM regarding the activities of the SC can be answered.

## 4. Final provisions

This SC Charter enters into force upon adoption by the BoD.

This SC Charter must generally be reviewed and amended, if necessary, every two years during the first meeting after the AGM.

Haag, October 8th, 2024

The Chairman of the Board of Directors

The Chairman of the Sustainability Committee

Dr. Martin Komischke

Daniel Lippuner

## Contact

This Sustainability Committee Charter is available in English and German.

**For further information please contact:**

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