

A large circular image of coal is centered on the page. It shows several pieces of dark, textured coal, some with lighter, crystalline areas. The background of the entire page is a dark teal color.

Summary Sustainability Report 2024



Creating value sustainably

In 2024, VAT made significant progress on its sustainability journey. We substantially reduced Scope 1 and 2 carbon emissions thanks to great efforts in energy efficiency and green energy supply in Malaysia. We also met our targets for female new hires, strengthening VAT's position as a fair and inclusive employer.

Our organization evolved with the creation of a Sustainability Committee, and additional full-time resources dedicated to sustainability. Besides, we developed a sustainability strategy to enhance resilience and minimize negative social and environmental impacts.

Throughout the year, we engaged with suppliers and other stakeholders to drive collective action, including through our membership in the Responsible Business Alliance (RBA).

We invite you to explore our achievements and future outlook in this 2024 edition of our Sustainability Report.

The picture on the cover of this Sustainability Report shows metal waste from the milling process at our plant in Haag, Switzerland. VAT presses the loose metal swarf into briquettes, which reduces the volume by 90%, increases recyclability, and reduces metal waste loss. In 2024, VAT recycled 408 tonnes of aluminum waste (2023: 180 tonnes).

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Sustainability highlights

Sustainability Governance

To enhance the strategic steering of sustainability at the highest governance level, in 2024 VAT introduced a Sustainability Committee to provide guidance and oversee the implementation of all sustainability matters.

Climate change

VAT is on track to meet the goal of increasing the share of renewable energy to >90% and has achieved its goal of reducing its Scope 1 and 2 emissions by 50% versus 2022. We reduced GHG emission intensity (Scope 1 and 2) by 68% and our share of renewable energy increased from 63% in 2023 to 86% in 2024.

Building on the data from the past years' GHG inventory, for the first time VAT carried out a full GHG emissions data collection across all scopes. The GHG inventory revealed that over 95% of emissions are in Scope 3, relating in particular to materials purchased and the use phase of our products. With this information at hand, VAT has a solid baseline to start on its reduction path. We thus committed to the Science Based Target initiative in late 2024.

Inclusive workplace

In 2024, 28% of VAT's new hires were women. This already surpasses our goal of increasing the female share of new hires to 24% by 2027 and 25% by 2030.

eleVATe Equity, which started as a grassroots movement in 2023, continued its efforts to promote gender equity across the company, in line with VAT's passions of integrity and teamwork. The group has been directly supported by our CEO and now holds quarterly meetings providing a platform to network, inspire, and support each other. In 2024, more than 70 people attended the meetings.

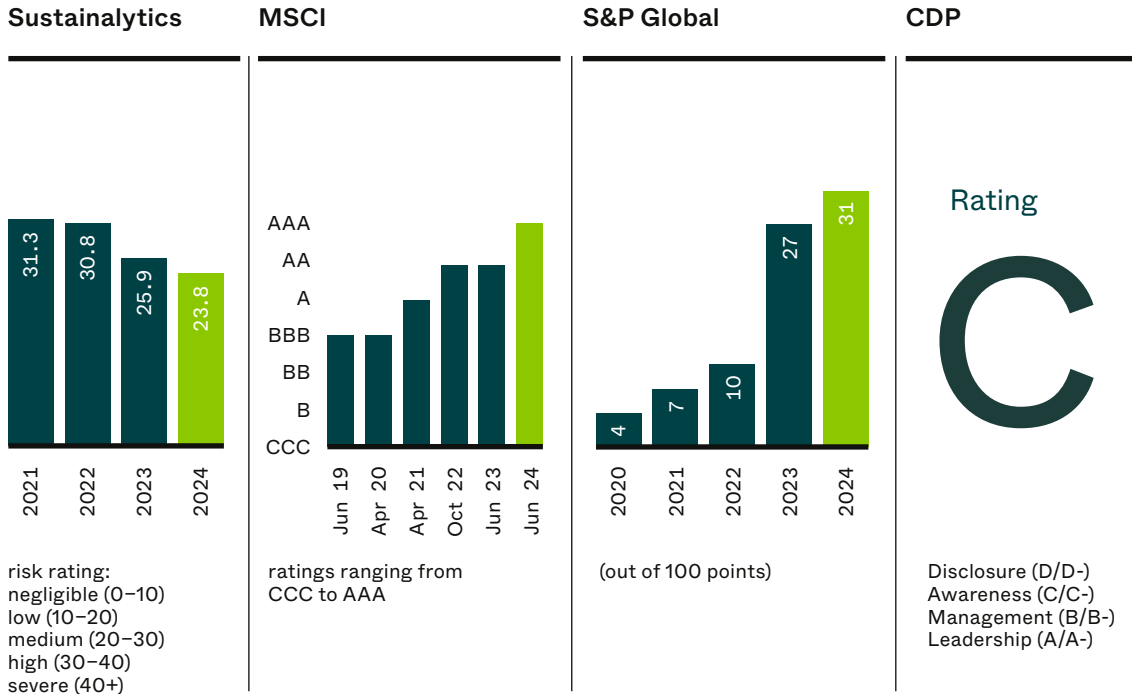
Beyond gender, VAT values other important diversity dimensions such as age and cultural background and employs people of 55 different nationalities.

Human rights

In 2024 we joined the RBA as an affiliate member. This commitment means that we continue to make sure our workplace is a safe and healthy environment, respect human and labor rights, eliminate conflict minerals from our products, and make our operations more environmentally friendly. It also means that we are actively monitoring our suppliers' compliance with these standards. We thus want to ensure that at least 90% of suppliers have signed VAT's supplier code of conduct by 2025, and 100% by 2026.

To read the Chairman's and CEO's letter, see our full Sustainability Report pages 2 to 5

Sustainability ratings and memberships



Memberships and commitments

	Semi, the leading microelectronics industry association, helps members grow their business and address industry challenges worldwide.
	SwissMEM is an industry association for both SMEs and major corporations in the Swiss technology industry.
	The Semiconductor Climate Consortium (SCC) is an alliance formed in 2022 to focus on the challenges of climate change and to speed up industry efforts to reduce greenhouse gas emissions in member company operations and in other parts of the value chain. For this reason, VAT decided to join the SCC as a founding member.
	The RBA is the leading industry initiative for companies committed to improving social, environmental, and ethical practices in their supply chains.
	The SBTi is a globally recognized initiative that helps companies set greenhouse gas (GHG) emission reduction goals aligned with climate science to limit global warming in line with the Paris Agreement.

Our business

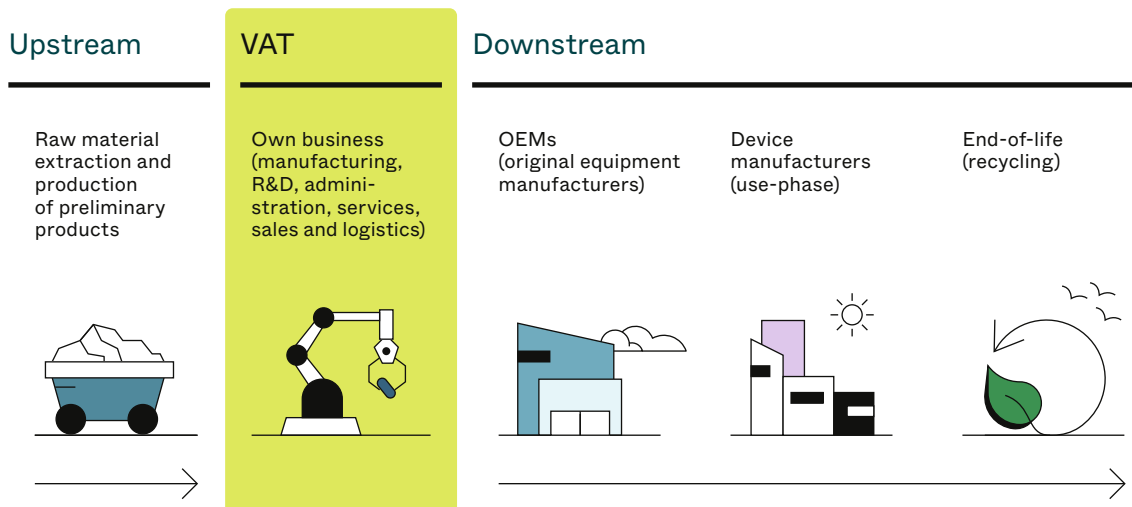
VAT is the world's leading supplier of advanced vacuum valves used to make semiconductors, photovoltaic solar cells, digital displays, and other products for industrial and research applications. The company is structured in two segments, Valves (which covers the Semiconductors and Advanced Industrials business units) and Global Service.

VAT employs approximately 3,000 people, with its headquarters in Switzerland and additional manufacturing sites in Malaysia and Romania. The company also operates sales and distribution sites in the US, Europe, and Asia. Many of VAT's largest customers have their main production centers in Asia, although Europe and the US remain key locations. Being close to customers helps us cut transport costs and the resulting environmental impacts.

Global trends driving growth

Digitalization is one of the most important trends for VAT. As demand grows for more and increasingly powerful chips, investment in new manufacturing tools is also increasing, boosting the need for vacuum valves. In parallel, advanced valves are required to manufacture more powerful and energy-efficient chips with node sizes of 3 nanometers or less, as these require more advanced manufacturing methods. New applications using artificial intelligence (AI) have also increased demand for advanced semiconductors. Renewable energy is another growth driver for VAT, for example in the manufacturing process of solar photovoltaic panels, electric vehicles, nuclear power generation facilities, and in research into future fusion power generation.

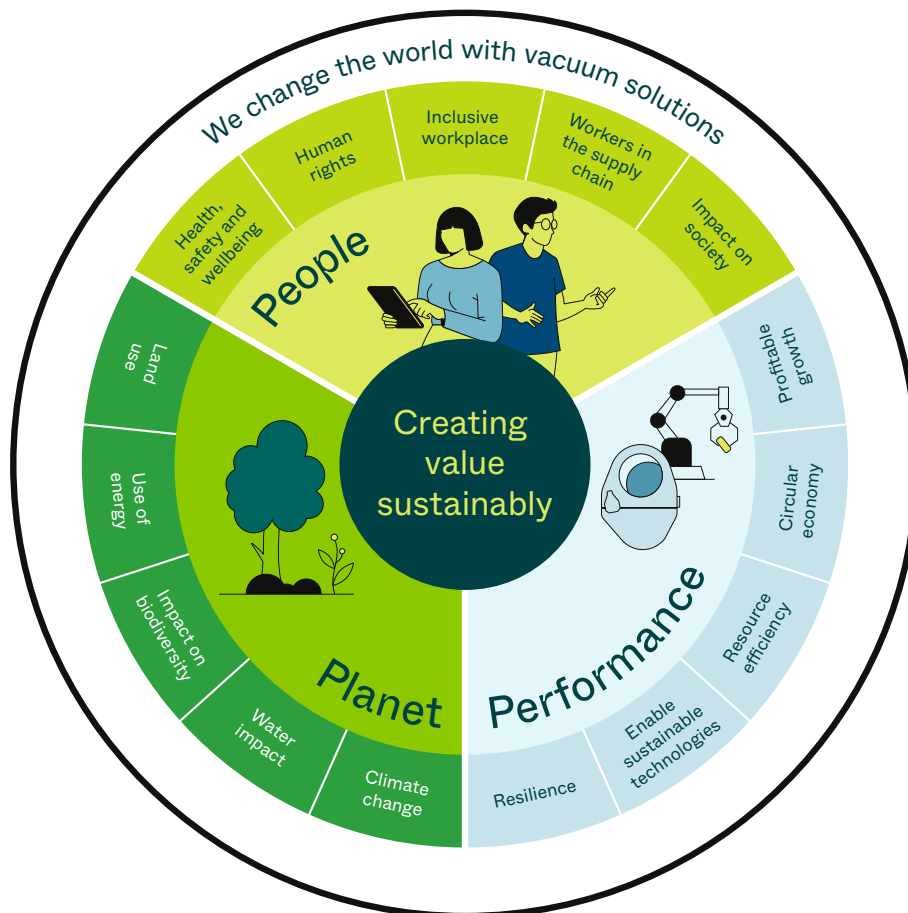
The VAT value chain



Sustainability strategy

At VAT we take responsibility not only for the quality and performance of our products, but also for our environmental and social impact. Such impacts may be directly related to our company or indirectly related to our value chain. Futureproofing the company to address risks is another critical aspect of VAT's sustainability strategy. At the same time, we believe that sustainability represents significant strategic opportunities for value creation, innovation, and growth. Lastly, sustainability matches our culture and is reflected in the four passions which define us: *integrity, teamwork, customer centricity, and innovation.*

In 2024, we further enhanced our sustainability framework, which is built around three key pillars: *people, planet, and performance*. *People* represent the social dimension, *planet* the environmental dimension, and *performance* the economic dimension. By addressing these areas, we also strengthen VAT's financial performance and its resilience. This sustainability strategy builds on the double materiality assessment (DMA) performed in 2022 and includes an updated set of sustainability targets for the years to come (see pages 13 to 14).



People

Internally, we foster a diverse and inclusive work environment where all employees can be their unique selves, no matter their gender, racial or ethnic background, sexual orientation, physical or mental disabilities, age, religion or socioeconomic background. We believe that an inclusive and diverse team can increase productivity, creativity, and innovative ideas. Externally, we make sure that the same ethical standards are applied across our supply chain, protecting workers' rights. We also take initiatives to increase our positive impact on the communities where we operate and society at large.

Talent management

VAT is committed to providing not only jobs, but also opportunities for career and personal development. Through a range of talent development and training programs, we help employees reach their full potential. For

instance, we launched our own apprentice training center in Malaysia in 2023 and welcomed the second cohort of eight apprentices in 2024.

Health, safety and wellbeing

VAT strives to avoid occupational accidents and illnesses. In 2024, it recorded 38 occupational accidents, a small increase versus last year that nevertheless confirms the long-term downtrend. The lost time accident (LTA)/1,000 full-time equivalents (FTEs) metric went down accordingly and the target of below 14 for 2024 was achieved.

In 2024, employees submitted over 2,500 proposals through the continuous improvement program (CIP). This initiative fostered awareness of health and safety topics and will be continued in the next years.

	2024	2023	2022
No. of fatalities	0	0	0
No. of lost time accidents	38	32	49
No. of days lost due to lost time accidents	560	517	327
Average no. of days lost per lost time accidents	15	16	7
LTA/1,000 FTEs (rate)	12.9	13.4	16.4
LTIFR per 1,000,000 hours (rate)	7.1	6.4	10.6
No. of cases of recordable work-related ill health	0	0	0
Data coverage (% of employees covered)	>95%	>95%	>95%

Human rights and workers in the supply chain

In 2024, we conducted 42 audits on tier 1 suppliers and launched a pilot program to gain insights into suppliers' human rights and labor practices, environmental practices, and business ethics. Potential risks of child labor remain in electronics supply chains, especially where we have limited visibility and control beyond tier 1. We are therefore working continuously to improve traceability and transparency across our supply chain. In 2024, VAT strengthened its commitment to responsible minerals sourcing by joining the Responsible Minerals Initiative (RMI).

Inclusive workplace

In 2024 women represented 28% of new hires, ahead of our goals set for 2027 and 2030. The percentage of women in the workforce is at 19%. VAT is also committed to pay transparency and equity (equal pay for equal work, regardless of gender). This engagement was recognized through the renewal of VAT Switzerland's Fair-ON-Pay+ certificate. A wide range of initiatives is in place to further promote employee engagement and develop women in our workforce. You can learn more about these initiatives on pages 46 to 50 of our Sustainability Report. Beyond gender diversity, VAT also has a rich cultural mix, with people of more than 50 nationalities working in the VAT family. The top three nationalities

Percentage of female new hires

28%

2023: 24%

Target value: 25% by 2030

represented within VAT's workforce are Malaysian (30%), Swiss (14%), and Austrian (13%).

Impact on society

VAT takes responsibility beyond the factory gates and strives to have a positive impact on society. We lead various initiatives such as education programs, external social activities, and sponsorship. In 2024, VAT had more than 600 people participating in events for social causes, embodying our passions *integrity* and *teamwork*.

Find more examples on our engagement in our Sustainability Report pages 51 to 52

Employees by country¹

	Full-time employees	Part-time employees	Fixed-term employees
Europe	1,659	135	52
of whom in Switzerland	1,299	117	52
of whom in Romania	337	15	0
Asia	1,090	0	26
of whom in Malaysia	877	0	25
Rest of the world	65	0	0
Subtotals	2,814	135	78
Total full-time and part-time employees 2024	2,949		
Total full-time and part-time employees 2023	2,677		

¹ The numbers are shown as of year end 2024. Therefore, for part-time employees and temporary staff a higher number of employees during the year may have been employed at VAT.

Planet

Our priority is to implement measures to reduce climate risks and VAT's environmental impact. VAT's primary environmental goal is therefore to decrease the CO₂ emission intensity of our sites, as well as across our value chain, to limit climate change. Additionally, we strive to use resources including water, energy, and land more efficiently.

Climate change

In 2024, several projects were completed to reduce our footprint in line with our targets. In Malaysia for example, solar power systems were commissioned on approximately 12,000 square meters of roof space. As a result, the capacity of the solar panels increased by 2,770 kWp. Once all the solar installations are completed and these new rooftop solar panels at the two existing factories in Malaysia are fully utilized, a total additional solar capacity of 3,384 MWh is projected for 2025.

Total Scope 1,2 and 3 GHG emissions

In tonnes of CO ₂ e	2024	2023	2022
Scope 1	1,449	1,061 ¹	1,219
Scope 2 (market-based)	1,106	6,351	12,351
Scope 3	451,553	369,895	–
Total Scope 1,2 and 3 GHG emissions	454,108	377,306	–

¹ Scope 1 published value in 2023 was 1,067, calculation corrected.

Emission intensity

In tonnes of CO ₂ e/net sales in CHF million	2024	2023	2022
Net sales	942.2	885.3	1,145.5
Scope 1 and 2 emissions (market-based) intensity	2.71	8.37	11.85
Total GHG emission intensity	481.97	426.19	–

In tonnes of CO ₂ e/order intake in CHF million	2024	2023	2022
Order intake	1,033.3	691.9	970.9
Scope 1 and 2 (market based) intensity	2.47	10.71	13.98
Total GHG emission intensity	439.47	545.32	–

Water impact

Water consumption at VAT went up in 2024, both in absolute and intensity terms. Most of our water consumption is in connection with the process for the cleaning of parts and is related to the factory output. While VAT does not manufacture in areas with high water stress, water scarcity is an increasing problem worldwide. VAT recognizes the importance of water conservation, especially within the semiconductor industry, which traditionally consumes substantial amounts of water.

Use of energy

Energy consumption, both in absolute and relative terms, has increased in line with VAT's increased business activity of VAT in 2024. This is reflected in our sales figures and an increase of more than 20% in semi-finished and finished goods in inventories.

More details can be found on pages 54 to 65 of the Sustainability Report

Energy consumption – production sites

In kWh	2024	2023	2022
Switzerland	20,494,087	17,216,478	21,827,709
Romania	3,757,690	3,779,620	4,125,601
Malaysia	17,017,696	15,491,943	19,490,740
Total energy consumption - production sites	41,269,472	36,488,041	45,444,050

Energy intensity

	2024	2023	2022
Revenue (CHF million)	942.2	885.3	1,145.5
Energy consumption (kWh) / revenue (CHF million)	43,801	41,215	39,672

Performance

We aspire to harness the benefits of resource efficiency, circularity, and sustainable innovation to continue creating value and growing our business. We strive to incorporate sustainability criteria in our product design early on, enabling better solutions for our clients and opening business opportunities.

Profitable growth

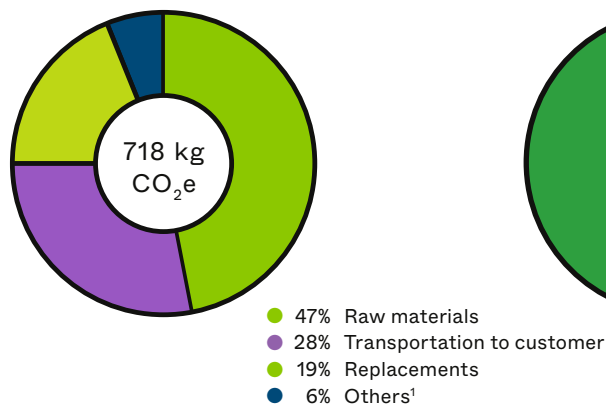
In 2024 we conducted a life cycle assessment (LCA) providing input for an environmental product declaration (EPD) for our 10.8 and 65.3 valves. Raw materials make up the largest part of the environmental footprint of the 10.8 valve and the second largest part of the 65.3 valve. However, the largest part of the carbon footprint of the 65.3 valve comes from the use phase, owing to the energy used by the heater. By making more energy-

efficient products, we enable the reduction of emissions in the use phase, allowing customers to save energy. For both valves, transportation represents the third major impact on the environment. We have therefore taken steps to improve our logistics routes and manufacture the products closer to our customers.

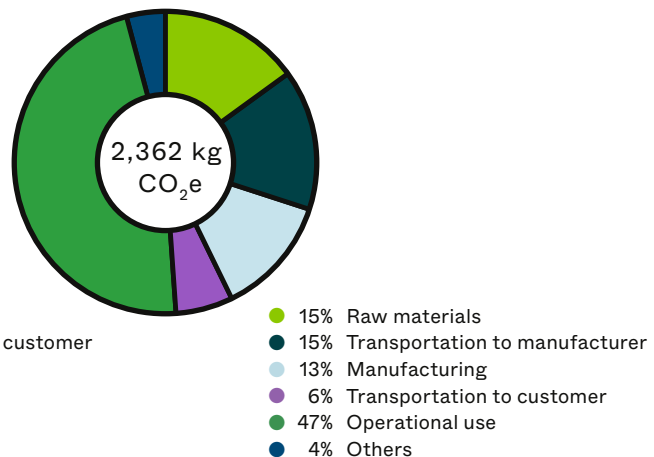
Circular economy and resource efficiency

By prioritizing waste reduction, recycling, and proper disposal methods, we minimize our ecological footprint, conserve resources, and promote a circular economy. We currently recycle 100% of the scrap metal generated during manufacturing processes. In 2024, we also started implementing a recycling program in Malaysia for waste from office activities.

Product Carbon Footprint
10.8 Gate Valve



Product Carbon Footprint
65.3 Control Valve



¹ Including transportation to manufacturer, manufacturing, and operational use

Enabling sustainable technologies

VAT aims to position itself as a key player in the development and scaling of sustainable technologies across all industries. Our vacuum valves play a crucial role in the manufacture of semiconductors needed to store energy in a smart grid, operate electric vehicles, and improve the energy and resource efficiency of industrial processes. VAT technology is also present in the nuclear power generation sector, and we are active in unclear fusion research and development.

Information security

In 2023, VAT established a dedicated cyber defense team and introduced supplementary policies and guidelines aimed at supporting information security measures within the organization. In addition, VAT has developed a cyber third-party risk management (CTPRM) strategy and methodology designed to seamlessly integrate with its supply chain operations.

More details can be found on pages 66 to 74 of the Sustainability Report

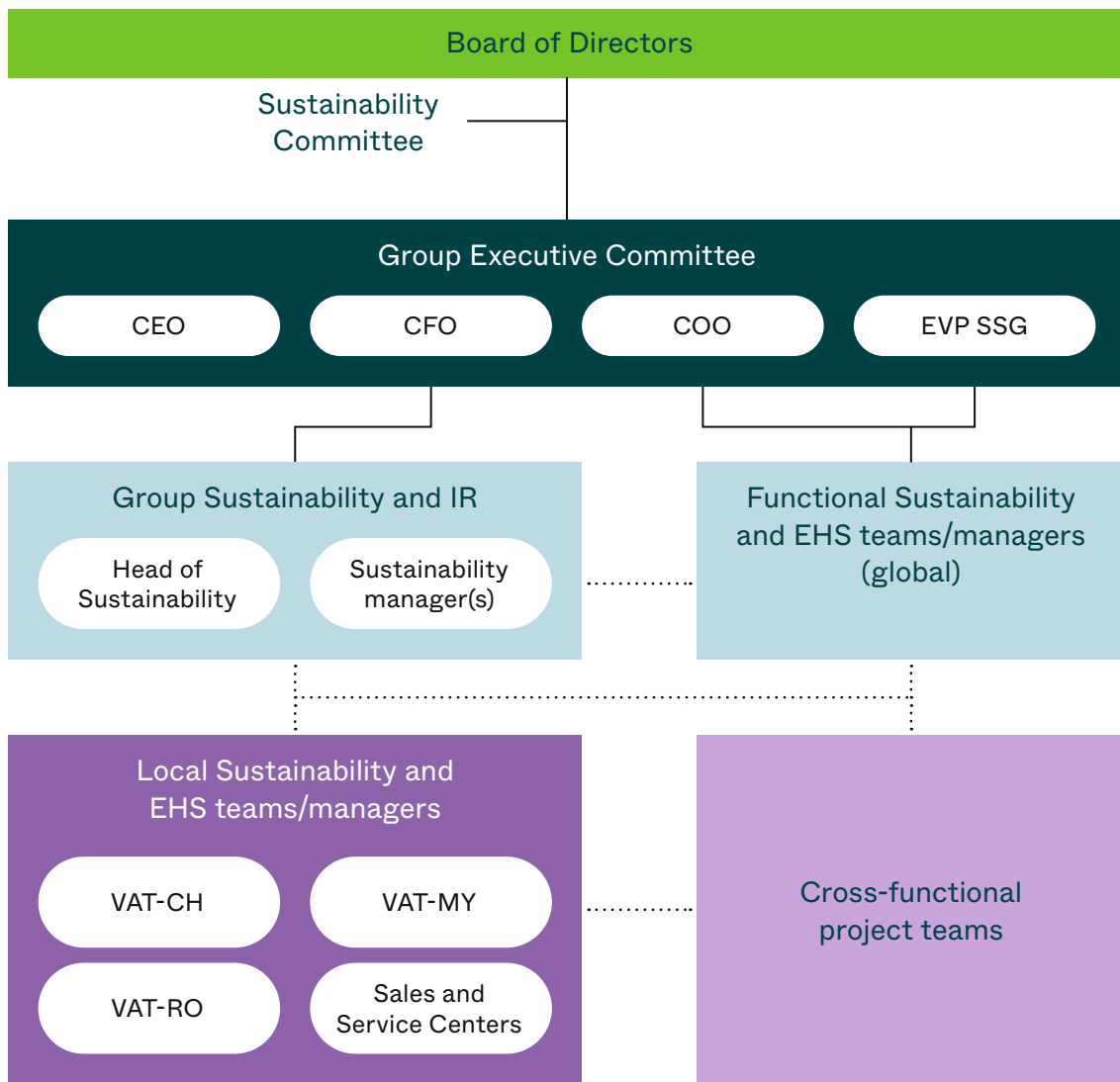
Waste by treatment

In tonnes	2024	2023	2022	Change
Total waste recycled / reused	3,960.6	3019.6	3360.1	31%
Total waste disposed	1,249.0	1513.8	1516.0	-17%
Waste landfilled	320.0	596.5	257.2	-46%
Waste incinerated with energy recovery	928.9	917.4	835.9	1%
Waste incinerated without energy recovery	0.0	0.0	216.7	0%
Data coverage (as % of employees)	>95%	>95%	>95%	

Governance

The ultimate steering of sustainability across the company lies with the newly established Board of Directors Sustainability Committee. VAT has also invested in dedicated full-time

resources working on aspects of sustainability across all relevant departments and at the group level.



Board of Directors

The Board of Directors is entrusted with the ultimate direction of VAT's business and the supervision of those entrusted with VAT's management, the Group Executive Committee.

Board of Directors' Sustainability Committee

A Sustainability Committee comprising members of the Board of Directors was established in 2024 to provide guidance and oversee the implementation of all sustainability matters at VAT.

Group Executive Committee

The CEO supervises the implementation of policies on responsible business conduct with daily support from the compliance department. The responsibility for sustainability is delegated to the CFO. The variable short-term incentive for the Group Executive Committee depends on the company's sustainability performance, among other factors.

Group Sustainability and Investor Relations

Operationally, sustainability is steered by the Group Sustainability team, which reports to the CFO, in collaboration with local and functional experts within VAT.

Local Sustainability and EHS teams

Local responsibilities for sustainability matters, especially environment, health, and safety processes, are delegated to dedicated resources, while project teams are put in place to achieve specific results in support of the overall sustainability vision.

Functional Sustainability and EHS teams (global)

The Supply Chain Sustainability team makes sure that VAT's supply chain fulfills expectations and regulatory requirements in terms of social and environmental responsibility. Environmental, Health, and Safety (EHS) teams promote a safety culture by planning awareness campaigns, making sure procedures for operational controls are in place, defining policies and overseeing adherence to them.

Embedding governance in the organization

VAT's code of conduct aims to uphold the highest integrity standards and compliance with national and international laws and regulations. Misconduct can be reported anonymously through VAT's compliance hotline, and we protect those reporting concerns from discrimination or retaliation.

VAT management system


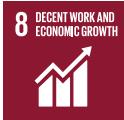

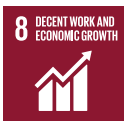


VAT maintains an externally certified combined quality and environmental management system according to ISO 9001 and 14001, as certified under the ISO scope. VAT has established ISO 9001:2015 and 14001:2015 certification covering seven of its 14 national subsidiaries¹, representing more than 95% of employees.

More details can be found on pages 75 to 82 of the Sustainability Report and in the Annual Report

¹ Excluding COMVAT and VAT Group AG








Sustainability targets

People

Topic	Target	Current value	Status
Health, safety and wellbeing			
	Maintain accident severity ¹ below 10 by 2026	12.9	On track
	Set up ISO 45001 (Health and Safety) management system by 2025	n/a	New target – planned
Human rights			
	Conduct human rights risk assessment at all VAT manufacturing sites	n/a	New target – planned
	Train at least 95% of employees in human rights	n/a	New target – on track
Inclusive workplace			
	Increase the share of women among new hires to 24% by 2027 and 25% by 2030	28%	Achieved
	Increase the share of women in leadership positions to 25% by 2027	14%	Under review
Workers in the supply chain			
	Conduct supply chain RBA assessment with 80% of suppliers (by spend) in 2025	n/a	New target – planned
	At least 90% of suppliers have signed VAT's supplier code of conduct by 2025, and 100% by 2026	73%	New target – on track
Impact on society			
 	By 2029, 30% of employees are taking part in a social activity organized or supported by VAT	21%	New target – on track

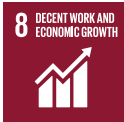




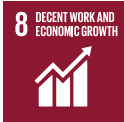

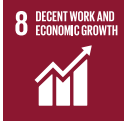

¹ Lost Time Accidents (LTA)/1,000 FTE

Planet

Topic	Target	Current value	Status
Climate change			
			<p>Reduce Scope 1 and 2 emissions by 50% by 2025 (versus 2022)</p> <p>–81%</p> <p>Achieved</p>
			<p>Reduce Scope 3 emissions in line with SBTi by 2033 (versus 2023)</p> <p>n/a</p> <p>New target – on track</p>
Water impact			
			<p>Conduct a water stress assessment¹ for each VAT manufacturing site by 2025</p> <p>n/a</p> <p>New target – planned</p>
Use of energy			
			<p>Increase the share of renewable energy consumed at VAT to over 90% by 2027</p> <p>85.6%</p> <p>On track</p>

¹ A water stress assessment is designed to assess operational risks based on how individual sites depend upon and potentially impact water resources.

Performance

Topic	Target	Current value	Status
Profitable growth			
 	Provide product-specific information on sustainability and circularity to clients for 20% of sales by the end of 2025	17%	New target – on track
Circular economy			
	By 2029, increase the value of VAT's service offering by ensuring longevity and the promotion of product circularity	Addressed	New target – on track
Resource efficiency			
 	Increase the recycling rate of the scrap metal at all VAT manufacturing sites to 100% by 2025	100%	Achieved
Enable sustainable technologies			
 	By 2029, step up R&D efforts to ensure thought leadership in sustainable technologies	Addressed	New target – planned
Resilience			
 	By 2025, have mitigation plans for sustainability risks in place and managed in the group-wide risk management process	n/a	New target – planned
	Over 95% of employees have completed the cybersecurity training by 2025	86%	New target – on track
	Maintain zero confirmed cases of corruption	0	New target – on track
	By 2025, 100% of reported whistleblowing concerns are investigated and closed	100%	New target – on track

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This report is available in English,
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and Malay

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Forward-looking statements

Forward-looking statements contained herein are qualified in their entirety as there are certain factors that could cause results to differ materially from those anticipated. Any statements contained herein that are not statements of historical fact (including statements containing the words “believes,” “plans,” “anticipates,” “expects,” “estimates” and similar expressions) should be considered to be forward-looking statements. Forward-looking statements involve inherent known and unknown risks, uncertainties and contingencies because they relate to events and depend on circumstances that may or may not occur in the future and may cause the actual results, performance or achievements of the company to be materially different from those expressed or implied by such forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond the company's ability to control or estimate precisely, such as future market conditions, currency fluctuations, the behavior of other market participants, the performance, security and reliability of the company's information technology systems, political, economic and regulatory changes in the countries in which the company operates or in economic or technological trends or conditions. As a result, investors are cautioned not to place undue reliance on such forward-looking statements.

Except as otherwise required by law, VAT disclaims any intention or obligation to update any forward-looking statements as a result of developments occurring after the date of this report.

Focus of our work in 2025

Implementing our sustainability strategy, embedding it in our daily operations, and working towards our targets will be a priority for 2025.

VAT will continue to engage with stakeholders and foster internal dialogue to progress collectively on our sustainability journey. We will strengthen due diligence and supplier engagement capabilities to tackle external human rights risks. A new materiality assessment will enhance our awareness of our impact on sustainability-related topics. We will also progress towards setting near-term emission reduction targets and fulfill our commitment to SBTi.

Our ambition is to balance environmental, social, and financial concerns with the aim of creating value sustainably and fostering long-term growth.